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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Biocytogen Pharmaceuticals (Beijing) Co., Ltd., you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.****百奥赛图(北京)医药科技股份有限公司**

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

(Stock Code: 2315)

- (1) PROPOSED ISSUE OF A SHARES UNDER SPECIFIC MANDATE
AND LISTING ON THE SCI-TECH BOARD AND OTHER
ANCILLARY RESOLUTIONS**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES ANCILLARY
TO THE PROPOSED ISSUE**
- (3) PROPOSED GUARANTEE FOR A WHOLLY OWNED SUBSIDIARY
AND**
- (4) NOTICE OF EXTRAORDINARY GENERAL MEETING AND
CLASS MEETINGS**

A letter from the Board is set out on pages 5 to 36 of this circular.

The notice convening the EGM and Class Meetings to be held on Thursday, April 20, 2023 at 10:00 a.m. (Hong Kong time) with the combination of a physical meeting at the conference room of 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC and a virtual meeting online or any adjournment or postponement thereof is set out on pages N-I-1 to N-III-6 of this circular.

Such forms of proxy for use at the EGM and Class Meetings are enclosed with this circular. The forms of proxy can also be downloaded from websites of the Company at <https://www.biocytogen.com.cn> and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. Shareholders are recommended to complete, sign and return the proxy form in accordance with the instructions printed thereon and return it to the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), or to the Company's registered office at 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC (for the Domestic and Unlisted Shareholders), or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company (for all Shareholders) as soon as possible but in any event no later than 24 hours before the time appointed for the EGM (i.e. no later than 10:00 a.m. on Wednesday, April 19, 2023 (Hong Kong time) or the adjourned meeting (as the case may be).

This circular together with the form of proxy are also published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and that of the Company (<https://www.biocytogen.com.cn>).

References to time and dates in this circular are to Hong Kong time and dates.

March 31, 2023

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DEFINITION

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

“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 and Unlisted Shareholders to be held, the notices of which are set out in pages N-II-1 to N-III-6 of this circular
“Company”	Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (百奧賽圖(北京)醫藥科技股份有限公司), a limited liability company incorporated in the PRC on November 13, 2009 and converted into a joint stock limited liability company incorporated in the PRC on December 29, 2020 whose predecessor was Beijing Biocytogen Gene Biotechnology Co., Ltd. (北京百奧賽圖基因生物技術有限公司)
“Controlling Parties”	Dr. Shen Yuelel and Dr. Ni Jian, being the natural persons ultimately controlling the management and operations of our Group, and members of our single largest group of Shareholders
“Core Products”	YH001 and YH003, the designated “core products” as defined under Chapter 18A of the Listing Rules
“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 and Unlisted Share(s)”	Domestic Share(s) and Unlisted Share(s)

DEFINITION

“Domestic and Unlisted Shareholders”	holder(s) of the Domestic and Unlisted Share(s)
“Domestic Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi
“Domestic Shareholder(s)”	holder(s) of the Domestic Shares
“EGM”	the 2023 first extraordinary general meeting of the Company to be held, the notice of which is set out in pages N-I-1 to N-I-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 Shareholder(s)”	holder(s) 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
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China
“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
“Issue of A Shares”	the proposed initial public issue of not more than 99,849,605 A Shares, which will be listed on the Sci-Tech Board

DEFINITION

“Latest Practicable Date”	March 24, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“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 August 19, 2022
“R&D”	Research and development
“Reporting Period”	The periods comprising the three financial years ended December 31, 2020, 2021 and 2022
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Sci-Tech Board” or “SSE STAR MARKET”	the Sci-Tech Innovation Board of the Shanghai Stock Exchange
“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
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue A Shares pursuant to the Issue of A Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

DEFINITION

“Unlisted Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in a currency other than Renminbi, held by foreign investors and not listed on any stock exchange
“Unlisted Shareholder(s)”	holder(s) of the Unlisted Shares
“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

* *For identification purpose only*

LETTER FROM THE BOARD



BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

百奥赛图(北京)医药科技股份有限公司

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

(Stock Code: 2315)

Executive Directors:

Dr. Shen Yuelei (*Chairman, CEO and
General Manager*)
Dr. Ni Jian
Dr. Zhang Haichao

Registered office:

12 Baoshen South Street
Daxing Bio-Medicine Industry Park
Daxing District, Beijing
PRC

Non-executive Directors:

Mr. Wei Yiliang
Dr. Zhou Kexiang
Ms. Zhang Leidi

*Principle place of business
in Hong Kong:*

40th Floor
Dah Sing Financial Center
No. 248 Queen's Road East
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. Hua Fengmao
Dr. Yu Changyuan
Ms. Liang Xiaoyan

Hong Kong, March 31, 2023

To the Shareholders

Dear Sir or 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**
- (3) PROPOSED GUARANTEE FOR BANK CREDIT FACILITIES
FOR A WHOLLY OWNED SUBSIDIARY
AND**
- (4) NOTICE OF EXTRAORDINARY GENERAL MEETING AND
CLASS MEETINGS**

I. INTRODUCTION

Reference is made to the announcements of the Company dated March 6, 2023 and March 15, 2023 in relation to, among others, the Proposed Issue of A Shares and the proposed amendments to the Articles.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the EGM and the Class Meetings to be held on Thursday, April 20, 2023, 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. For the details of the proposed resolutions at the EGM and the Class Meetings, please also refer to the notices of the EGM and the Class Meetings enclosed with this circular.

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 a maximum of 99,849,605 A Shares (but no less than 44,377,603 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 (xi) of the Notice of the EGM and resolutions 1 (i) to (xi) 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 special resolutions 2 to 10 and ordinary resolutions 11 to 14 of the Notice of the EGM and special resolutions 2 to 9 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) *Place of listing*

All A Shares will be listed and traded on the Sci-Tech Board of the Shanghai Stock Exchange.

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

RMB1.00 each.

(4) *Issue size*

The total number of new A Shares to be issued by the Company shall be no more than 99,849,605 but no less than 44,377,603 new A Shares, representing 20% and 10% of the enlarged issued Shares upon completion of the Issue of A Shares respectively (excluding the number of A Shares to be issued pursuant to the over-allotment option), subject to the final number of A Shares registered by the CSRC.

LETTER FROM THE BOARD

The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing Shareholders. The Company and the lead underwriter(s) may exercise the over-allotment option, and the number of A Shares to be issued pursuant to the exercise of the over-allotment option shall not exceed 15% of the number of the Proposed Issue of A Shares.

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

(5) Target subscribers

Domestic natural persons, legal entities and other investors, except those whose purchase is prohibited by national laws, regulations and regulatory documents, who meet the conditions set forth by national laws, regulations and regulatory bodies for inquiry and who have opened trading accounts for shares on the Sci-Tech Board of the Shanghai Stock Exchange.

It is expected that no Issue of A Shares will be made to connected person of the Company. In the event that any of the subscribers of the Issue of A Share are or will become connected persons of the Company, the Company will take reasonable measures to comply with the relevant PRC laws, regulations, regulatory documents and the relevant provisions of the Listing Rules.

(6) Method of issuance

The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants, offering by way of on-line subscription by public investors at a fixed price and offering by way of placement to strategic investors or other methods of issuance approved by the CSRC and the Shanghai Stock Exchange. To the best knowledge of the Directors, there is currently no other methods of issuance other than through a combination of off-line placement and offering by way of on-line capital subscription.

(7) Method of underwriting

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

(8) Pricing methodology

The specific issue price of the Issue of A Shares shall be determined by the Board and the lead underwriter(s) through market inquiry or in accordance with other means approved by the CSRC and the Shanghai Stock Exchange. Pursuant to the PRC Company Law, the issue price of A Shares shall not be lower than the nominal value of the

LETTER FROM THE BOARD

Company's Shares (i.e. RMB1.00 per Share). Except that, there are no other legal or regulatory requirements stipulating a lower price limit for the issue of A shares. The Company will issue A Shares at a price no less than the latest audited net asset value per Share prior to the issuance of A Shares.

As at December 31, 2022, the net asset value per share of the Company was RMB2.88. 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 of H Share as quoted on the Stock Exchange is HK\$25.20 per H Share.

(9) Schedule of issuance

The Company will proceed with the Issue of A Shares within 12 months from the date of obtaining the registration document of the CSRC for the Issue of A Shares. The Company will apply for the listing and trading of the Company's shares on the Sci-Tech Board of the Shanghai Stock Exchange as soon as possible after the completion of the Issue of A Shares.

(10) Issuance expenses coverage

The expenses of the Issue of A Shares are to be borne by the Company.

(11) Use of proceeds

The proceeds from the Issue of A Shares are intended to be used for the drug early development service platform construction project, the antibody drug development and evaluation project, preclinical and clinical development project and supplementary working capital. Please refer to "II. DETAILS OF THE RESOLUTIONS – 2. Other Resolutions related to the Issue of A Shares – (2) The investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis" for further details of the intended use of proceeds from the Issue of A Shares.

(12) Validity period of the resolutions

The resolutions in respect of the Issue of A Shares will be valid for a period of 12 months from the date of its adoption 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 N-I-1 to N-I-7 of the Notice of the EGM, resolutions N-II-1 to N-II-6 of the Notice of the Class Meeting of H Shareholders and resolutions N-III-1 to N-III-6 of the Notice of the Class Meeting of Domestic and Unlisted Shareholders 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 14 of the Notice of the EGM and resolutions 2 to 9 of the Notices of the Class Meetings) will not proceed.

LETTER FROM THE BOARD

(1) Authorization the Board of Directors and persons authorized by it to fully handle relevant matters in connection with 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 adjust the specific plan 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.
- (b) Implementation all procedure and affairs in connection with the Issue of A Shares, including the filing of application for the Issue of A Shares to the Shanghai Stock Exchange, the response to comments from the Shanghai Stock Exchange, and the application for listing on the Shanghai Stock Exchange after the approval of registration by the CSRC.
- (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) Making, amending, signing, approving, submitting, disclosing, executing, suspending or terminating agreements, announcements, undertakings, statements, confirmations, proposals, programs, plans, measures or other documents, including but not limited to prospectuses, sponsorship agreements, underwriting agreements, intermediary service agreements, in connection with the offering and listing.
- (e) Within the scope of the resolution of the shareholders' meeting, to make adjustments to the specific arrangements of the investment projects to be funded by the proceeds, including but not limited to the adjustment of the investment schedule of the project; to sign major contracts and other relevant documents in the course of the operation of the investment projects to be funded by the proceeds.
- (f) Determining the special account for proceeds as needed before the issue and authorizing the opening of the special storage account for proceeds.

LETTER FROM THE BOARD

- (g) 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.
- (h) According to the Issue of A Shares and listing on the Sci-Tech Board, revision of related laws, regulations and other regulatory documents, the amendments of the Articles and other policies of the Company, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- (i) The amendment and submission of listing application materials as required by a change of policies or market circumstances within the effective period for the Issue of A Shares.
- (j) 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 12 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 net proceeds raised from the Issue of A Shares will be used for the following projects (the “**Projects**”) in the following expected timeline:

No.	Project Name	Proposed Investment Amount from Proceeds Raised (RMB)	Expected timeline
i.	Drug early development service platform construction project	597,970,000	The second half year of 2023 to the end of 2026
i.1.	Model animal base in China	390,320,000	The second half year of 2023 to the end of 2026
i.2.	Model animal-based drug early development service platform project	207,650,000	The second half year of 2023 to the end of 2026

LETTER FROM THE BOARD

No.	Project Name	Proposed Investment Amount from Proceeds Raised (RMB)	Expected timeline
ii.	Antibody drug development and evaluation project	395,130,000	The second quarter of 2023 to the end of 2026
iii.	Preclinical and clinical development project	400,000,000	The second quarter of 2023 to the end of 2026
iv.	Supplementary working capital	500,000,000	The second half year of 2023 to the end of 2026
Total		<u>1,893,100,000</u>	

Note: The official description and/or name(s) of the Projects remain subject to the filing and/or approval (as applicable) with the relevant government authorities.

If the net proceeds actually raised cannot satisfy the funding needs for the Projects, the Company will obtain funds by itself. If the time of availability of the raised proceeds does not coincide with the time requirement of capital needs, the Company will invest with its own funds or bank loans first according to the actual situation, and then replace them when the proceeds are available. If the proceeds raised from the Issue of A Shares exceeds the capital requirements of the Projects, the surplus amount will be used for the Projects related to the main business and working capital required for the development of the main business in strict accordance with the management system of the funds raised.

Further details on the use of proceeds for each of the designated projects are set forth below:

Drug early development service platform construction project

The aim of the drug early development service platform construction project is to build a fully functional and technologically advanced biopharmaceutical research and development, production and technical service base based on genetically modified animal models which will help the Company to conduct large-scale antibody drug early discovery, screening and research on the screened high-quality antibody candidates. This project will improve the Company's ability to supply gene editing animal models and model animal-based drug early development services significantly.

LETTER FROM THE BOARD

The construction project will be located in Haimen District, Nantong City, Jiangsu Province, China. The total project investment is estimated to be RMB597.97 million and the project is expected to start in the second half of 2023 with a construction period of 36 months.

Antibody drug development and evaluation project

As to the antibody drug development and evaluation project, the purpose is to develop molecules for each target in batches, and through cross-immunization and in vitro screening technology to obtain antibody molecules that can recognize multiple species for drug effectiveness verification in humanized mouse models, so as to obtain lead antibody drug candidates and build a platform for antibody drug development and evaluation. Based on the developed lead antibody molecules, the Company will enter into development collaborations with other pharmaceutical research and development companies.

The project will be conducted in Beijing, China. The total project investment is estimated to be RMB395.13 million and the project is expected to start in the second half of 2023 with a period of 36 months.

Preclinical and clinical development project

The preclinical and clinical development project will advance the Company's drug candidates currently in preclinical research and clinical trials, as well as identify and select candidates with the best efficacy and safety performance as drug candidates for development in the future, enriching the company's research and development pipeline and improving the new drug development system. The proceeds allocated for preclinical and clinical development is expected to be primarily used to fund trials of several pre-clinical projects and pre-clinical CMC research and toxicology and pharmacology research.

The project will be conducted in Beijing, China. The total project investment is estimated to be RMB400.00 million and the project is expected to start in the second quarter of 2023 with a period of 36 months.

Use of proceeds from the Global Offering

In respect of drug early development service platform construction project (including model animal base in China and model animal-based drug early development service platform project), which is allocated with around 32% of the proceeds from the proposed Issue of A Shares, it is of a nature different from the use of proceeds from the Global Offering.

LETTER FROM THE BOARD

In respect of antibody development and evaluation project (which accounts for around 21% of the proceeds from the proposed Issue of A Shares), while approximately HK\$80.55 million of the proceeds from the Global Offering was allocated to the antibody drug discovery and development (Project Integrum), a significant portion of the proceeds from the Global Offering have already been utilized by the Company. As of February 28, 2023, HK\$68.05 million (representing approximately 84% of the proceeds from the Global Offering allocated for such purpose) has already been utilized, mainly to cover expenses incurred by the Company so far on the project. Taking into account of factors including development and capacity expansion of the project, the actual usage of the proceeds from the Global Offering, the Company considered that the intended allocation of proceeds from the proposed Issue of A Shares to the project is well-founded and is in line with the Company's plan of future development.

In respect of the proceeds from the Issue of A Shares allocated for preclinical and clinical development, these proceeds are expected to be primarily used to fund trials of several pre-clinical projects, and pre-clinical CMC research and toxicology and pharmacology research. The intended use of such proceeds is distinct from the primary use of proceeds from the Global Offering, such as funding clinical research and development of Core Products of the Company (YH003 and YH001) and other clinical stage candidates of the Company (YH002 and YH004). 5% of the net proceeds from the Global Offering (i.e. HK\$26.85 million) was allocated for funding pre-clinical trials for six other candidates including YH008, YH009, YH006, YH010, YTH012 and YH013. As of February 28, 2023, HK\$26.18 million of which has already been utilized. Taking into account of factors including development status of the pre-clinical candidates, the expected needs of capital for funding the trials and the actual usage of the proceeds from the Global Offering, the Company considered that the intended allocation of proceeds from the proposed Issue of A Shares to the project is well-founded and is in line with the Company's plan of future development.

In respect of supplementary working capital, whilst 5% of the net proceeds from the Global Offering (i.e. HK\$26.85 million) was allocated for such needs, as of February 28, 2023, HK\$24.75 million of the proceeds have been used in payment of rent, utilities, consulting services, testing fees and some personnel expenses, etc. Taking into account of factors including the expected needs of general working capital and the actual usage of the proceeds from the Global Offering, the Company considered that the intended allocation of proceeds from the proposed Issue of A Shares to the project is well-founded and is in line with the Company's plan of future development.

LETTER FROM THE BOARD

Below is a table summarizing the actual use of proceeds from the Global Offering (inclusive of proceeds from partial exercise of over-allotment option) as at February 28, 2023 (which may be of comparable nature to the intended use of proceeds from the Proposed Issue of A Shares):

Project Name	Plans of use of proceeds (approximately, HK\$ million)	As of February 28, 2023, the amount of proceeds from the Global Offering used (approximately, HK\$ million)
Antibody development and evaluation project	80.55 (15% of total proceeds)	68.05
Preclinical and clinical development project	–	–
Fund pre-clinical trials of several drug candidates, including YH008, YH009, YH006, YH010, YH012 and YH013	26.85 (5% of total proceeds)	26.18
Working capital and other general corporate purposes	26.85 (5% of total proceeds)	24.73

(3) Proposal for the plan for undertaking accumulated 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 the plan for undertaking accumulated unrecovered losses prior to the Issue of A Shares.

If the Company's proposal for the Issue of A Shares and listing on the Sci-Tech Board is approved by the Shanghai Stock Exchange and reported to the CSRC for registration, the accumulated unrecovered losses of the Company prior to the Issue of A Shares shall be borne by the new and existing Shareholders of the Company after the Issue of A Shares in proportion to their respective shareholdings after the Issue of A Shares and Listing.

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(4) 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 to Stabilize the Company's Stock Price within Three Years after the Initial Public Offering of RMB Ordinary Shares (A Shares) and Listing on The SSE STAR Market”. Full text of the plan is set out in Appendix I to this circular.

(5) 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》), the Articles of Association and other regulatory documents, a special resolution will be proposed at the EGM and the Class Meetings to consider and approve the “The Initial Public Offering and the Shareholder Return Planning of RMB Ordinary Shares (A Shares) Due within Three Years (including the Year of Listing) After the Listing on the SSE STAR Market”. Full text of the plan is set out in Appendix II to this circular.

(6) Impact of dilution on immediate return by the initial public offering of A Share 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 “Impact Analysis of Diluted Immediate Return on The IPO of RMB Ordinary Shares (A Shares) and Measures to Make Up the Gap”.

In order to protect the interests of minority shareholders, the Company has conducted sufficient analysis on the impact of dilution on immediate return by the Issue of A Shares and has formulated the “Impact Analysis of Diluted Immediate Return on The IPO of RMB Ordinary Shares (A Shares) and Measures to Make Up the Gap”. Full text of the analysis and proposed recovery measures are set out in Appendix III to this circular.

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(7) Undertakings, commitments 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, commitments 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 (l) below. Details of the undertakings, commitments and restraining measures are as follows:

(a) Statements and Commitments on the Truthfulness, Accuracy and Completeness

The Company commits that there are no false records, misleading statements or material omissions in the listing application documents (including prospectus) and other information disclosure materials of the Company concerning the Issue of A Shares and the listing on Sci-Tech Board, and shall bear individual and joint legal liabilities for the authenticity, accuracy and completeness thereof.

Where the Company's prospectus and other information disclosure materials contain false records, misleading statements or major omissions, resulting in losses to investors in the issuance and trading of securities, the Company shall compensate the investors for such losses in accordance with the law.

Where there is any false record, misleading statement or material omission in the prospectus and other information disclosure materials of the Company, which has a significant and material impact on the judgment as to whether the Company meets the issuance conditions stipulated by law, the Company will repurchase all new A shares initially and publicly offered in accordance with the law. Within five (5) trading days after the securities regulatory authority or any other competent authority determines that there are any false records, misleading statements or material omissions in the Company's prospectus and other information disclosure materials that have a material and substantial impact on the judgment as to whether the Company meets the issuance conditions as prescribed by law, the Company will convene a meeting of the Board of Directors in accordance with relevant laws, regulations, rules and the Articles of Association, and propose to convene a general meeting of shareholders to initiate the repurchasing shares procedure. The repurchase price shall be equal to the issue price of the Company in the Issue of A Shares (in case of ex-rights and ex-dividends due to the distribution of cash dividends, bonus shares, increased capital stock, additional issuance of new shares, etc., corresponding adjustments shall be made in accordance with the relevant provisions of the CSRC and the Shanghai Stock Exchange).

The Company will compensate investors for their losses in accordance with the law.

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(b) Commitments on Repurchase of Shares in Case of Fraudulent Issuance

Whereas the Company intends to apply for the Issue of A Shares and the listing on Sci-Tech Board, the Company commits as follows:

- 1) The Company warrants that the Issue of A Shares and the listing on the Sci-Tech Board does not involve any fraudulent offering circumstances.
- 2) Where the Company fails to meet the conditions for issuance and listing, defrauds the issuance registration by fraudulent means, and has issued securities and been listed, the Company will initiate the share repurchase procedure within five working days after the confirmation of CSRC and other competent authorities to repurchase all new shares issued by the Company in this offering.

The Company will compensate investors for their losses in accordance with the law.

(c) Commitment on the Profit Distribution Policy

Where the Company intends to apply for the Issue of A Shares and the listing on Sci-Tech Board, the Company hereby commits in respect of the profit distribution policy as follows:

The Company commits to abide by and implement the relevant profit distribution policy applicable to the Articles of Association and the “Initial Public Offering and the Shareholder Return Planning of RMB Ordinary Shares (A Shares) Due within Three Years (including the Year of Listing) After the Listing on the SSE STAR Market” approved by the Shareholders’ General Meeting of the Company in effect at that time. In case of any changes in the relevant laws, regulations and normative documents, the Company will timely adjust and strictly implement the profit distribution policy of the Company in accordance with such changes.

In case of any losses to the investors caused by the violation of the above commitments, the Company will be liable to the investors in accordance with the law.

The Company will compensate investors for their losses in accordance with the law.

(d) Commitments on Non-Performance of the Disciplinary Measures Promised in prospectus

Where the Company intends to apply for the Issue of A Shares and the listing on Sci-Tech Board, the Company commits as follows in response to the commitments made by the Company in the prospectus:

- 1) The Company will strictly fulfill all the public commitments disclosed in the prospectus of the Company and actively accept social supervision.

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- 2) Where the Company fails to perform, is unable to perform or fails to perform as scheduled the relevant public commitments (except for objective reasons beyond the control of the Company, such as relevant laws and regulations, policy changes, natural disasters and other force majeure), the Company commits as follows:
- i. To timely, fully, and publicly explain the specific reasons for failure or inability to perform or failure to perform as scheduled in the disclosure media designated by the shareholders' meeting and the CSRC, and apologize to investors;
 - ii. To propose supplementary or alternative commitments to investors to protect the rights and interests of investors as much as possible, and to submit such supplementary or alternative commitments to the shareholders' meeting for deliberation;
 - iii. To reduce or suspend remuneration or allowances for Directors, Supervisors and senior management personnel who are personally responsible for such failure to fulfill the commitments of the Company;
 - iv. To be prohibited from approving any application for voluntary resignation by any Directors, Supervisors and senior executives who have not performed their commitments, but a change of position may be made; and
 - v. To compensate any investors for any losses caused by the Company due to breach of commitments in accordance with the law; such breached commitments which can still be continued will be continued to perform by the issuer.
- 3) Where the Company fails to perform, is unable to perform or fails to perform as scheduled the relevant public commitments due to relevant laws and regulations, policy changes, natural disasters and other force majeure and other objective reasons beyond the Company's control, the Company commits as follow:
- i. To timely, fully, and publicly explain the specific reasons for failure to perform, the inability to perform or failure to perform on schedule in the disclosure media designated by the shareholders' meeting and the CSRC; and
 - ii. To propose supplementary or alternative commitments to investors so as to protect the rights and interests of the Company and investors as far as possible.

The Company will compensate investors for their losses in accordance with the law.

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(e) Commitments on Stabilization of the Company's Share Prices

For the purpose of safeguarding the interests of public investors and in accordance with the requirements of "Opinions on Further Promoting the IPO Reform", the Company hereby formulates the plan for the Issue of A Shares and stabilizing the share prices of the Company within three years after the listing on Sci-Tech Board, and commits to implementing in accordance with the plan to stabilize the Company's share prices. For details, please refer to Appendix I of this circular.

(f) Commitments to the Consistency between the Application for Electronic Documents and the Reserved Originals

The Company commits that the electronic application documents for the issuance and listing of the Company are consistent with their reserved originals. Where the electronic application documents of the Company for this issuance and listing are inconsistent with the reserved originals, and cause losses to investors in the issuance and trading of securities, the Company will compensate investors for their losses in accordance with the law.

(g) Statement on the Absence of Major Litigation, Arbitration Matters or Major Illegal Acts

The Company states that as of the date of the statement, there are no significant disputes over the ownership of major assets, core technologies, intellectual property rights, significant risks of debt repayment, significant guarantees, litigation, arbitration and other contingent matters in the Company and its subsidiaries, and there are no matters that have or will have material adverse effects on the going concern, such as significant changes in the business environment.

As of the date of the statement, there are no pending or foreseeable litigations, arbitrations and administrative penalty cases that may have material impacts on their financial status, operating results, reputation, business activities and future prospects.

The production and operation of the Company and its subsidiaries are in compliance with the laws and administrative regulations and national industrial policies. Within the last three years, there are no criminal offenses involving corruption, bribery, embezzlement of property, misappropriation of property or disruption of the order of the socialist market economy, in the Company and its subsidiaries, there are no fraudulent issuances, major information disclosure violations or other major violations involving national security, public security, ecological security, production safety, public health and safety, there are no cases of being investigated by judicial authorities for suspected crimes or being investigated by competent authorities for suspected violations of law, and there are no clear conclusions or settlements of the aforesaid matters.

There are no illegal external guarantees during the Reporting Period and as of the date of the statement.

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(h) Statement on No Illegal External Guarantees during the Reporting Period

In accordance with the relevant regulations on the listing of shares and the relevant requirements of the CSRC, the Company makes the statements as to whether there are illegal external guarantees that there are no illegal external guarantees during this Reporting Period and up to the date of the statement.

(i) Assessment of the Company and All Directors, Supervisors and Senior Management on Integrity, Reasonableness and Effectiveness of Internal Control

The Company and all of its Directors, Supervisors and senior management have issued an assessment on the Company's internal control in accordance with the relevant regulations for the issuance and listing of shares and the relevant requirements of the CSRC. The Company and all of its Directors, Supervisors and senior management believe that the Company's internal control system is sound and effectively implemented to provide reasonable assurance of operational efficiency, legal compliance and reliability of financial reporting, and that the Company's internal control meets the requirements of completeness, reasonableness and effectiveness.

(j) Undertaking on not Influencing and Interfering with the Approval

The Company undertakes to the Shanghai Stock Exchange as follows:

- 1) The Company hereby undertakes and warrants, during the application for the IPO, that (i) it will not, directly or indirectly, offer funds, articles and other donations and benefits to the SSE STAR MARKET Listing Committee (hereinafter referred to as the "**Listing Committee**"), other review and approval institutions and relevant personnel thereof, (ii) it will not, directly or indirectly, provide shares that are under review and approval to Listing Committee, other review and approval institutions and relevant personnel thereof, and (iii) it will not influence the judgments of the Listing Committee, other review and approval institutions and relevant personnel thereof on the Issuer by improper means.
- 2) The Company further undertakes and warrants that it will not interfere with the approval of the Listing Committee, other review and approval institutions, and relevant personnel thereof by any means.
- 3) When the Company is subject to any inquiry of any members of the Listing Committee at any meetings the Listing Committee holds, the Company warrants that any and all statements made by the Company are true, objective, accurate, and concise, free from any contents unrelated to the approval of the IPO.
- 4) Any failure by the Company to observe the undertakings above shall cause it to assume any legal responsibilities arising therefrom.

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(k) Undertaking on Taking Filling Measures for IPO Diluted Immediate Return

To ensure that all filling measures for IPO diluted immediate returns are performed feasibly, the Company undertakes to take the filling measures for diluted immediate returns. For details, please refer to Appendix III of this circular.

(l) Commitment to Providing Truthful, Accurate, Complete and Effective Information to Intermediaries

The Company commits as follows:

- 1) The Company has provided China International Capital Corporation Limited, Zhong Lun Law Firm in Beijing, KPMG Huazhen LLP and other intermediaries (hereinafter referred to as “**intermediaries**”) the authentic and complete original written materials, duplicate materials or oral testimony necessary for submitting the application documents related to this Issue of A Shares. The signatures and seals on the relevant materials are authentic, and the relevant copy materials or photocopies/scans are consistent with their original materials or originals.
- 2) All materials, documents, and information provided by the Company to the intermediaries are true, accurate, complete, and valid, and all facts and documents necessary for the preparation and issuance of relevant application documents have been disclosed to the intermediaries without any false, misleading statements and omissions.
- 3) The Company is willing to bear corresponding legal responsibilities for the authenticity, accuracy, completeness, and validity of the materials provided, and is willing to compensate all economic losses arising therefrom in case of any losses suffered by intermediaries.

(8) Proposed engagement of Intermediaries

The Company intends to engage professional Intermediaries, including China International Capital Corporation Limited (中國國際金融股份有限公司) as the sponsor/lead underwriter, Zhong Lun Law Firm (北京市中倫律師事務) as the legal adviser as to PRC laws, and KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合伙)) as the auditor, for the Proposed Issue of A Shares and listing.

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

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

In order to (i) prepare for the proposed Issue of A Shares, (ii) comply with the relevant CSRC and Shanghai Stock Exchange rules, (iii) further improve and standardize the Articles of Association and adopt other consequential and housekeeping amendments, (iv) satisfy the relevant requirements of laws, administrative regulations and regulatory documents, including the PRC Company Law, the PRC Securities Law, the Listing Rules, the “Guidelines for Articles of Association of Listed Companies” (《上市公司章程指引》), 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 “Governance Standard of the Listed Companies” (《上市公司治理準則》), 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. The Articles with the proposed amendments incorporated comply with the core shareholder protection standards under Appendix 3 to the Listing Rules. 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.

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 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. The shareholders authorize the Board and its authorized persons to adjust and amend the Articles of Association 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 relevant laws, regulations and regulatory documents, the requirements and recommendations of relevant domestic and overseas government departments and regulatory bodies, and the actual situation of the Issue of A Shares and listing on the Sci-Tech Board.

(10) Amendment or adoption of the internal management policies of the Company

The Company intends to revise the following internal management policies:

- (a) the “Rules of Procedures of Shareholders’ General Meeting”;
- (b) the “Rules of Procedures for the Board of Directors”;
- (c) the “Working System for Independent Non-Executive Directors”;
- (d) the “Rules of Procedures for the Board of Supervisors”;
- (e) the “Measures for the Administration of Related Transactions”;

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- (f) the “Measures for the Administration of External Guarantees”;
- (g) the “Measures for the Administration of Outbound Investment”;
- (h) the “Management System for Standardizing Financial Transactions with Affiliates”;
and
- (i) the “Administration Measures for the Use of Raised Funds”.

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.

A special resolution will be proposed at the EGM to consider and approve the amendments to and/or adoption the following:

- i. the “Rules of Procedures of Shareholders’ General Meeting”;
- ii. the “Rules of Procedures for the Board of Directors”; and
- iii. the “Rules of Procedures for the Board of Supervisors”.

Full texts of which are set out in Appendices V to VI and VIII to this circular, respectively.

An ordinary resolution will be proposed at the EGM to consider and approve the amendments to and/or adoption the following:

- i. the “Working System for Independent Non-Executive Directors”;
- ii. the “Measures for the Administration of Related Transactions”;
- iii. the “Measures for the Administration of External Guarantees”;
- iv. the “Measures for the Administration of Outbound Investment”;
- v. the “Management System for Standardizing Financial Transactions with Affiliates”;
and
- vi. the “Administration Measures for the Use of Raised Funds” and implement a Special Account Storage System for the Proceeds.

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Full texts of which are set out in Appendices VII and IX to XIII 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.

(11) Confirmation of the Company's related party transactions from 2020 to 2022

The Board of Directors has confirmed the status of the following major transactions with related parties during the Reporting Period, and considered that such related party transactions were conducted according to relevant national laws and regulations, in line with commercial principles, and the pricing of the transactions were not more favorable than similar transactions conducted with non-related parties.

This proposal has been approved by the Board, and shall be submitted to the EGM for consideration and approval by way of an ordinary resolution. Dr. Shen Yuelei, Dr. Ni Jian, Dr. Zhou Kexiang, Mr. Wei Yiliang and Ms. Zhang Leidi, the Directors of the Board, have abstained from voting on this proposal at the relevant meeting of the Board.

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, the related Shareholders were Dr. Shen Yuelei and Dr. Ni Jian, each of whom shall abstain from voting on the relevant ordinary resolution to be proposed at the EGM.

1. Related Parties Transactions

- (1) Purchase of goods/Acceptance of services (Excluding Remuneration of Key Management Personnel)

For the Group:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
Kactus Biosystems Co., Ltd ("Kactus Biosystems")	Purchase of reagents	1,501,404.26	6,024,924.50	83,230.08
Nanjing Vazyme Biotechnology Co. Ltd. ("Vazyme")	Purchase of reagents	374,426.89	–	–
Beijing Bio Lims Software Technology Co., Ltd. ("Bio Lims")	Purchase of software	–	–	616,200.00

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For the Company:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		(RMB)		
Kactus Biosystems	Purchase of reagents	1,472,200.72	6,024,924.50	83,230.08
Vazyme	Purchase of reagents	292,779.76	–	–
Bio Lims	Purchase of software	–	–	566,200.00

- (2) Sales of goods/Supply of Services (Excluding Remuneration of Key Management Personnel)

For the Group:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		(RMB)		
Apollomics Inc	Sales of model animals	188,330.80	337,413.45	–
Kactus Biosystems	Revenue of exhibition	–	49,056.60	–
Kemai Biotechnology (Suzhou) Co., Ltd. (“Kemai Biotech”)	Development of antibody	1,740,565.99	–	–
Xadcera Biopharmaceutical (Suzhou) Co., Ltd (“Xadcera Pharmaceutical”)	Development of antibody	70,000,000.00	–	–

For the Company:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		(RMB)		
Kemai Biotech	Development of antibody	1,740,565.99	–	–
Xadcera Pharmaceutical	Development of antibody	70,000,000.00	–	–

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(3) Related Rental

For the Group:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		(RMB)		
Beijing Youke Antai Biotechnology Co. Ltd. (“Youke Antai”)	Housing rental	–	–	179,568.00
		<u> </u>	<u> </u>	<u> </u>

For the Company:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		(RMB)		
Youke Antai	Housing rental	–	–	179,568.00
		<u> </u>	<u> </u>	<u> </u>

(4) Related Parties Borrowing and Lending

For the Group:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		(RMB)		
Dr. Shen Yuelei	Receipt of returned tax advances in lieu	–	7,104,593.22	265,855.78
Dr. Shen Yuelei	Revenue of exhibition	–	7,104,593.22	265,855.78
Dr. Ni Jian	Income tax advance in lieu	1,931,347.84	1,931,347.84	1,931,347.84
Dr. Ni Jian	Receipt of returned tax advances in lieu	1,931,347.84	1,931,347.84	1,931,347.84

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Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		<i>(RMB)</i>		
Dr. Ni Jian	Receipt of returned loans	–	–	15,697,620.00
Dr. Ni Jian	Providing loans	–	–	15,000,000.00
Beijing Baiao Evergreen Technology Development Center (Limited Partnership) (“Baiao Evergreen”)	Receipt of returned loans	–	–	4,592,226.00
		<u> </u>	<u> </u>	<u> </u>

For the Company:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		<i>(RMB)</i>		
Dr. Ni Jian	Providing loans	–	–	15,000,000.00
Dr. Ni Jian	Receipt of returned loans	–	–	15,000,000.00
Beijing Baiao Evergreen Technology Development Center (Limited Partnership) (“Baiao Evergreen”)	Receipt of returned loans	–	–	4,592,226.00
		<u> </u>	<u> </u>	<u> </u>

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For the Group:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		(RMB)		
Dr. Ni Jian	Income	–	–	190,534.06
Beijing Baiao Evergreen Technology Development Center (Limited Partnership) (“Baiao Evergreen”)	Income	–	–	203,818.98
		<u>–</u>	<u>–</u>	<u>394,353.04</u>

For the Company:

Related Parties	Transaction Contents	As at December 31,		
		2022	2021	2020
		(RMB)		
Dr. Ni Jian	Income	–	–	163,884.00
Beijing Baiao Evergreen Technology Development Center (Limited Partnership) (“Baiao Evergreen”)	Income	–	–	203,818.98
		<u>–</u>	<u>–</u>	<u>367,702.98</u>

2. *Related Parties Receivables and Payables*

For the Group:

Payables	As at December 31,		
	2022	2021	2020
	(RMB)		
Kactus Biosystems	–	1,609,160.30	20,115.04
Vazyme	533,487.61	–	–
	<u>533,487.61</u>	<u>1,609,160.30</u>	<u>20,115.04</u>
Total	<u>533,487.61</u>	<u>1,609,160.30</u>	<u>20,115.04</u>

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For the Company:

Payables	As at December 31,		
	2022	2021	2020
		(RMB)	
Kactus Biosystems	–	1,609,160.30	20,115.04
Vazyme	305,835.00	–	–
Total	<u>305,835.00</u>	<u>1,609,160.30</u>	<u>20,115.04</u>

3. Proposed Guarantee for Bank Credit Facilities for a Wholly Owned Subsidiary

To meet the construction needs of the model animal application and industrialization base project of Biocytogen (Beijing) Biological Engineering Co., Ltd. (百奧賽圖(北京)生物工程有 限公司) (“**Biocytogen Daxing**”), a wholly owned subsidiary of the Company, Biocytogen Daxing delegated Nantong Shihua Construction Engineering Co., Ltd (南通仕華建設工程有 限公司) (“**Nantong Shihua**”) to carry out the construction work on behalf of the project in 2008, and Nantong Shihua will provide funds for the project in advance during the construction period. Biocytogen Daxing shall pay Nantong Shihua an annual installment of RMB8 million upon completion of the project and 8% of the outstanding management fee for the construction work on its behalf.

In view of the recent significant reduction in domestic loan interest rates, Biocytogen Daxing intends to apply for a comprehensive credit line of RMB150 million from commercial banks for early repayment of Nantong Shihua’s construction project and other expenses, and this adjustment will help Biocytogen Daxing save significantly on interest expenses.

Biocytogen Daxing uses its land use rights and houses located in Building 1, Building 2 and Building 3 of No. 12, Baoshen South Street, Daxing District, Beijing (Real Estate Right Certificate No. 0010971, No. 0010970 and No. 0010969) to guarantee the loan within the above credit line, and the Company agrees to provide joint liability guarantee for the loan incurred by Biocytogen Daxing within the above credit line.

The Board has authorised the chairman of the Board to carry out issues, including signing legal documents, related to guarantee related issue within the scope of the above credit line. An ordinary resolution will be proposed at the EGM to consider and approve the guarantee.

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

1. Reasons for the 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.

Subsequent to the Global Offering, the Company has identified new project opportunities which suit the Company's future development and business needs. These are new business opportunities that were not available to the Company as at the time of the Global Offering. For instance, the drug early development service platform construction project is an example of such opportunities. The proposed Issue of A Shares will allow the Company to have sufficient funds to capture these new business opportunities which are crucial to the Company's future development.

In particular, in respect of the drug early development service platform construction project and antibody development and evaluation project, the drug early development service platform construction project will enable the Company to continue to expand its preclinical CRO services and launch innovative model animal models to ensure the continued expansion of its business and maintain a high level of profitability.

The proceeds from the Issue of A Shares for antibody development and evaluation project will greatly facilitate the development of the Company's antibody discovery platform for more than 1,000 potential drug discovery targets, which will continue to generate significant upfront and milestone payments and royalties for the Company. The antibody discovery business will also be a strong source of continued revenue growth for the Company.

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.

LETTER FROM THE BOARD

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

The Company is a biopharmaceutical and revenue-generating pre-clinical research services company. 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 and Unlisted Shares 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.

The shareholding structure of the Company as at the date of the announcement 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 date of this announcement up to and including the date of completion of the Issue of A Shares):

	As at the date of this announcement		Immediately after the completion of the Issue of A Shares (assuming that a total of 44,377,603 new A Shares are to be issued, i.e. the minimum of new A Shares to be issued pursuant to the Issue of A Shares)		Immediately after the completion of the Issue of A Shares (assuming that a total of 99,849,605 new A Shares are to be issued, i.e. the maximum of new A Shares to be issued pursuant to the Issue of A Shares)	
	Number	%	Number	%	Number	%
Substantial Shareholders						
Dr. Shen Yuelei, Dr. Ni Jian and their controlled corporations ⁽¹⁾						
(1) Domestic and Unlisted Shares	93,240,540	23.3	-	-	-	-
(2) H Shares	16,854,300	4.2	16,854,300	3.8	16,854,300	3.4
(3) A Shares to be converted from Domestic and Unlisted Shares	-	-	93,240,540	21.0	93,240,540	18.7
State Development & Investment Group Co., Ltd. ("SDIC") and its controlled corporations ⁽²⁾						
(1) Domestic and Unlisted Shares	72,937,440	18.3	-	-	-	-

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	As at the date of this announcement		Immediately after the completion of the Issue of A Shares (assuming that a total of 44,377,603 new A Shares are to be issued, i.e. the minimum of new A Shares to be issued pursuant to the Issue of A Shares)		Immediately after the completion of the Issue of A Shares (assuming that a total of 99,849,605 new A Shares are to be issued, i.e. the maximum of new A Shares to be issued pursuant to the Issue of A Shares)	
	Number	%	Number	%	Number	%
(2) H Shares	-	-	-	-	-	-
(3) A Shares to be converted from Domestic and Unlisted Shares	-	-	72,937,440	16.4	72,937,440	14.6
China Merchants Bank Co., Ltd. ("CMBC") and its controlled corporation⁽³⁾						
(1) Domestic and Unlisted Shares	51,171,840	12.8	-	-	-	-
(2) H Shares	26,088,480	6.5	26,088,480	5.9	26,088,480	5.2
(3) A Shares to be converted from Domestic and Unlisted Shares	-	-	51,171,840	11.5	51,171,840	10.2
Other Shareholders						
(1) Domestic and Unlisted Shares	71,266,680	17.8	-	-	-	-
(2) H Shares	67,839,140	17.0	67,839,140	15.3	67,839,140	13.6
(3) A Shares to be converted from Domestic and Unlisted Shares	-	-	71,266,680	16.1	71,266,680	14.3
(4) New A Shares proposed to be issued	-	-	44,377,603	10.0	99,849,605	20.0
Total	399,398,420	100.0	443,776,023	100.0	499,248,025	100.0

Notes:

- (1) Dr. Shen is the Chairman of the Board, the Chief Executive Officer and an executive Director of the Company. Dr. Shen and Dr. Ni are spouses. Their controlled corporations include Beijing Baiao Evergreen Technology Development Center (Limited Partnership)* (北京百奧常青科技發展中心(有限合夥)), Beijing Baiao Changsheng Technology Development Center (Limited Partnership)* (北京百奧常盛科技發展中心(有限合夥)), Beijing Eucure Evergreen Technology Development Center (Limited Partnership)* (北京祐和常青科技發展中心(有限合夥)) and Beijing Eucure Changsheng Technology Development Center (Limited Partnership)* (北京祐和常盛科技發展中心(有限合夥)).
- (2) The controlled corporations of SDIC include State Development & Investment Corporation (SDIC) VC Fund (Ningbo) of Technology Transfer and Commercialization (Limited Partnership), State Development & Investment Corporation (SDIC) VC Fund (Shanghai) of Technology Transfer and Commercialization (Limited Partnership), State Development & Investment Corporation (SDIC) Gaoxin (Shenzhen) VC Fund (Limited Partnership).
- (3) The controlled corporations of CMBC include Astral Eminent Limited, Zhaoyin Chengzhang Qihao Investment (Shenzhen) Partnership (Limited Partnership) (招銀成長柒號投資(深圳)合夥企業(有限合夥)), Shenzhen Zhaoyin Langyao Growth Equity Investment Fund Partnership (L.P.) (深圳市招銀朗曜成長股權投資基金合夥企業(有限合夥)), Zhaoyin Chengzhang Shijiuhao Equity Investment Fund Partnership (Limited Partnership) (深圳市招銀成長拾玖號股權投資基金合夥企業(有限合夥)) and CMB International Capital Management (Shenzhen) Co., Ltd. (招銀國際資本管理(深圳)有限公司).

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At the time of the listing of the H Shares on the Stock Exchange, the Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, pursuant to which the Company is required to maintain a minimum public float (as defined under the Listing Rules) at the higher of: (a) 16.42%; (b) such percentage of H Shares to be held by the public immediately after completion of the Global Offering and before the Over-allotment Option is exercised; and (c) such percentage of H Shares to be held by the public upon any exercise of the Over-allotment Option, of the enlarged issued share capital of the Company. Details of the waiver in relation to public float is set out in “Waiver in respect of the Public Float Requirement” in the Prospectus.

Following the Global Offering (including the partial exercise of the Over-allotment Option), to the best of knowledge of the Company having made all reasonable enquiries, as of the Latest Practicable Date, the Company maintained a minimum public float of H Shares of approximately 16.31%.

As it is expected that no Issue of A Shares will be made to connected persons of the Company, (i) assuming that a maximum of 99,849,605 A Shares shall be issued for the A Share Offering, it is expected that at least a total of 164,978,745 Shares, representing approximately 33.05% of the total issued share capital of the Company (as enlarged by the issue of the A Shares under the proposed Issue of A Shares); and (ii) assuming that a minimum of 44,377,603 A Shares shall be issued for the A Share Offering, it is expected that at least a total of 112,216,743 Shares, representing approximately 25.29% of the total issued share capital of the Company (as enlarged by the issue of the A Shares under the proposed Issue of A Shares) will be held by the public (including H Shares and A Shares held by the public but excluding any H Shares and A Shares held by the substantial shareholders, Directors, Supervisors, chief executive of the Company and their respective close associate(s)) following the completion of the proposed Issue of A Shares. As such, the Company would still be able to meet the minimum requirement in respect of the public float percentage under the Listing Rules as imposed by the Stock Exchange at the time of the Global Offering.

The Company endeavors to closely monitor its public float percentage (including H Shares and A Shares held by the public) to maintain the percentage of listed securities held by the public above the minimum level prescribed by Rule 8.08 of the Listing Rules at all times, including during the stabilization period for the newly issued A shares. 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 August 31, 2022, the Company issued 21,758,500 new H Shares at HK\$25.22 per H Share for total net proceeds of approximately HK\$471.1 million by way of initial public offering of the Company on the Stock Exchange.

On September 23, 2022, as part of the Global Offering, the over-allotment option was partially exercised and the Company issued an aggregate of 2,710,000 H Shares at HK\$25.22 per H Share for total net proceeds of approximately HK\$65.9 million.

LETTER FROM THE BOARD

The total net proceeds from the Global Offering (including the exercise of the over-allotment option) was approximately HK\$537.0 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.

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.

IV. THE EGM AND THE CLASS MEETINGS

The EGM and Class Meetings will be held with the combination of a physical meeting at Conference Room, 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC and a virtual meeting online on Thursday, April 20, 2023 at 10:00 a.m., and the Class Meeting of H Shareholders and the Class Meeting of Domestic and Unlisted 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 Thursday, April 20, 2023. Notice convening the EGM and Notices of the Class Meetings are set out in pages N-I-1 to N-III-6 of this circular and are available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<https://www.biocytogen.com.cn>).

V. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the EGM and Class Meetings, the register of members of the Company will be closed from Monday, April 17, 2023 to Thursday, April 20, 2023 (both days inclusive), during which period no transfer of shares will be registered. In order for H Shareholders to be eligible to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, or to the Company’s registered office at 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC (for the Domestic and Unlisted Shareholders), for registration not later than 4:30 p.m. on Friday, April 14, 2023.

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, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong; and for Domestic and Unlisted Shareholders, the form of proxy should be returned to the Company’s registered office in the PRC at 12 Baoshen South

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Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC by personal delivery or by post, or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letters sent by the Company (for all Shareholders), not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 10:00 a.m. on Wednesday, April 19, 2023) 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.

To the best of the Directors' knowledge, information and belief, none of the Shareholders are required to abstain from voting at the EGM and/or the Class Meetings.

VIII. RECOMMENDATIONS

The Board considers that all the resolutions proposed at the EGM, the Class Meeting of H Shareholders and the Class Meeting of Domestic and Unlisted 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.

LETTER FROM THE BOARD

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,

Biocytogen Pharmaceuticals (Beijing) Co., Ltd.

Shen Yuelei

*Chairman of the Board, Chief Executive Officer and
Executive Director*

Hong Kong, March 31, 2023

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

**PLAN TO STABILIZE THE COMPANY'S STOCK PRICE
WITHIN THREE YEARS AFTER THE IPO OF RMB ORDINARY SHARES
(A SHARES) AND LISTING ON THE SSE STAR MARKET**

In view of the fact that Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “Company” or “this Company”) intends to apply for an initial public offering of RMB ordinary shares (A shares) on the SSE STAR Market, the Company has specially formulated the Plan to Stabilize the Company’s Stock Price Within Three Years after the IPO of RMB Ordinary Shares (A Shares) and Listing on the SSE STAR Market in accordance with the requirements of the *Opinions on Further Promoting the IPO Reform* issued by the China Securities Regulatory Commission (CSRC) to safeguard the interests of public investors. The details of the plan are as follows:

1 CONDITIONS THAT INITIATE MEASURES TO STABILIZE THE STOCK PRICE

Within three years from the date of listing of the Company’s stock, if the closing price of the stock for 20 consecutive trading days is lower than the audited net asset value per share in the latest period (net asset value per share = the audited net asset value of the latest period attributable to the shareholders of the parent company/the total number of shares of the Company; after the audit base date of the latest period, if the net asset value of the Company or the total number of shares changes due to profit distribution, capital reserve converted to additional share capital, new issuance, shares allotment, etc., the net asset value per share shall be adjusted accordingly, the same below) and if this situation is not caused by force majeure, the Company will initiate the plan to stabilize its stock price to safeguard the interests of the majority of shareholders and enhance investor confidence.

2 SPECIFIC MEASURES AND SEQUENCE OF THE PLAN TO STABILIZE THE STOCK PRICE

When conditions are met for initiating the plan to stabilize the stock price, the Company and relevant entities will choose one or several of the following measures to stabilize the stock price:

2.1 The Company Repurchases Its Own Shares

To stabilize its stock price, the Company shall repurchase shares from public shareholders (the “Share Repurchase”) through centralized bidding in accordance with relevant laws, regulations and normative documents, such as the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Rules for Repurchase of Shares by Listed Companies*, etc. This repurchase shall not result in the Company’s equity distribution deviating from the listing requirements.

The Board of Directors of the Company shall make a resolution on the Share Repurchase, and the directors of the Company shall undertake to vote in favor of such repurchase at the board meeting.

If the Share Repurchase requires deliberation and approval by the General Meeting of Shareholders in accordance with the relevant provisions applicable at the time, the General Meeting shall make a resolution on the Share Purchase, which shall be passed by more than two-thirds of the voting rights held by the shareholders attending the General Meeting, and the controlling shareholders and actual controllers of the Company shall undertake to vote in favor of such repurchase at the General Meeting.

When the Company repurchases its own shares to stabilize its stock price, it shall not only comply with the requirements of relevant laws, regulations and normative documents, but also meet the following conditions: (1) The price of the repurchased shares shall not exceed the audited net asset value per share in the latest period; (2) The accumulative repurchasing funds used to stabilize the stock price in a single fiscal year shall not be less than 10% and shall not exceed 30% of the audited net profit attributable to the shareholders of the parent company in the previous fiscal year.

2.2 The Company's Controlling Shareholder or Actual Controller Increases Shareholdings

After the number of shares repurchased by the Company reaches the limit, if the Company's stock price still meets the condition to initiate the plan, the controlling shareholders or actual controllers of the Company shall increase their shareholding on the premise of meeting the conditions and requirements of relevant laws, regulations and normative documents.

When the controlling shareholders or actual controllers increase shareholding in the Company to stabilize the stock price, in addition to the requirements of relevant laws, regulations and normative documents, they shall also comply with the following conditions: (1) The price of additional shares held by the controlling shareholders or actual controllers shall not exceed the audited net asset value per share of the Company in the latest period; (2) The cumulative amount of funds used to increase shareholding in a single fiscal year shall not be less than 10% and shall not exceed 20% of the amount of after-tax cash dividends received by the controlling shareholders or actual controllers from the Company in the previous fiscal year. The equity distribution of the Company after the increase in holdings by the controlling shareholders or actual controllers shall comply with the listing requirements.

The controlling shareholders or actual controllers shall undertake not to sell additional shares for a period of six months after the completion of the shareholding increase plan.

2.3 The Company's Directors or Senior Management Personnel Increase Shareholdings

If the controlling shareholders or actual controllers of the Company have reached the upper limit for increasing shareholdings, but the Company's stock price still meets the condition to initiate the plan to stabilize the price, the Company's directors (excluding independent non-executive directors, the same below) or senior management personnel who receive remuneration from the Company shall increase their holdings of the Company stocks under the conditions and requirements of relevant laws, regulations, and normative documents.

When the directors or senior management personnel who have the obligation to increase their shareholdings to stabilize the stock price have increased the company shareholdings, they shall comply with the following conditions in addition to the requirements of relevant laws, regulations, and normative documents: (1) The price of the additional shares shall not exceed the audited net asset value per share of the Company in the latest period; (2) The cumulative amount of funds used to increase shareholding in a single fiscal year shall not be less than 10% and shall not exceed 20% of the total after-tax remuneration received by the directors or senior management personnel from the Company in the previous fiscal year. The equity distribution of the Company after the increase in holdings by the directors or senior management personnel shall comply with the listing requirements.

The directors or senior management personnel who have the obligation to increase their shareholdings of the Company shall undertake not to sell additional shares for a period of six months after the completion of the shareholding increase plan.

Newly elected or appointed directors and senior management personnel who receive remuneration from the Company in the future shall fulfill the corresponding commitments made by the directors and senior management personnel at the time of the initial public offering and listing of the Company's RMB ordinary shares (A shares).

3 PROCEDURES TO INITIATE MEASURES OF STABILIZING THE STOCK PRICE

3.1 Procedure of Share Repurchase

- 3.1.1 The Board of Directors of the Company shall make a resolution to repurchase shares within 10 trading days after the repurchase conditions are triggered.
- 3.1.2 The Board of Directors shall, within two trading days after making the resolution to repurchase shares, announce the resolution, the opinions of independent non-executive directors, and the share repurchase plan. If the share repurchase plan is subject to a resolution of the General Meeting of Shareholders in accordance with the relevant provisions applicable at the time, the Board of Directors shall also issue a notice of convening the General Meeting of Shareholders within 2 trading days after the resolution is made.

**APPENDIX I PROPOSED FORMULATION OF PLAN TO STABILIZE THE COMPANY'S STOCK
PRICE WITHIN THREE YEARS AFTER THE INITIAL PUBLIC OFFERING OF RMB
ORDINARY SHARES (A SHARES) AND LISTING ON THE SSE STAR MARKET**

3.1.3 The Company shall initiate the repurchase on the next day after the resolution is made at the General Meeting of Shareholders and the relevant legal procedures performed, and complete the repurchase within 60 trading days.

3.1.4 After the completion of the share repurchase plan, the Company shall announce the report on the change of the Company's shares within 2 trading days, and the shares repurchased shall be handled in the manner decided by the Board of Directors or the General Meeting of Shareholders.

3.2 Procedure to Increase Company's Shareholdings by Controlling Shareholders, Actual Controllers, Directors, and Senior Management Personnel

3.2.1 The Board of Directors of the Company shall issue a notice of share increase within 2 trading days from the date on which the conditions to increase shareholdings by controlling shareholders, actual controllers, directors, and senior management personnel are triggered.

3.2.2 Controlling shareholders, actual controllers, directors, and senior management personnel shall initiate share increase the day after the notice of share increase is issued and the relevant legal procedures performed, and complete the increase within 30 trading days.

4 TERMINATION OF THE PLAN TO STABILIZE THE STOCK PRICE

Since the date of the announcement of the plan to stabilize the Company's stock price, if any of the following circumstances occur, the measures to stabilize the price are deemed to have been implemented, the commitment is fulfilled, and the announced plan to stabilize the price is terminated:

4.1 The closing price of the Company's stock for 10 consecutive trading days is higher than the audited net asset value per share in the latest period (after the audit base date of the latest period, if the net asset value of the Company or the total number of shares changes due to profit distribution, capital reserve converted to additional share capital, new issuance, shares allotment, etc., the net asset value per share shall be adjusted accordingly);

4.2 The further share repurchase by the Company or the increase in shareholdings of the controlling shareholders, actual controllers, directors, and senior management personnel will result in the Company's equity distribution deviating from the listing requirements;

4.3 The further increase in the shareholdings will require the controlling shareholders and/or actual controllers and/or directors and/or senior management personnel to perform the tender offer obligation, and they do not have the plan to implement the tender offer.

5 RESTRICTIVE MEASURES

- 5.1 The Company will remind and urge its controlling shareholders, actual controllers, directors, and senior management personnel (including current directors and senior management personnel as well as directors and senior management personnel who have not taken office at the time of signing the commitment under this plan or will be newly elected or appointed in the future) to strictly fulfill the corresponding commitments made by the Company, controlling shareholders, actual controllers, directors, and senior management personnel regarding the price stabilization measures when the Company's RMB ordinary shares (A shares) are first publicly offered and listed on the SSE STAR Market.
- 5.2 The Company voluntarily accepts the supervision of securities regulatory authorities, stock exchanges, and other relevant competent authorities over the formulation and implementation of the plan to stabilize the stock price, and shall bear legal liabilities. If the Company, controlling shareholders, actual controllers, directors, and senior management personnel fail to take the above specific measures to stabilize the stock price when the preconditions for initiating the measures are met, they shall undertake to accept the following restrictive measures:
- 5.2.1 If the Company violates the commitments set forth in the plan to stabilize the stock price within three years after listing, it shall: (1) publicly explain the specific reasons for its failure to fulfill the commitments, apologize to shareholders and public investors, and propose supplementary or alternative commitments to protect the rights and interests of investors as much as possible at the Company's General Meeting of Shareholders and the media designated by the CSRC; (2) bear the corresponding legal liabilities in accordance with the law if it fails to perform the commitments and causes losses to investors.
- 5.2.2 If the controlling shareholders or the actual controllers violate the commitments in the plan to stabilize the stock price within three years after the listing, they shall: (1) publicly explain the specific reasons for the failure to perform the commitments, apologize to other shareholders and public investors, and propose supplementary or alternative commitments to protect the rights and interests of investors as much as possible at the General Meeting of Shareholders of the Company and the media designated by the CSRC; (2) return to the Company 20% of the amount of after-tax cash dividends received from the Company in the previous fiscal year less the actual amount of additional shares held by them (if any) within seven days upon receipt of the Company's written notice when the lock-up period of restricted shares held by the controlling shareholders or the actual controllers shall be extended for 6 months upon expiration. If they refuse to return the amount, the Company may deduct it from the cash dividends paid later.

- 5.2.3 If the directors or the senior management personnel who have the obligation to increase their shareholdings violate the commitments in the plan to stabilize the stock price within three years after the listing, they shall: (1) publicly explain the specific reasons for the failure to perform the commitments, apologize to other shareholders and public investors, and propose supplementary or alternative commitments to protect the rights and interests of investors as much as possible at the General Meeting of Shareholders of the Company and the media designated by the CSRC; (2) within seven days after receiving the written notice from the Company, (each of them) pay cash compensation to the Company at the rate of 20% of the total salary (after tax) of the previous year less the actual amount of additional shares held by them (if any). If any of them refuses to pay cash compensation, the Company shall deduct the monthly after-tax salary of the director or senior management personnel received from the Company from the date of expiration of the above term until the accumulative amount of deduction reaches 20% of the after-tax salary in the most recent fiscal year in which the obligation to stabilize the stock price shall be fulfilled.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

THE INITIAL PUBLIC OFFERING AND THE SHAREHOLDER RETURN PLANNING OF RMB ORDINARY SHARES (A SHARES) DUE WITHIN THREE YEARS (INCLUDING THE YEAR OF LISTING) AFTER THE LISTING ON THE SSE STAR MARKET

Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “Company”) has formulated the *Initial Public Offering and the Shareholder Return Planning of RMB Ordinary Shares (A Shares) Due within Three Years (including the Year of Listing) After the Listing on the SSE STAR Market* (the “Plan” or the “Return Plan”) to foster a scientific, sustainable and stable decision-making and supervision mechanism on shareholder returns for the Company, actively reward investors, guide investors to establish rational investment philosophy and form a stable return cycle. This Plan has been formulated in accordance with the relevant provisions of the China Securities Regulatory Commission (the “CSRC”)’s *No. 3 Guidelines on the Bylaws of Listed Companies – Cash Dividends for Listed Companies* and the *Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies* as well as the *Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (the “Articles of Association”) and upon the full consideration of the Company’s actual operation situation and its future development needs. The details are as follows:

I. CONSIDERATIONS IN THE FORMULATION OF THE PLAN

From the perspective of sustainable development and after comprehensive consideration of the actual business development, social capital costs, and financing environment of the Company, it has established a sustainable, stable, scientific, and predictable plan and mechanism of returns for investors. The Company has further made positive and clear institutional arrangements against profit distribution, in order to ensure both continuity and stability of the profit distribution policy.

II. PRINCIPLES FOR THE FORMULATION OF THE PLAN

The Plan shall be formulated subject to relevant laws and regulations as well as the provisions on profit distribution in the *Articles of Association*. A reasonable shareholder return plan shall be developed with attention paid to the reasonable returns on investment to shareholders and with consideration to the sustainable development of the Company, while a balance between the Company’s short-term interests and long-term development shall be maintained to ensure the continuity and stability of profit distribution policies.

III. MAIN COMPONENTS OF THE PLAN

3.1 Cash Dividends

In all of the following conditions, the Company shall make cash distributions and the annual profit distributed in cash (including cash dividends already distributed in the interim period) shall not be less than 10% of the distributable profit realized in the current year, or the cumulative profits distributed in cash for three consecutive years shall not be less than 30% of the average annual distributable profit realized during the same period; if any of the following conditions are not met, the Company may determine whether to make cash distributions based on the actual situation:

- 1 The distributable profit realized by the Company in the current year (i.e., the after-tax profit remaining after making up for losses and extracting reserves) is positive;
- 2 The audit institution issues a standard unqualified audit report on the Company's financial statements for the current year;
- 3 The Company has no major investment plans or major cash expenditures (except fund raising projects).

Major investment plans or major cash expenditures mean:

- 1 The cumulative expenditures for the Company's external capital investments, industrial investments, asset acquisitions, or equipment purchases in the following 12 months equal or exceed 50% of the Company's latest audited net assets, and exceed RMB30 million yuan.
- 2 The cumulative expenditures for the Company's external capital investments, industrial investments, asset acquisitions, or equipment purchases in the following 12 months equal or exceed 50% of the Company's market value.
- 3 The cumulative expenditures for the Company's external capital investments, industrial investments, asset acquisitions, or equipment purchases in the following 12 months equal or exceed 30% of the Company's latest audited total assets.

3.2 Stock Dividends

The Company distributes dividends mainly in cash. Besides fulfilling the cash dividends above, the Board of Directors may propose a profit distribution plan for granting stock dividends to the shareholders' general meeting for consideration, insofar as the Company complies with the said provisions on cash dividend and its operating income is growing rapidly, and to the extent that distribution of stock dividends is beneficial to the interests of all

APPENDIX II PROPOSED FORMULATION OF THE INITIAL PUBLIC OFFERING AND THE SHAREHOLDER RETURN PLANNING OF RMB ORDINARY SHARES (A SHARES) DUE WITHIN THREE YEARS (INCLUDING THE YEAR OF LISTING) AFTER THE LISTING ON THE SSE STAR MARKET

shareholders of the Company due to the imbalance between the share price and the size of its share capital. When the Company has major investment plans or major cash expenditures or in any other circumstances that demand funds to meet the Company's needs for normal production and operation, the Company may distribute dividends in the form of stock.

3.3 Combination of Cash and Stock Dividends

If the Company distributes its profits both in cash and stock dividends, the Board of Directors of the Company shall distinguish the following circumstances with integrated considerations to the industrial characteristics, development stages, its own business model, profitability and whether there is any major capital expenditure arrangement, before it proposes differentiated cash dividend policies in accordance with the procedures as stipulated in the *Articles of Association*:

- 1 If the Company has developed into its maturation stage and has no major capital expenditure arrangements, the minimum proportion of cash dividend in the profit distribution shall reach 80%;
- 2 If the Company has developed into its maturation stage and has major capital expenditure arrangement(s), the minimum proportion of cash dividend in the profit distribution shall reach 40%;
- 3 If the Company has developed into its growth stage and has major capital expenditure arrangement(s), the minimum proportion of cash dividend in the profit distribution shall reach 20%.

Where it is difficult to distinguish its development stage but there are major capital expenditure arrangements, the profit distribution shall be subject to the preceding paragraph.

IV. FORMULATION CYCLE OF THE PLAN AND RELEVANT DECISION-MAKING MECHANISM

1. The Board of Directors of the Company shall propose any profit distribution plans by studying and demonstrating the timing, conditions and minimum proportion of cash dividends, the conditions for adjustment and requirements of decision-making procedures and otherwise with considerations to the industrial characteristics, development stages, its own business model, profitability, capital needs and other factors, and submit such proposals to the General Meeting of Shareholders for deliberation after independent non-executive directors express their clear opinions. Independent non-executive directors can propose dividend proposals by soliciting opinions from minority shareholders and directly submitting the proposals to the Board of Directors for consideration. The Board of Supervisors shall put forward clear opinions on the proposals for profit distribution.

APPENDIX II PROPOSED FORMULATION OF THE INITIAL PUBLIC OFFERING AND THE SHAREHOLDER RETURN PLANNING OF RMB ORDINARY SHARES (A SHARES) DUE WITHIN THREE YEARS (INCLUDING THE YEAR OF LISTING) AFTER THE LISTING ON THE SSE STAR MARKET

2. The Board of Directors has the responsibility to ensure that the Shareholder Return Planning shall be reviewed once every three years and make timely and reasonable amendments in light of changes in situation or policy, so as to ensure that any provisions of the Plan do not violate the relevant laws and regulations and the profit distribution policy as determined in the *Articles of Association*.
3. In the first three years after listing (including the year of listing), if this Plan requires any adjustments due to changes in the Company's external business environment or its own business status, the new Shareholder Return Planning shall comply with relevant laws and regulations and the *Articles of Association*.
4. If any adjustments to or changes in the profit distribution policy as determined in the *Articles of Association* and this Plan are necessary due to any major changes in the Company's external business environment, it shall go through corresponding decision-making procedures in accordance with the provisions of the *Articles of Association* and this Plan after a detailed demonstration, and be approved by more than two-thirds of the voting rights of shareholders present in the general meeting. The adjusted profit distribution policy shall not violate the relevant regulations of the CSRC and the Shanghai Stock Exchange.

V. SOLICITATION OF SHAREHOLDERS' OPINIONS

The Board Office of the Company is mainly responsible for the management of investor relations, answering the daily consultations from investors, fully soliciting the opinions and appeals of shareholders, especially minority shareholders, on the shareholder return planning and profit distribution, and timely responding to the concerns of minority shareholders.

VI. SUPPLEMENTARY PROVISIONS

Any matters not covered in the Plan shall be executed in accordance with relevant laws and regulations and the *Articles of Association*. The Plan shall be interpreted by the Company's Board of Directors and shall come into force on the date of deliberation and adoption by the shareholders' general meeting of the Company. The same applies to the revisions thereof.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.**IMPACT ANALYSIS OF DILUTED IMMEDIATE RETURN ON THE IPO OF RMB
ORDINARY SHARES (A SHARES) AND MEASURES TO MAKE UP THE GAP**

In accordance with the relevant requirements of the *Certain Opinions of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market* (Issuance No. 110 [2013] of the General Office of the State Council) and the China Securities Regulatory Commission (CSRC)'s *Guidance Opinions on Matters Related to Initial Public Offerings and Refinancing and Diluted Immediate Return on Material Assets Reorganization* (Announcement No. 31 [2015] of the CSRC), Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the "Company") has analyzed the possible impacts of this public offering and listing on SSE STAR Market on shareholders' equity and immediate return, and has proposed the measures to make up the gap based on the actual situation and made commitments to effectively implement these measures. The details are as follows:

1 IMPACTS OF THIS OFFERING ON THE COMPANY'S MAIN FINANCIAL INDICATORS

After the consummation of this offering, the Company may be subject to a decrease in basic earnings per share and diluted earnings per share, but the proceeds from this offering will significantly increase the Company's total net assets and net asset size per share, enhancing its asset scale and financial strength. Due to the fact that the proceeds from this offering require some time to generate benefits since its investment into the projects, it is difficult to release the expected operating performance in a short period of time. If the Company has no significant growth in profits during this period, the expansion of equity scale and net asset size may render the Company at risk of dilution of earnings per share and return on equity (ROE).

2 NECESSITY AND REASONABILITY OF THIS OFFERING

The Company intends to invest the proceeds from this public offering in the construction project of a Chinese model animal base, the construction project of an antibody-drug R&D and evaluation center, and its preclinical and clinical R&D projects. The above projects center around the Company's main business and core technology, and meet the needs of the Company's future business development. In the short term, the Company's annual increase in depreciation and amortization will reduce the Company's net profits to some extent as the investment of proceeds from this offering will not generate immediate economic benefits. In the long run, with the gradual implementation of these projects, the benefits will be gradually reflected and continuously transformed into the Company's performance, which will help improve the Company's sustainable profitability and constantly enhance its market competitiveness.

Upon the proceeds from this offering are in place, the Company shall have its share capital, net assets, and net assets per share significantly increased, and its overall strength further enhanced. As the proportion of net assets increases significantly, the Company's asset-liability ratio will decrease, its financial structure will be further optimized, its indirect financing ability enhanced, and its ability to resist risks greatly improved. At the same time, this offering will increase the Company's capital reserve, making its capital structure more stable. The Company's net assets and net assets per share will be significantly increased, and its ability to expand the share capital will be further enhanced, creating good conditions for its further development.

3 SPECIFIC MEASURES TO MAKE UP FOR THE DILUTED IMMEDIATE RETURN

3.1 Enhancing the Competitiveness of Existing Business Sectors and Further Improving the Profitability of the Company

The Company will further actively explore production management and sales mode conducive to its sustainable development, and further expand domestic and foreign customers to increase business revenues, reduce costs and promote profits; design more reasonable capital utilization plans, control the cost of capital, and save the Company's financial expenses; strengthen the Company's internal control, further enhance the budget management and budget implementation supervision, and comprehensively and effectively control the Company's operation and management risks.

3.2 Accelerating the Progress of Project Construction and Striving to Achieve the Expected Benefits As Soon As Possible

Upon the proceeds from this offering are in place, the Company will accelerate the construction of the investment projects to realize the expected benefits as soon as possible. At the same time, the Company will strictly manage the use of the proceeds in accordance with relevant laws and regulations and the requirements of the Company's management system of proceeds to ensure its full and effective use under its intended purposes.

3.3 Improving the Management and Use Efficiency of Raised Funds

In accordance with laws and regulations, normative documents, and the *Articles of Association*, the Company has formulated the *Administrative Measures for the Use of Raised Funds*, which clearly stipulates the storage, use, change of purpose, management, and supervision of the special accounts for such proceeds. Upon the proceeds from this offering are in place, the Board of Directors of the Company, with the purpose of ensuring the Company's standard and effective use of proceeds, will continue to supervise the Company's special storage and dedicated use of proceeds, cooperate with regulatory banks and sponsor agencies on the inspection and supervision of the use of proceeds to ensure the proceeds are used in a reasonable and standardized manner and reasonably prevent the risks during its use.

3.4 Establishing a Sound and Sustainable Profit Distribution Policy and Enhancing the Investor Return Mechanism

Under the requirements of the *Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies* (Issuance No. 37 [2012] of the CSRC) and *No. 3 Guidelines on the Bylaws of Listed Companies – Cash Dividends for Listed Companies* (Announcement No. 3 [2022] of the CSRC) issued by the CSRC and other documents, the Company has, upon fully considering the actual situation of its business development and shareholder return, further refined the provisions of the dividend distribution principles in the *Articles of Association* to enhance transparency and operability of dividend distribution decisions. It has also formulated the *Initial Public Offering and the Shareholder Return Planning of RMB Ordinary Shares (A Shares) Due within Three Years (including the Year of Listing) After the Listing on the SSE STAR Market*. Both measures intend to clarify the returns and dividends on equity to the Company's shareholders. In the future, the Company will strictly implement the profit distribution policy and actively make profit distributions to shareholders, and optimize the investment return mechanism when the distribution conditions are met.

3.5 Further Improving Corporate Governance to Provide Governance Structure and Institutional Guarantee for the Company's Sustainable and Stable Development

The Company will, by strictly adhering to the requirements of laws, regulations, and normative documents such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Guidelines on the Bylaws of Listed Companies*, continuously improve its corporate governance structure and ensure that shareholders can fully exercise their shareholder rights, the Board of Directors can exercise its powers in accordance with the provisions of the *Articles of Association* to make scientific decisions, and independent non-executive directors can perform their duties independently to protect the legitimate rights and interests of the Company, especially minority investors, and to provide a scientific and effective governance structure and institutional guarantee for the Company's sustainable and stable development.

If the Company violates the foregoing commitments, it shall promptly announce the facts and reasons for the violation. Except for force majeure or other reasons not attributable to the Company, it shall publicly explain the specific reasons for the non-performance at the general meeting of shareholders and in the media designated by the CSRC and apologize to shareholders and public investors.

4 COMMITMENTS BY THE COMPANY'S CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS SHEN YUELEI AND NI JIAN

To ensure the effective implementation of the measures to make up for the diluted immediate return as mentioned above, the Company's controlling shareholders and actual controllers Shen Yuelei and Ni Jian make the following commitments:

- 4.1 Neither of us will interfere with the Company's operation and management activities beyond our power, or encroach on the Company's interests;
- 4.2 Each of us will fully, completely, and timely perform the measures to make up for the return established by the Company and any commitments made by us in relation to the measures; if any of us violates such commitments and causes losses to the Company and investors, we are willing to assume compensation responsibilities for the Company or investors according to law;
- 4.3 After these commitments are issued, if the regulatory authorities make other requirements in respect of provisions on the measures to make up for the return and the commitments related to the measures, and the above commitments cannot meet the relevant requirements of the regulatory authorities, we promise to issue supplementary commitments in accordance with the relevant provisions.

5 COMMITMENTS BY THE COMPANY'S DIRECTORS AND SENIOR MANAGEMENT

To ensure the effective implementation of the measures to make up for the diluted immediate return as mentioned above, the Company's directors and senior management make the following commitments:

- 5.1 None of us will transfer benefits to other units or individuals without compensation or on unfair terms, or damage the interests of the Company by other means;
- 5.2 Each of us will restrain our individual consumption behaviors related to our positions;
- 5.3 None of us will use the assets of the Company to engage in investment and consumption activities unrelated to the performance of duties;
- 5.4 Each of us will make every effort to link the compensation system established by the Board of Directors or the compensation and appraisal committee with the implementation of the Company's measures to make up for the diluted return within the scope of our responsibilities and authority;

- 5.5 If the Company plans to implement equity incentives, each of us will, within the scope of our responsibilities and authority, make every effort to link the exercise conditions of equity incentives with the implementation of the Company's measures to make up for the diluted return;
- 5.6 Before the consummation of this offering, if the regulatory authorities make other detailed provisions on the measures to make up for the diluted return and the commitments related to the measures, and the above commitments cannot meet the detailed requirements of the regulatory authorities, we will issue supplementary commitments in accordance with the relevant provisions;
- 5.7 Each of us will fully, completely, and timely perform the measures to make up for the return established by the Company and any commitments made by us in relation to the measures; if any of us violates such commitments and causes losses to the Company and investors, we are willing to assume compensation responsibilities for the Company or investors according to law.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 1	To regulate the organization and operation of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “Company”) and safeguard the lawful rights and interests of the Company, its shareholders and creditors, these articles of association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Special Regulations of the State Council for Overseas Shares Offerings and Listings of Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions of Articles of Association of Companies that Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplementary Amendments to the Articles of Association of Hong Kong Listed Companies, the Opinions on Further Promoting the Standardized Operation and Deepened Reforms of Overseas Listed Companies, the Reply of the State Council to the Adjustment of Regulations Applicable to the Provisions of the Notification Period for General Meetings of Overseas Listed Companies and Other Matters, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), and provisions of other relevant national laws, administrative regulations and rules of the State Council (the “laws and regulations”)	Article 1	To regulate the organization and operation of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “Company”) and safeguard the lawful rights and interests of the Company, its shareholders and creditors, these articles of association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), Other Matters, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Guidelines on the Bylaws of Listed Companies, the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market, the Code of Corporate Governance for Listed Companies in China and provisions of other relevant national laws, administrative regulations and rules (the “laws and regulations”)
Article 2	The Company is a company limited by shares established in accordance with the Company Law, Special Regulations and other national laws and regulations and regulatory documents.	Article 2	The Company is a company limited by shares established in accordance with the Company Law and other national laws and regulations and regulatory documents.
Article 5	Immediately before the issuance of H shares, the registered capital of the Company amounts to RMB374,929,920. Upon the completion of the public issuance of overseas listed foreign shares, and assuming the over-allotment option is not exercised, the registered capital of the Company shall be RMB396,688,420. Assuming the over-allotment option is exercised in full, the registered capital of the Company shall be RMB399,951,920.	Article 5	The registered capital of the Company is RMB [●] yuan.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 9	<p>These articles of association, being the code of conduct of the Company, were passed by a special resolution in the shareholders' general meeting of the Company, and shall become effective from the date of listing and trading of the Company's overseas listed foreign shares on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The existing articles of association of the Company and the amendments thereto shall be null and void automatically. From the date of these articles of association becoming effective, these articles of association constitute a legally binding document regulating the organization and activities of the Company, and the rights and obligations between the Company and its shareholder and among its shareholders, and shall be legally binding upon the Company, its shareholders, directors, supervisors and senior management.</p> <p>In accordance with these articles of association, shareholders may sue shareholders, the directors, supervisors, the general manager and senior management of the Company and the Company and the Company may sue its shareholders, directors, supervisors, the general manager and other senior management.</p> <p>For the purposes of the preceding paragraph, the term "sue" shall include the institution of proceedings in a court or the application to an arbitration institution for arbitration.</p>	Article 9	<p>From the date of these articles of association becoming effective, these articles of association constitute a legally binding document regulating the organization and activities of the Company, and the rights and obligations between the Company and its shareholder and among its shareholders, and shall be legally binding upon the Company, its shareholders, directors, supervisors and senior management.</p> <p>In accordance with these articles of association, shareholders may sue shareholders, the directors, supervisors, the general manager and senior management of the Company and the Company and the Company may sue its shareholders, directors, supervisors, the general manager and other senior management.</p> <p>For the purposes of the preceding paragraph, the term "sue" shall include the institution of proceedings in a court or the application to an arbitration institution for arbitration.</p>
-	NA	Article 11	<p>Subject to the provisions of the Constitution of the Communist Party of China, the Company has organizations under, and carries out activities of, the Communist Party. The Company provides necessary conditions for the activities of the organizations under the Communist Party.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 17	<p>Shares issued by the Company to domestic investors and other qualified investors which are to be subscribed for in Renminbi are referred to as “domestic shares”. Shares issued by the Company to foreign investors to be subscribed for in foreign currencies are referred to as “foreign shares”. Foreign shares listed outside China are referred to as “overseas listed foreign shares”. Overseas listed foreign shares which are listed on the Hong Kong Stock Exchange are referred to as H shares. H shares are shares which have been admitted for listing on the Hong Kong Stock Exchange denominated in RMB and are subscribed and traded in Hong Kong dollars. Domestic shares can be converted into H shares subject to the approval of the State Council or its authorized bodies and the acceptance of the Hong Kong Stock Exchange.</p> <p>Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries that are recognized by the foreign exchange authority of China and for the payment for the shares subscribed.</p> <p>A holder of domestic shares and a holder of foreign shares are both holders of ordinary shares and shall have the same rights and obligations.</p>	Article 18	<p>Shares issued by the Company to domestic investors and other qualified investors which are to be subscribed for in Renminbi are referred to as “domestic shares”. Shares issued by the Company to foreign investors to be subscribed for in foreign currencies are referred to as “foreign shares”. Foreign shares listed overseas are referred to as Overseas Listed Foreign Shares, among which those listed on Hong Kong Stock Exchange (hereinafter referred to as “HKEX”) are referred to as “H Shares”. H shares are shares which have been admitted for listing on the Hong Kong Stock Exchange denominated in RMB and are subscribed and traded in Hong Kong dollars. Domestic shares can be converted into H shares subject to the approval of the State Council or its authorized bodies and the acceptance of the Hong Kong Stock Exchange. Domestic shares and foreign shares listed domestically are collectively referred to as Domestically Listed Shares. The Domestically Listed Shares issued by the Company are collectively referred to as “A Shares”. A Shares refer to the shares listed on the Shanghai Stock Exchange after approval, whose par value is denominated in RMB, and that are subscribed and traded in RMB.</p> <p>Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries that are recognized by the foreign exchange authority of China and for the payment for the shares subscribed.</p> <p>A holder of domestic shares and a holder of foreign shares are both holders of ordinary shares and shall have the same rights and obligations.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 19	<p>After completion of the issuance of overseas listed foreign shares of the Company, and assuming the over-allotment option is exercised in full, the registered capital of the Company shall be RMB399,951,920 and the total number of shares shall be 399,951,920, including 283,950,900 domestic shares, representing 71.0% of the total share capital of the Company; 4,665,600 unlisted foreign shares, representing 1.2% of the total share capital of the Company; and the total number of H shares is 111,335,420, representing 27.8% of the total share capital of the Company. Assuming the over-allotment option is not exercise, the registered capital of the Company shall be RMB396,688,420 and the total number of shares shall be 396,688,420, including 283,950,900 domestic shares, representing 71.6% of the total share capital of the Company; 4,665,600 unlisted foreign shares, representing 1.2% of the total share capital of the Company; and the total number of H shares is 108,071,920, representing 27.2% of the total share capital of the Company. All the shares are ordinary shares.</p>	Article 20	<p>Upon completion of the overseas listing of foreign shares and exercise of the over-allotment option, the registered capital of the Company is RMB399,398,420 yuan, and the total number of shares is 399,398,420 shares (all ordinary shares). Among these, it has a total of 283,950,900 domestic shares, 4,665,600 unlisted foreign shares, and 110,781,920 H Shares, which represent 71.1%, 1.2%, and 27.7% of the total share capital of the Company, respectively.</p> <p>The Company was approved by the Shanghai Stock Exchange on [MM/DD/YYYY] and by the China Securities Regulatory Commission on [MM/DD/YYYY] for registration. On this basis, the Company issued [●] ordinary shares denominated in RMB to the public for the first time and was listed on the SSE STAR MARKET on [MM/DD/YYYY].</p> <p>The Company was approved by the Shanghai Stock Exchange on [MM/DD/YYYY] and by the China Securities Regulatory Commission on [MM/DD/YYYY] for registration. On this basis, the Company issued [●] ordinary shares denominated in RMB to the public for the first time and was listed on the SSE STAR MARKET on [MM/DD/YYYY].</p> <p>Upon completion of issuing A Shares and listing on the SSE STAR MARKET, the structure of the Company is [●] A shares, and [●] H shares, representing [●]% and [●]% of the total shares of the Company, respectively.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 22	<p>In accordance with the laws and regulations, the Company may, based on its operating and development needs and the resolution of a shareholders' general meeting, increase its capital by:</p> <p>(I) the public offering of shares;</p> <p>(II) the private offering of shares;</p> <p>(III) the placement of new shares to existing shareholders;</p> <p>(IV) the bonus issue of shares to existing shareholders;</p> <p>(V) the capitalization of capital reserve;</p> <p>(VI) other methods permitted by laws and regulations as well as competent authorities.</p> <p>The increase in capital of the Company by issuing new shares shall be made in accordance with the procedures provided by the applicable laws and regulations of China subject to the approval under the articles of association.</p>	Article 23	<p>In accordance with the laws and regulations, the Company may, based on its operating and development needs and the resolution of a shareholders' general meeting, increase its capital by:</p> <p>(I) the public offering of shares;</p> <p>(II) the private offering of shares;</p> <p>(III) the placement of new shares to existing shareholders;</p> <p>(IV) the bonus issue of shares to existing shareholders;</p> <p>(V) Transferring capital reserve funds;</p> <p>(VI) other methods permitted by laws and regulations as well as competent authorities.</p> <p>The increase in capital of the Company by issuing new shares shall be made in accordance with the procedures provided by the applicable laws and regulations of China subject to the approval under the articles of association.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 24	<p>Under the following circumstances, the Company may purchase its shares in accordance with the laws, regulations, provisions of the Hong Kong Stock Exchange and these articles of association:</p> <p>(I) to reduce the registered capital of the Company;</p> <p>(II) to merge with other companies which hold the shares of the Company;</p> <p>(III) to use the shares for an employee stock ownership plan or as an equity incentive;</p> <p>(IV) where shareholders require the Company to purchase their shares due to their disagreement on the merger or a division resolution passed by a shareholders' general meeting;</p> <p>(V) to use the shares in the conversion of the convertible corporate bonds issued by the Company;</p> <p>(VI) where it is necessary for preserving the value of the Company and the interest of shareholders;</p> <p>(VII) other circumstances permitted by the laws and regulations and the regulatory rules of the place where the shares of the Company are listed.</p> <p>Otherwise, the Company may not purchase its own shares.</p>	Article 25	<p>The Company may buy back its shares in accordance with laws, regulations, rules of the stock exchange in the place where it was listed, and the provisions hereof in the following circumstances:</p> <p>(I) to reduce the registered capital of the Company;</p> <p>(II) to merge with other companies which hold the shares of the Company;</p> <p>(III) to use the shares for an employee stock ownership plan or as an equity incentive;</p> <p>(IV) where shareholders require the Company to purchase their shares due to their disagreement on the merger or a division resolution passed by a shareholders' general meeting;</p> <p>(V) to use the shares in the conversion of the convertible corporate bonds issued by the Company;</p> <p>(VI) where it is necessary for preserving the value of the Company and the interest of shareholders;</p> <p>(VII) other circumstances permitted by the laws and regulations and the regulatory rules of the place where the shares of the Company are listed.</p> <p>Otherwise, the Company may not purchase its own shares.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 26	<p>The Company purchasing its own shares under any of the circumstances set forth in sub-paragraph (I) and (II) of the first paragraph of article 24 shall be subject to a resolution of a shareholders' general meeting; and the Company, in purchasing its own shares under any of the circumstances set forth in sub-paragraph (III), (V) and (VI) of the first paragraph of article 24, shall, pursuant to these articles of association or the authorization of a shareholders' general meeting, be subject to a resolution of a meeting of the board of directors at which more than two-thirds of directors are present.</p> <p>The shares purchased by the Company in accordance with the first paragraph of 24 shall, under the circumstance set forth in sub-paragraph (I), be canceled within ten days after the purchase; while under the circumstances set forth in sub-paragraph (II) or (IV), be disposed of or canceled within six months; and while under the circumstances set forth in sub-paragraph (III), (V) or (VI), aggregately not exceed 10% of the Company's total shares in issue, shall be disposed of or canceled within three years.</p> <p>The Company purchasing its own shares shall perform its legal obligation of information disclosure.</p>	Article 27	<p>The Company purchasing its own shares under any of the circumstances set forth in sub-paragraph (I) and (II) of the first paragraph of article 25 shall be subject to a resolution of a shareholders' general meeting; and the Company, in purchasing its own shares under any of the circumstances set forth in sub-paragraph (III), (V) and (VI) of the first paragraph of article 25, shall, pursuant to these articles of association or the authorization of a shareholders' general meeting, be subject to a resolution of a meeting of the board of directors at which more than two-thirds of directors are present.</p> <p>The shares purchased by the Company in accordance with the first paragraph of 25 shall, under the circumstance set forth in sub-paragraph (I), be canceled within ten days after the purchase; while under the circumstances set forth in sub-paragraph (II) or (IV), be disposed of or canceled within six months; and while under the circumstances set forth in sub-paragraph (III), (V) or (VI), aggregately not exceed 10% of the Company's total shares in issue, shall be disposed of or canceled within three years.</p> <p>The Company purchasing its own shares shall perform its legal obligation of information disclosure.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 27	<p>The Company may repurchase its shares by any of the following methods pursuant to the laws and regulations or with the approval from the competent authorities:</p> <p>(I) making a repurchase offer to all shareholders in proportion to their respective shareholdings;</p> <p>(II) repurchasing through public trading on a stock exchange;</p> <p>(III) repurchasing by over-the-counter agreements;</p> <p>(IV) other methods as permitted by the laws and regulations and the competent authorities.</p>	Article 28	<p>The Company may repurchase its shares by any of the following methods pursuant to the laws and regulations or with the approval from the competent authorities:</p> <p>(I) making a repurchase offer to all shareholders in proportion to their respective shareholdings;</p> <p>(II) repurchasing through public trading on a stock exchange;</p> <p>(III) repurchasing by over-the-counter agreements;</p> <p>(IV) other methods as permitted by the laws and regulations and the competent authorities.</p> <p>Where the Company buys back its shares under the circumstances prescribed in items (III), (V), and (VI) of Section 1 of Article 25 hereof, it shall be done through public centralized trading.</p>
Article 28	<p>Where the Company repurchases its shares by over-the-counter agreements, it shall seek prior approval of the shareholders at a shareholders' general meeting in accordance with these articles of association. The Company may terminate or revise a contract so entered or waive any of its rights thereunder with the same approval by shareholders at a shareholders' general meeting. A contract for the repurchase of shares as referred to in the preceding paragraph includes (without limitation) an agreement to assume the obligation to repurchase shares and an agreement to have the right to repurchase shares.</p> <p>The Company shall not assign a contract for the repurchase of its shares or any of its rights thereunder.</p> <p>The shares to be repurchased by the Company shall be subject to a maximum price if the shares are not repurchased through the market or by tender. If the shares are repurchased by tender, the tender shall be available to all shareholders alike.</p>	Article 29	<p>Where the Company repurchases its shares by over-the-counter agreements, it shall seek prior approval of the shareholders at a shareholders' general meeting in accordance with these articles of association. The Company may terminate or revise a contract so entered or waive any of its rights thereunder with the same approval by shareholders at a shareholders' general meeting.</p> <p>A contract for the repurchase of shares as referred to in the preceding paragraph includes (without limitation) an agreement to assume the obligation to repurchase shares and an agreement to have the right to repurchase shares.</p> <p>The Company shall not assign a contract for the repurchase of its shares or any of its rights thereunder.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 29	<p>Shares legally repurchased by the Company shall be cancelled within the period prescribed by the laws and regulations, and shall apply to the original company registration authority for registration of the change of its registered share capital.</p> <p>The registered share capital of the Company shall be reduced by the aggregate nominal value of those cancelled shares.</p>	Article 30	<p>After the Company buys back the shares, it shall cancel or transfer this part of the shares prior to the deadline prescribed by laws and regulations and apply to the original registration authority for the registration of change of registered capital in the case of cancellation.</p> <p>The registered share capital of the Company shall be reduced by the aggregate nominal value of those cancelled shares.</p>
Article 33	<p>Shares held by promoters shall not be transferred within one year from the establishment of the Company.</p> <p>Directors, supervisors and the senior management of the Company shall declare to the Company their shareholdings in the Company and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the Company each year. They shall not transfer the shares they hold within one year from the date of the listing of the Company on a stock exchange, nor within half a year after they have left their positions in the Company.</p> <p>Where the regulations of the securities regulatory authority in the place where the shares of the Company are listed have any other provisions in respect of the restrictions on transfers of overseas listed shares, such provisions shall prevail.</p>	Article 34	<p>Shares held by promoters shall not be transferred within one year from the establishment of the Company. Shares issued by the Company prior to its public issue of shares shall not be transferred within one year after the shares of the Company are listed and traded at a stock exchange.</p> <p>Directors, supervisors and the senior management of the Company shall declare to the Company their shareholdings in the Company and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the Company each year. They shall not transfer the shares they hold within one year from the date of the listing of the Company on a stock exchange, nor within half a year after they have left their positions in the Company.</p> <p>Where the transfer of shares by the Company is subject to relevant provisions of the security regulatory authority in the place where its shares are listed, such provisions shall prevail.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
-	NA	Article 35	<p>If a shareholder, director, supervisor, or senior executive, who holds more than 5% of shares of the Company, sells within six months of purchasing the shares of the Company he/she holds or buys back the shares within six months after selling the same, the earnings so obtained by him/her shall belong to the Company and shall be recovered by the Board of Directors of the Company, unless a security company holds more than 5% of the shares due to purchasing remaining shares that have been underwritten and sold, or under other circumstances specified by the China Securities Regulatory Commission.</p> <p>The shares or other securities of equity nature held by the director, supervisor, senior executives, and the natural person shareholder mentioned in the preceding paragraph shall include the shares held by their spouses, parents, and children, or those shares or securities of equity nature held through the account of others.</p> <p>Failure by the Board of Directors of the Company to comply with the preceding paragraph shall entitle the shareholders to require the Board of Directors to comply within thirty days. Where the Board of Directors fails to comply within the aforementioned time limit, the shareholders shall have the right to directly bring up a proceeding with the people's court in their own name in the interests of the Company.</p> <p>Where the Board of Directors fails to comply with the provisions of the first paragraph herein, the directors responsible therefor shall bear joint and several liabilities.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 36	<p>The share certificates of the Company shall be in registered form. In addition to those required by the Company Law, the share certificates of the Company shall contain other information required by the stock exchange on which the shares of the Company are listed.</p> <p>The Company may issue foreign shares in the form of foreign depository receipts or other derivatives in accordance with the laws and practices of registration and deposit of securities in the place of its listing.</p> <p>Where the share capital of the Company includes shares which do not carry voting rights, the designation of such shares must include the words “no voting rights”. Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most privileged voting rights, must include the words “restricted voting rights” or “limited voting rights”.</p>	Article 38	<p>The share certificates of the Company shall be in registered form. In addition to those required by the Company Law, the share certificates of the Company shall contain other information required by the stock exchange on which the shares of the Company are listed.</p> <p>Any and all A Shares of the Company are centrally deposited in the Shanghai Branch of China Securities Depository and Clearing Co., Ltd.</p> <p>The Company may issue foreign shares in the form of foreign depository receipts or other derivatives in accordance with the laws and practices of registration and deposit of securities in the place of its listing.</p>
Article 37	(I) The purchaser of the shares and the Company and each of its shareholders, and the Company and each of its shareholders, agree to comply with and conform to the provisions of the Company Law, the Special Provisions and other relevant laws and regulations and these Articles of Association;	Article 39	(I) The purchaser of the shares and the Company and each of its shareholders, and the Company and each of its shareholders, agree to comply with and conform to the provisions of the Company Law and other relevant laws and regulations and these Articles of Association;
Article 39	<p>The Company shall maintain a register of shareholders to contain the following information and register the particulars of shareholders as required by the laws and regulations and the Hong Kong Listing Rules:</p> <p>(I) the name, address and occupation or nature of each shareholder;</p> <p>(II) the class and number of shares held by each shareholder;</p> <p>(III) the consideration paid or payable for the shares held by each shareholder;</p> <p>(IV) the share certificate numbers of the shares held by each shareholder;</p> <p>(V) the date on which each shareholder was registered as a shareholder;</p> <p>(VI) the date on which each shareholder ceased to be a shareholder.</p> <p>The register of shareholders shall be sufficient evidence of the holding of Company shares by a shareholder, unless there is evidence to the contrary.</p>	Article 41	<p>The Company has a register of shareholders documenting the following items, or registering shareholders in accordance with laws, regulations, and regulatory rules of the place where the Company’s shares are listed:</p> <p>(I) the name, address and occupation or nature of each shareholder;</p> <p>(II) the class and number of shares held by each shareholder;</p> <p>(III) the consideration paid or payable for the shares held by each shareholder;</p> <p>(IV) the share certificate numbers of the shares held by each shareholder;</p> <p>(V) the date on which each shareholder was registered as a shareholder;</p> <p>(VI) the date on which each shareholder ceased to be a shareholder.</p> <p>The register of shareholders shall be sufficient evidence of the holding of Company shares by a shareholder, unless there is evidence to the contrary.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>If two or more persons are registered as the joint shareholders of any shares, they shall be deemed to be joint holders of such shares and be subject to the following provisions:</p> <p>(I) the Company is not obliged to register more than four persons as the joint shareholders of any shares;</p> <p>(II) all joint shareholders shall jointly and severally assume the liability to pay all amounts payable for the relevant shares;</p> <p>(III) if one of the joint shareholders is deceased or deregistered, only the surviving joint shareholders shall be deemed as the owners of the shares. However, the board of directors may demand the provision of such supporting documents as it considers appropriate to prove the death or deregistration of the relevant shareholder for the purpose of updating the register of shareholders;</p> <p>(IV) in respect of joint holders of any shares, only the joint shareholder ranking first in the register of shareholders has the right to receive share certificates, notices or other documents of the Company. Any notices delivered to such shareholder shall be deemed to have been delivered to all the joint holders. Any joint shareholders may sign a form of proxy. If more than one of the joint shareholders are present in person or by proxy, the vote made by the senior joint shareholders ranking senior in the register of shareholders, whether in person or by proxy, shall be accepted as the sole vote for all joint shareholders. In this regard, the seniority of shareholders shall be determined by the ranking of joint shareholders in the register of shareholders of the Company; and</p>		<p>If two or more persons are registered as the joint shareholders of any shares, they shall be deemed to be joint holders of such shares and be subject to the following provisions:</p> <p>(I) the Company is not obliged to register more than four persons as the joint shareholders of any shares;</p> <p>(II) all joint shareholders shall jointly and severally assume the liability to pay all amounts payable for the relevant shares;</p> <p>(III) if one of the joint shareholders is deceased or deregistered, only the surviving joint shareholders shall be deemed as the owners of the shares. However, the board of directors may demand the provision of such supporting documents as it considers appropriate to prove the death or deregistration of the relevant shareholder for the purpose of updating the register of shareholders;</p> <p>(IV) in respect of joint holders of any shares, only the joint shareholder ranking first in the register of shareholders has the right to receive share certificates, notices or other documents of the Company. Any notices delivered to such shareholder shall be deemed to have been delivered to all the joint holders. Any joint shareholders may sign a form of proxy. If more than one of the joint shareholders are present in person or by proxy, the vote made by the senior joint shareholders ranking senior in the register of shareholders, whether in person or by proxy, shall be accepted as the sole vote for all joint shareholders. In this regard, the seniority of shareholders shall be determined by the ranking of joint shareholders in the register of shareholders of the Company; and</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>(V) a receipt issued by any joint shareholders in respect of any dividends, bonuses or capital returns payable to the joint shareholders shall be deemed to be an effective receipt issued by all joint shareholders to the Company.</p> <p>The Company shall promptly update the register of shareholders if there is any change in the information recorded therein.</p>		<p>(V) a receipt issued by any joint shareholders in respect of any dividends, bonuses or capital returns payable to the joint shareholders shall be deemed to be an effective receipt issued by all joint shareholders to the Company.</p> <p>The Company shall promptly update the register of shareholders if there is any change in the information recorded therein.</p>
Article 43	No transfer of shares will be registered within 30 days before a shareholders' general meeting or within 5 days before the record date determined by the Company for the purpose of dividend distribution.	Article 45	No registration of change of the register of shareholders due to the share transfer shall be carried out, within 4 days prior to the shareholders' general meeting or within 5 days prior to the benchmark date on which the Company determines to distribute dividends. If it is otherwise provided in laws, regulations, and regulatory rules of the place where the securities of the Company are listed, which are applicable to the Company, and by regulators where the securities of the Company are listed, such laws, regulations, and regulatory rules shall prevail.
Article 44	If the Company intends to convene a shareholders' general meeting to distribute dividends, to liquidate or to conduct other activities requiring the verification of shareholdings, the board of directors shall determine a record date. Holders of shares whose names appear in the register of shareholders at the end of the record date shall be shareholders of the Company.	Article 46	When the Company convenes a shareholders' general meeting, distributes dividends, liquidates, and engages in other activities that involve the confirmation of equity, the Board of Directors or the convener of the shareholders' general meeting shall decide on the date of record. Shareholders whose names appear in the register of shareholders at the end of the record date are the shareholders of the Company who are entitled to relevant rights and interests.
Article 48	<p>The Company shall not be liable for any damages suffered by any person from the cancellation of an Original Share Certificate or the issue of a replacement share certificate, unless the claimant can prove that the Company had acted fraudulently.</p> <p>No new warrant certificate shall be issued to replace any lost warrant certificates issued in bearer form unless the Company is satisfied beyond a reasonable doubt that the original certificate has been destroyed.</p>	Article 50	The Company shall not be liable for any damages suffered by any person from the cancellation of an Original Share Certificate or the issue of a replacement share certificate, unless the claimant can prove that the Company had acted fraudulently.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 49	<p>The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who acquires or intends to acquire shares of the Company. The buyer of shares of the Company includes a person who directly or indirectly assumes obligations due to the acquisition of shares of the Company.</p> <p>The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the said obligor for the purpose of reducing or discharging the obligations assumed by aforesaid person.</p> <p>The provisions of this article shall not apply to the circumstances mentioned in article 51 of these articles of association.</p>	Article 51	<p>The Company and its subsidiaries (including affiliated enterprises of the Company) shall not, by any means, provide any financial assistance to persons who have subscribed or intended to subscribe for shares of the Company. The buyer of shares of the Company includes a person who directly or indirectly assumes obligations due to the acquisition of shares of the Company.</p> <p>The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the said obligor for the purpose of reducing or discharging the obligations assumed by aforesaid person.</p> <p>The provisions of this article shall not apply to the circumstances mentioned in article 53 of these articles of association.</p>
Article 50	<p>The financial assistance mentioned in article 49 of these articles of association shall include (but not limited to) the following:</p> <p>(I) a gift;</p> <p>(II) a guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the default of the Company), release or waiver of any rights;</p> <p>(III) a provision of loan or any other contract under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or contract; and</p> <p>(IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced by a material extent.</p> <p>Assumption of obligations shall include the assumption of obligations by the obligor by entering into a contract or making any arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is assumed by the obligor on his/her own or jointly with any other person) or by changing its financial position in any other way.</p>	Article 52	<p>The financial assistance mentioned in article 51 of these articles of association shall include (but not limited to) the following:</p> <p>(I) a gift;</p> <p>(II) a guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the default of the Company), release or waiver of any rights;</p> <p>(III) a provision of loan or any other contract under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or contract; and</p> <p>(IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced by a material extent.</p> <p>Assumption of obligations shall include the assumption of obligations by the obligor by entering into a contract or making any arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is assumed by the obligor on his/her own or jointly with any other person) or by changing its financial position in any other way.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 51	<p>The following acts shall not be deemed as acts prohibited under article 49:</p> <p>(I) the provision of financial assistance by the Company is in good faith and in the interest of the Company, and the principal purpose of the financial assistance is not for the acquisition of shares in the Company, or the financial assistance is an incidental part of plan of the Company;</p> <p>(II) lawful distribution of the assets of the Company as dividends;</p> <p>(III) distribution of dividends in the form of shares;</p> <p>(IV) reduction of registered capital, repurchase of shares and adjustment of shareholding structure in accordance with these articles of association;</p> <p>(V) provision of a loan by the Company in the course of its ordinary business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);</p> <p>(VI) the provision of money by the Company for contributions to employees' share scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company).</p>	Article 53	<p>The following acts shall not be deemed as acts prohibited under article 51:</p> <p>(I) the provision of financial assistance by the Company is in good faith and in the interest of the Company, and the principal purpose of the financial assistance is not for the acquisition of shares in the Company, or the financial assistance is an incidental part of plan of the Company;</p> <p>(II) lawful distribution of the assets of the Company as dividends;</p> <p>(III) distribution of dividends in the form of shares;</p> <p>(IV) reduction of registered capital, repurchase of shares and adjustment of shareholding structure in accordance with these articles of association;</p> <p>(V) provision of a loan by the Company in the course of its ordinary business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);</p> <p>(VI) the provision of money by the Company for contributions to employees' share scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company).</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 52	The shareholders of the Company are those who lawfully hold the shares of the Company and have their names registered in the register of shareholders. The shareholders shall enjoy the rights and assume the obligations according to the class and number of the shares they hold. The shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. The quorum for a class meeting (other than an adjourned meeting) to consider a variation of the rights of the class of shares shall be the holders of at least one-third of the issued shares of that class.	Article 54	The shareholders of the Company are those who lawfully hold the shares of the Company and have their names registered in the register of shareholders. The shareholders shall enjoy the rights and assume the obligations according to the class and number of the shares they hold. The shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.
Article 53	<p>Holders of ordinary shares of the Company shall enjoy the following rights:</p> <p>(I) to receive dividends and other forms of distribution of interest in proportion to their respective shareholdings;</p> <p>(II) to attend shareholders' general meetings in person or by proxy, and to speak and exercise voting rights at shareholders' general meetings in proportion to their respective shareholdings;</p> <p>(III) to supervise the business operations of the Company and to make recommendations and interrogations;</p> <p>(IV) to transfer or pledge the shares they hold according to the laws, regulations and these articles of association;</p>	Article 55	<p>Holders of ordinary shares of the Company shall enjoy the following rights:</p> <p>(I) to receive dividends and other forms of distribution of interest in proportion to their respective shareholdings;</p> <p>(II) to propose, convene, preside over, attend, or appoint a proxy to attend the shareholders' general meetings, make a statement, and exercise the corresponding voting right on the basis of the number of shares held;</p> <p>(III) to supervise the business operations of the Company and to make recommendations and interrogations;</p> <p>(IV) to transfer, donate, or pledge shares held by them in accordance with laws, regulations, and provisions of the Articles of Association;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>(V) to obtain relevant information in accordance with these articles of association, including:</p> <ol style="list-style-type: none"> 1. a set of these articles of association upon payment of a fee; 2. the rights to inspect and obtain copies of the following information upon payment of a reasonable charge: <ol style="list-style-type: none"> (1) all registers of shareholders; (2) personal information of the directors, supervisors, general manager and other 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 jobs and titles; (e) identity documents and numbers. (3) share capital of the Company; 		<p>(V) to obtain relevant information in accordance with these articles of association, including:</p> <ol style="list-style-type: none"> 1. a set of these articles of association upon payment of a fee; 2. the rights to inspect and obtain copies of the following information upon payment of a reasonable charge: <ol style="list-style-type: none"> (1) all registers of shareholders; (2) personal information of the directors, supervisors, general manager and other 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 jobs and titles; (e) identity documents and numbers. (3) share capital of the Company;

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>(4) reports showing the nominal value, number, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last fiscal year, and the aggregate amount paid by the Company for such shares;</p> <p>(5) the minutes of shareholders' general meetings (for inspection by shareholders only) and special resolutions of shareholders' general meetings;</p> <p>(6) the latest audited financial statements and the directors', auditors' and supervisors' reports of the Company;</p> <p>(7) the copy of the latest annual return submitted to the State Administration for Market Regulation or other competent authorities in China;</p> <p>(8) counterfoils of corporate bonds, resolutions of the meetings of the board of directors and the Supervisory Committee, the financial and accounting reports of the Company;</p>		<p>(4) reports showing the nominal value, number, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last fiscal year, and the aggregate amount paid by the Company for such shares;</p> <p>(5) the minutes of shareholders' general meetings (for inspection by shareholders only) and special resolutions of shareholders' general meetings;</p> <p>(6) the latest audited financial statements and the directors', auditors' and supervisors' reports of the Company;</p> <p>(7) the copy of the latest annual return submitted to the State Administration for Market Regulation or other competent authorities in China;</p> <p>(8) the Company bond coupon, resolutions of board meetings, resolutions of the Board of Supervisors' meetings, and financial statements;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>The Company shall maintain the documents set out in sub-paragraph (1) to (7) above except sub-paragraph (2) at the address of the Company in Hong Kong for free inspection by the public and its shareholders in accordance with the Hong Kong Listing Rules.</p> <p>(VI) to request the Company to acquire his/her shares if he/she objects to a resolution of a shareholders' general meeting on a merger or division of the Company;</p> <p>(VII) to participate in the distribution of the remaining assets of the Company in proportion to their shareholdings upon termination or liquidation of the Company;</p> <p>(VIII) to inspect the branch register of members in Hong Kong, but the Company may close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);</p> <p>(IX) any other rights prescribed by the laws, regulations, rules of the securities regulatory authorities and the stock exchange where the securities of the Company are listed and as stipulated under these articles of association.</p> <p>The Company shall not freeze or otherwise impair any of the rights attached to any shares only by reason that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p> <p>Rights of the shareholders of the Company who are legal persons shall be exercised by their legal representatives or agents on their behalf.</p>		<p>The Company shall maintain the documents set out in sub-paragraph (1) to (7) above except sub-paragraph (2) at the address of the Company in Hong Kong for free inspection by the public and its shareholders in accordance with the <i>Hong Kong Listing Rules</i>.</p> <p>(VI) to request the Company to acquire his/her shares if he/she objects to a resolution of a shareholders' general meeting on a merger or division of the Company;</p> <p>(VII) to participate in the distribution of the remaining assets of the Company in proportion to their shareholdings upon termination or liquidation of the Company;</p> <p>(VIII) to inspect the branch register of members in Hong Kong, but the Company may close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);</p> <p>(IX) any other rights prescribed by the laws, regulations, rules of the securities regulatory authorities and the stock exchange where the securities of the Company are listed and as stipulated under these articles of association.</p> <p>Rights of the shareholders of the Company who are legal persons shall be exercised by their legal representatives or agents on their behalf.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
-	NA	Article 58	Where a shareholder holding five percent or more voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the date he pledges his shares.
Article 56	<p>The controlling shareholder and the de facto controller of the Company shall not take advantage of their connected relationships to harm the interests of the Company. They shall be held liable for damages if, as a result of violating such provisions, they cause the Company to sustain a loss.</p> <p>The controlling shareholder and the de facto controller of the Company bear a fiduciary duty toward the Company and other shareholders of the Company. The controlling shareholder shall exercise its rights as an investor in strict accordance with the laws. It shall not harm the lawful rights and interests of the Company and other shareholders by means of profit distribution, asset restructuring, investment in a third party, appropriation of funds, loan security or other methods, or damage the interests of the Company and other shareholders by means of its controlling position.</p>	Article 59	<p>The controlling shareholder and the de facto controller of the Company shall not use their affiliation (related party relationship) to act in a way detrimental to the interests of the Company. They shall be held liable for damages if, as a result of violating such provisions, they cause the Company to sustain a loss.</p> <p>The controlling shareholder and the de facto controller of the Company bear a fiduciary duty toward the Company and other shareholders of the Company. The controlling shareholder shall exercise its rights as an investor in strict accordance with the laws. It shall not harm the lawful rights and interests of the Company and other shareholders by means of profit distribution, asset restructuring, investment in a third party, appropriation of funds, loan security or other methods, or damage the interests of the Company and other shareholders by means of its controlling position.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 62	<p>The shareholders' general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers:</p> <p>(I) to decide on the business policies and investment plans of the Company;</p> <p>(II) to elect or replace directors who are not representatives of the employees and to decide on matters relating to the remuneration of directors;</p> <p>(III) to elect or replace supervisors who are not representatives of the employees and to decide on matters relating to the remuneration of supervisors;</p> <p>(IV) to consider and approve reports of the board of directors;</p> <p>(V) to consider and approve reports of the supervisory committee;</p> <p>(VI) to consider and approve the annual financial budgets and final accounts of the Company;</p> <p>(VII) to consider and approve the profit distribution plans and plans for making up losses of the Company;</p> <p>(VIII) to pass resolutions concerning the increase or reduction of the registered capital of the Company;</p> <p>(IX) to pass resolutions on the issuance of bonds or other securities and public listing plans of the Company;</p>	Article 65	<p>The shareholders' general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers:</p> <p>(I) to decide on the business policies and investment plans of the Company;</p> <p>(II) to elect or replace directors who are not representatives of the employees and to decide on matters relating to the remuneration of directors;</p> <p>(III) to elect or replace supervisors who are not representatives of the employees and to decide on matters relating to the remuneration of supervisors;</p> <p>(IV) to consider and approve reports of the board of directors;</p> <p>(V) to consider and approve reports of the supervisory committee;</p> <p>(VI) to consider and approve the annual financial budgets and final accounts of the Company;</p> <p>(VII) to consider and approve the profit distribution plans and plans for making up losses of the Company;</p> <p>(VIII) to pass resolutions concerning the increase or reduction of the registered capital of the Company;</p> <p>(IX) to pass resolutions on the issuance of bonds or other securities and public listing plans of the Company;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	(X) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change in corporate form of the Company;		(X) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change in corporate form of the Company;
	(XI) to amend these articles of association;		(XI) to amend these articles of association;
	(XII) to resolve on the engagement, dismissal or non-renewal of the engagement of an accounting firm as the auditor of the Company;		(XII) to resolve on the engagement, dismissal or non-renewal of the engagement of an accounting firm as the auditor of the Company;
	(XIII) to consider proposals raised by a shareholder or shareholders holding at least 3% of the voting shares of the Company;		(XIII) to consider proposals raised by a shareholder or shareholders holding at least 3% of the voting shares of the Company;
	(XIV) to consider and approve external guarantees required to be resolved at the shareholders' general meeting pursuant to laws, regulations and these articles of association;		(XIV) to consider and approve external guarantees required to be resolved at the shareholders' general meeting pursuant to laws, regulations and these articles of association;
	(XV) to consider and approve matters relating to the purchase and sale by the Company within one year of material assets valued at more than 30% of the audited total assets of the Company as at the latest period;		(XV) to consider and approve matters relating to the purchase and sale by the Company within one year of material assets valued at more than 30% of the audited total assets of the Company as at the latest period;
	(XVI) to consider the equity incentive plan;		(XVI) to consider and approve matters relating to changes of the purpose of raised funds;
	(XVII) to consider and approve connected transactions required to be resolved at the shareholders' general meeting pursuant to laws, regulations, listing rules of the stock exchange of the place where the shares of the Company are listed and these articles of association;		(XVII) to consider the equity incentive plans and the employee stock ownership plans of the Company;

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	(XVIII) other matters required to be resolved at the shareholders' general meeting pursuant to laws, regulations, listing rules of the stock exchange of the place where the shares of the Company are listed and these articles of association;		<p>(XVIII) to approve the transactions with affiliated (related) parties (except for transactions in which the Company unilaterally gains profit, such as providing guarantees, and receiving cash assets, exemption or reduction of debt, receiving guarantees and funding, etc.), with an amount of more than RMB30 million, and affiliated (related-party) transactions representing more than 1% of its latest audited consolidated assets or market value, as well as other affiliated (related-party) transactions that are subject to the approval of the shareholders' general meeting in accordance with laws, regulations, listing rules of the stock exchange where the Company's shares are listed, and the provisions hereof;</p> <p>(XIX) other matters required to be resolved at the shareholders' general meeting pursuant to laws, regulations, listing rules of the stock exchange of the place where the shares of the Company are listed and these articles of association;</p> <p>The powers of the shareholders' general meeting mentioned above shall not be exercised by the Board of Directors or other institutions or individuals through authorization.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 63	<p>The provision of guarantee by the Company for third parties as set forth below, shall be subject to the consideration and approval of the shareholders' general meeting:</p> <p>(I) any guarantee to be provided after the total amount of guarantee provided to third parties by the Company and its controlling subsidiaries reaches or exceeds 50% of the latest audited net assets;</p> <p>(II) any guarantee to be provided after the total amount of guarantee provided to third parties by the Company reaches or exceeds 30% of the latest audited total assets;</p> <p>(III) any guarantee to be provided to a recipient with a gearing ratio of more than 70%;</p> <p>(IV) any single guarantee exceeding 10% of the latest audited net assets;</p> <p>(V) any guarantee to be provided for shareholders, de facto controllers and their connected parties;</p> <p>(VI) other guarantees required by laws, regulations, regulatory rules of the place where the shares of the Company are listed or these articles of association.</p> <p>The above-mentioned guarantee to third parties that should be approved by a shareholders' general meeting must be reviewed and approved by the board of directors before being submitted to the shareholders' general meeting for approval.</p> <p>The board of directors shall review and approve guarantee to third parties not being required to be approved by a shareholders' general meeting.</p>	Article 66	<p>Where a guarantee is provided by the Company, it shall be submitted to the Board of Directors or the shareholders' general meeting for deliberation, and shall be promptly disclosed as well. The provision of guarantee by the Company for third parties as set forth below, shall be subject to the consideration and approval of the shareholders' general meeting:</p> <p>(I) any guarantee provided after the total amount of guarantees to third parties provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;</p> <p>(II) any guarantee provided after the total amount of guarantees to third parties provided by the Company has exceeded 30% of the Company's latest audited total assets;</p> <p>(III) Any guarantee provided by the Company within one year whose amount has exceeded 30% of the Company's latest audited net assets;</p> <p>(IV) any guarantee to be provided to a recipient with a gearing ratio of more than 70%;</p> <p>(V) any single guarantee exceeding 10% of the latest audited net assets;</p> <p>(VI) any guarantee provided to shareholders, de facto controller or their affiliated (related) parties;</p> <p>(VII) other guarantees required by laws, regulations, regulatory rules of the place where the shares of the Company are listed or these articles of association.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>When considering the resolution of providing guarantee for shareholders, de facto controllers and their connected parties at the shareholders' general meeting, such shareholders or shareholders who are controlled by the de facto controllers shall abstain from voting on such resolution. The resolution shall be approved by more than half of the voting rights held by other shareholders present at the shareholders' general meeting.</p>		<p>The above-mentioned guarantee to third parties that should be approved by a shareholders' general meeting must be reviewed and approved by the board of directors before being submitted to the shareholders' general meeting for approval. When the guarantee matters described in item (III) of the preceding paragraph are considered by the shareholders' general meeting, it shall be approved by the shareholders representing two-thirds or more of the voting rights held by the shareholders present at the meeting.</p> <p>The board of directors shall review and approve guarantee to third parties not being required to be approved by a shareholders' general meeting. Besides being approved by more than half of all directors, the guarantee matters within the authority of the Board of Directors shall also be subject to the consent of more than two-thirds of the directors present at the board meeting.</p> <p>Where the Company provides guarantees for its wholly-owned subsidiary, or if the Company provides guarantees for its holding subsidiary and other shareholders of the said holding subsidiary provide guarantees in equivalent proportion to their respective rights and interests, without jeopardizing the interests of the Company, the provisions set forth in items (I), (IV), and (V) of this Article may be exempted. The annual reports and semi-annual reports of the Company shall summarize and disclose the aforementioned guarantee.</p> <p>When the proposal of providing guarantees to a shareholder, de facto controller, and the affiliated (related) parties is considered by the shareholders' general meeting, such shareholder or the shareholder(s) controlled by such de facto controller shall not vote and the resolution shall be passed by half or more of the voting rights held by the other shareholders present at the shareholders' general meeting. Where the Company provides guarantees to the controlling shareholder, the de facto controller, and its affiliated (related) parties, the said controlling shareholder, de facto controller, and affiliated (related) parties shall provide a counter guarantee.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
-	NA	Article 67	<p>Transactions conducted by the Company (except for transactions in which the Company unilaterally gains profit, such as providing guarantees, and receiving cash assets, exemption or reduction of debt, receiving guarantees and funding, etc.) that meet one of the following standards shall be submitted to the shareholders' general meeting for consideration:</p> <p>(I) The total amount of assets involved in a transaction (if the book value and assessed value co-exist, whichever is higher) exceeds 50% of the Company's latest audited total assets;</p> <p>(II) The trading volume of a transaction (including the transaction amount paid, debts and expenses assumed, etc.) exceeds 50% of the market value of the Company;</p> <p>(III) The net assets of the transaction subject matter(e.g., equity) in the latest fiscal year exceeds 50% of the market value of the Company;</p> <p>(IV) The operating income related to the transaction subject matter(e.g., equity) in the latest fiscal year accounts for more than 50% of the audited operating income of the Company in the latest fiscal year and exceeds RMB50 million;</p> <p>(V) The profits generated from the transaction account for more than 50% of the audited net profits of the Company in the latest fiscal year and exceed RMB5 million;</p> <p>(VI) The net profits relating to the transaction subject matter (e.g., equity) in the latest fiscal year account for more than 50% of the audited net profits of the Company in the latest fiscal year and exceed RMB5 million.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>“Transactions” mentioned above shall include the following matters: the purchase or sale of assets (except for the purchase of raw materials, fuel, and power, and the sale of products or commodities as well as other transactions related to daily operations); foreign investment (except for the purchase of bank wealth management products); transferring or being transferred with R&D projects; the execution of license agreements; the provision of guarantee; the renting or leasing of assets; entrusting or being entrusted with the management of assets and businesses; donating or being donated with assets; creditor’s rights and debt restructuring; the provision of financial assistance; other transactions recognized by the stock exchange in the place where the Company’s shares are listed.</p> <p>Where a transaction arrangement involves paying or receiving consideration subsequently, without a specific amount or the amount is determined by the conditions set, the estimated maximum amount shall be the transaction amount.</p> <p>Where the Company implements a transaction in stages, the above provisions shall be applied on the basis of the aggregate transaction amount, and the Company shall promptly disclose the occurrence of the phased transaction.</p> <p>In the event that the Company, with the same counter-party, simultaneously has reverse transactions of the same type, the standards of disclosure and decision-making shall be determined on the basis of the amount of one-way transactions. When the Company conducts transactions of the same type and related to the subject matter other than providing guarantees, entrusted wealth management, etc., the above provisions shall be applied in accordance with the principle of cumulative calculation for twelve consecutive months. Transactions that have been subject to the deliberation procedures of the shareholders’ general meeting and disclosed in a timely manner are excluded from the cumulative calculation for twelve consecutive months.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>Where the Company has an equity transaction that results in a change in the scope of its consolidated financial statements, the above provisions shall be applied by taking relevant financial indicators of the Company corresponding to the equity as the calculation basis. Where the said equity transaction does not result in a change in the scope of the consolidated financial statements, the above provisions shall be applied by calculating relevant financial indicators based on the proportion of changes in equity held by the Company.</p> <p>Where the Company waives, directly or indirectly, the right of first refusal or the right to increase the capital of its holding subsidiary, resulting in the subsidiary being no longer included in the consolidated financial statements, it shall be regarded as the sale of equity assets, and the above provisions shall be applied by taking relevant financial indicators of the Company corresponding to the equity as the calculation basis. Where the Company partially waives the right of first refusal in the equity or the right to increase the capital of its holding subsidiary or equity shareholder, without any changes in the scope of the consolidated financial statements and with a decrease in the shareholding percentage in the Company, the above provisions shall be applied by calculating relevant financial indicators based on the proportion of changes in equity held by the Company. Where the Company waives or partially waives, the right to earnings to its subordinate non-incorporated entities, the provisions hereof shall apply by reference.</p> <p>When the Company provides financial assistance, the above provisions shall be applied by taking the transaction value as the transaction amount.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>Where the Company has entrusted wealth management on a rolling basis for 12 consecutive months, the above provisions shall be applied by taking the maximum balance during this period as the transaction amount.</p> <p>Where the Company has renting assets or trustee-managed asset transactions, the above provisions shall be applied by taking rent or earnings as the calculation basis. Where the Company has transactions involving leasing-out assets or entrusting others for asset management, the above provisions shall be applied by taking total assets, rent, or management fee as the calculation basis. Where the scope of the consolidated financial statements is changed due to entrusted operation, renting assets, or entrusted management or leasing out assets, it shall be regarded as a purchase or sale of assets.</p> <p>Transactions in which the Company gains profits solely, including the receipt of donated cash assets, exemption or reduction of debt, receiving guarantee and financial assistance, may be exempted from submission to the shareholders' general meeting for deliberation.</p>
Article 64	Without the prior approval of a shareholders' general meeting, the Company may not conclude any contract with any person other than a director, a supervisor, the general manager and other senior management of the Company whereby such person is designated to be in charge of the management of the whole or a substantial part of the business of the Company.	Article 68	Except where the Company is in a crisis or under any special circumstance, the Company may not enter into any contract with anyone other than a director, general manager, or any other senior executive to have all or a significant part of the Company's business in the care of such person, unless otherwise approved by the shareholders at a general meeting by way of special resolution.
Article 67	<p>The Company shall convene a shareholders' general meeting at its domicile, place of production and operation or other location as specified in the notice of the meeting. A shareholders' general meeting shall be held at a place and time where as many shareholders as possible are present.</p> <p>A shareholders' general meeting shall be convened on-site at a venue, or held in one or more locations as a hybrid meeting or electronic meeting, and shall facilitate the shareholders to attend the meeting by way of other safe, economical and convenient means as required by the laws, regulations and these articles of association. The shareholders that have participated in the meeting by the aforementioned means shall be deemed to have attended the meeting.</p>	Article 71	<p>The Company shall convene a shareholders' general meeting at its domicile, place of production and operation or other location as specified in the notice of the meeting. A shareholders' general meeting shall be held at a place and time where as many shareholders as possible are present.</p> <p>A shareholders' general meeting shall have a venue and be held on-site, or at one or more places in the form of a composite or online meeting. Subject to laws, regulations, or the provisions hereof, virtual voting and other safe, economical, and convenient methods shall be provided to facilitate shareholders to attend the shareholders' meeting. The shareholders that have participated in the meeting by the aforementioned means shall be deemed to have attended the meeting.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>A hybrid meeting means a shareholders' general meeting at which (i) the shareholders and/or their proxies may attend by physical attendance at the principal meeting place and where applicable, one or more meeting locations, and (ii) the shareholders and/or their proxies may attend and participate virtually by electronic means.</p> <p>If the shareholders remotely participate in the shareholders' general meeting through the Internet, video conferencing, electronic meeting or other means, they shall complete the registration and identity verification in accordance with the notice of the shareholders' general meeting in advance, send their personal information to the Company, and use the link and password provided by the Company to participate in the shareholders' general meeting. Without prejudice to the normal convening of the shareholders' general meeting, the board of directors and the chairman of the meeting shall arrange for shareholders who remotely participate in the shareholders' general meeting to speak and ask questions during the meeting. If the Company does not provide a voting system for shareholders who remotely participate in the shareholders' general meeting, shareholder who is unable to attend the shareholders' general meeting on-site may appoint his/her proxy to vote at the shareholders' general meeting on his/her behalf.</p> <p>Once the notice of a shareholders' general meeting has been issued, the venue of the on-site meeting shall not be changed without valid reasons. If a change of venue is necessary, the convener shall make an announcement stating the reasons at least two working days prior to the date of the on-site meeting.</p>		<p>A hybrid meeting means a shareholders' general meeting at which (i) the shareholders and/or their proxies may attend by physical attendance at the principal meeting place and where applicable, one or more meeting locations, and (ii) the shareholders and/or their proxies may attend and participate virtually by electronic means.</p> <p>If the shareholders remotely participate in the shareholders' general meeting through the Internet, video conferencing, electronic meeting or other means, they shall complete the registration and identity verification in accordance with the notice of the shareholders' general meeting in advance, send their personal information to the Company, and use the link and password provided by the Company to participate in the shareholders' general meeting. Without prejudice to the normal convening of the shareholders' general meeting, the board of directors and the chairman of the meeting shall arrange for shareholders who remotely participate in the shareholders' general meeting to speak and ask questions during the meeting. If the Company does not provide a voting system for shareholders who remotely participate in the shareholders' general meeting, shareholder who is unable to attend the shareholders' general meeting on-site may appoint his/her proxy to vote at the shareholders' general meeting on his/her behalf.</p> <p>Once the notice of a shareholders' general meeting has been issued, the venue of the on-site meeting shall not be changed without valid reasons. If a change of venue is necessary, the convener shall make an announcement stating the reasons at least two working days prior to the date of the on-site meeting.</p>
-	NA	Article 72	<p>Whenever the Company convenes shareholders' general meetings, lawyers will be hired to render legal opinions and announcements with respect to</p> <ul style="list-style-type: none"> (I) the compliance with laws, administrative regulations, and the provisions hereof in terms of the convening and holding procedures of the meeting; (II) the legitimacy and validity of the qualifications of the attendees and the convener; (III) the legitimacy and validity of the voting procedures and results of the meeting; (IV) other issues concerned, at the request of the Company.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 69	Independent non-executive directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with laws, regulations and these articles of association, give a written reply on whether or not it agrees to convene such extraordinary general meeting within ten days after receipt of the proposal. If the board of directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors. If the board of directors does not agree to convene such meeting, an explanation shall be made.	Article 74	Independent non-executive directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with laws, regulations and these articles of association, give a written reply on whether or not it agrees to convene such extraordinary general meeting within ten days after receipt of the proposal. If the board of directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors. If the Board of Directors does not agree to convene the extraordinary general meeting, reasons thereof shall be explained, together with an announcement for this purpose.
Article 72	If the supervisory committee or shareholders decide(s) to convene a shareholders' general meeting on its/their own, a written notice shall be submitted to the board of directors. A resolution shall be considered and approved at the shareholders' general meeting where the convening shareholder shall hold no less than 10% of the shares of the Company.	Article 77	If the Board of Supervisors or shareholders decide to convene the shareholders' general meeting on their own initiative, they shall notify the Board of Directors in writing and report to the Shanghai Stock Exchange for the record. The shareholders that have the right to convene the shareholders' general meeting must hold no less than 10% of shares of the Company immediately before the resolutions of such meeting are approved. The Board of Supervisors or the shareholders convening the meeting shall, at the time when a notice of the shareholders' general meeting is sent and the resolution of the shareholders' general meeting is announced, submit relevant supporting documents to the Shanghai Stock Exchange.
Article 73	When the supervisory committee or shareholders convene(s) a general meeting on its/their own, the board of directors and the secretary to the board of directors shall offer their support.	Article 78	When the supervisory committee or shareholders convene(s) a general meeting on its/their own, the board of directors and the secretary to the board of directors shall offer their support. The Board of Directors shall provide the register of shareholders as of the date of record.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 76	<p>When the Company convenes a shareholders' general meeting, the board of directors, the supervisory committee and shareholders holding 3% or more of the shares of the Company separately or in aggregate shall be entitled to put forward proposals to the Company.</p> <p>Shareholders individually or jointly holding 3% or more of the shares of the Company may submit ad hoc proposals to the convener of a shareholders' general meeting in writing ten days prior to shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting to provide information of such ad hoc proposals within two days after receipt thereof.</p> <p>Except as provided in the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals set out in the notice of the shareholders' general meeting or put up any new proposals after the issuance of the notice of the shareholders' general meeting.</p> <p>Proposals which are not specified in the notice of the shareholders' general meeting or which are not in compliance with article 75 shall not be voted on or resolved at the shareholders' general meeting.</p>	Article 81	<p>When the Company convenes a shareholders' general meeting, the board of directors, the supervisory committee and shareholders holding 3% or more of the shares of the Company separately or in aggregate shall be entitled to put forward proposals to the Company.</p> <p>Shareholders individually or jointly holding 3% or more of the shares of the Company may submit ad hoc proposals to the convener of a shareholders' general meeting in writing ten days prior to shareholders' general meeting. The convener shall send a supplementary notice of the shareholders' general meeting and announce the contents of such extempore proposal within two days upon receipt of the proposal.</p> <p>Except as provided in the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals set out in the notice of the shareholders' general meeting or put up any new proposals after the issuance of the notice of the shareholders' general meeting.</p> <p>Proposals which are not specified in the notice of the shareholders' general meeting or which are not in compliance with article 79 shall not be voted on or resolved at the shareholders' general meeting.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 77	<p>The convener of the shareholders' general meeting shall issue a written notice to all shareholders at least 21 days prior to the convening of the annual general meeting and at least 15 days prior to the convening of the extraordinary general meeting.</p> <p>The notice of the shareholders' general meeting shall be served on all shareholders (whether or not such shareholders are entitled to vote at the shareholders' general meeting) in person or by prepaid mail. The address of the recipient shall be the address as shown in the register of members. For holders of domestic shares, the notice of shareholders' general meeting may be published by way of an announcement in accordance with the laws and regulations.</p> <p>The notice, information or written statement of the shareholders' general meeting sent to the holders of overseas listed foreign shares shall, by any of the following means, be served 21 days prior to the convening of the annual general meeting or 15 days prior to the convening of the extraordinary general meeting:</p> <p>(I) to be sent to each holder of overseas listed foreign shares in person or by mail to the registered address of each holder of overseas listed foreign shares;</p> <p>(II) to be published on the website of the Company or the websites designated by the securities regulatory authority or stock exchange of the place where the shares of the Company are listed in accordance with the applicable laws, regulations and relevant listing rules;</p> <p>(III) to be sent according to other requirements of the stock exchange of the place where the shares of the Company are listed and the Listing Rules.</p> <p>The periods of "21 days" and "15 days" shall not include the day on which the meeting is convened but include the day on which the notice is issued.</p>	Article 82	<p>The convener of the shareholders' general meeting shall issue a written notice to all shareholders at least 21 days prior to the convening of the annual general meeting and at least 15 days prior to the convening of the extraordinary general meeting.</p> <p>Unless otherwise provided for by laws, regulations, and regulatory rules of the place where the Company's shares are listed, as well as the provisions hereof, the notice of the shareholders' general meeting shall be served to the shareholders (whether or not they are entitled to vote) in person or by mail, postage paid, provided, however, that the recipient address shall be as recorded in the register of shareholders. The notice of the shareholders' general meeting may be served in the form of announcements as per laws and regulations.</p> <p>The notice, information or written statement of the shareholders' general meeting sent to the holders of overseas listed foreign shares shall, by any of the following means, be served 21 days prior to the convening of the annual general meeting or 15 days prior to the convening of the extraordinary general meeting:</p> <p>(I) to be sent to each holder of overseas listed foreign shares in person or by mail to the registered address of each holder of overseas listed foreign shares;</p> <p>(II) to be published on the website of the Company or the websites designated by the securities regulatory authority or stock exchange of the place where the shares of the Company are listed in accordance with the applicable laws, regulations and relevant listing rules;</p> <p>(III) to be sent according to other requirements of the stock exchange of the place where the shares of the Company are listed and the Listing Rules.</p> <p>The periods of "21 days" and "15 days" shall not include the day on which the meeting is convened but include the day on which the notice is issued.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 78	<p>The notice of a shareholders' general meeting shall:</p> <p>(I) be made in writing;</p> <p>(II) specify the venue, date and time of the meeting;</p> <p>(III) state the matters and proposals to be discussed at the meeting;</p> <p>(IV) specify the record date for shareholders entitled to attend the shareholders' general meeting;</p> <p>(V) provide such information and explanation necessary for shareholders to exercise an informed judgment on the proposals to be discussed and shall include (but not limited to), where a proposal on merger, repurchase of shares, restructuring of share capital or other restructuring is put forward by the Company, the provision of the specific conditions and the contracts (if any) of the transactions contemplated, and the causes and consequences of such proposals shall be properly explained;</p> <p>(VI) disclose the nature and extent of the material interest, if any, of any director, supervisor, general manager and other senior management in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor, general manager or other senior management as a Shareholder and the way in which such matter would affect other Shareholders of the same class;</p> <p>(VII) contain the full text of any special resolution proposed to be passed at the meeting;</p>	Article 83	<p>The notice of a shareholders' general meeting shall:</p> <p>(I) be made in writing;</p> <p>(II) specify the venue, date and time of the meeting;</p> <p>(III) state the matters and proposals to be discussed at the meeting;</p> <p>(IV) specify the record date for shareholders entitled to attend the shareholders' general meeting;</p> <p>(V) provide such information and explanation necessary for shareholders to exercise an informed judgment on the proposals to be discussed and shall include (but not limited to), where a proposal on merger, repurchase of shares, restructuring of share capital or other restructuring is put forward by the Company, the provision of the specific conditions and the contracts (if any) of the transactions contemplated, and the causes and consequences of such proposals shall be properly explained;</p> <p>(VI) disclose the nature and extent of the material interest, if any, of any director, supervisor, general manager and other senior management in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor, general manager or other senior management as a Shareholder and the way in which such matter would affect other Shareholders of the same class;</p> <p>(VII) contain the full text of any special resolution proposed to be passed at the meeting;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>(VIII) contain a statement explicitly stating that a shareholder entitled to attend and vote shall be entitled to appoint one or more proxies to attend and vote on his/her behalf and that such proxies need not be a shareholder;</p> <p>(IX) specify the time and place for lodging proxy forms for voting at the meeting;</p> <p>(X) specify the name and telephone number of the contact person of the meeting;</p> <p>(XI) other information required by laws, regulations and the regulatory rules of the place where the shares of the Company are listed and these articles of association.</p> <p>Notices and supplementary notices of shareholders' general meetings shall adequately and completely disclose the particulars of all proposals. Where the opinions of an independent non- executive director are required on the matters to be discussed, such opinions and reasons thereof shall be provided when the notices or supplementary notices of shareholders' general meetings are served.</p> <p>Where a shareholders' general meeting is held through other means, the notice of the shareholders' general meeting shall specify the time and procedures for voting.</p> <p>The accidental omission to give 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 and the resolutions passed at the meeting.</p>		<p>(VIII) mention the following information in a conspicuous statement: all shareholders have the right to attend the shareholders' general meeting, and they may appoint a proxy in writing to attend the meeting and vote on their behalf, and that such proxy may not necessarily be a shareholder of the Company;</p> <p>(IX) specify the time and place for lodging proxy forms for voting at the meeting;</p> <p>(X) state the names and telephone numbers of the contact persons for meeting affairs.</p> <p>(XI) state the time and procedures for voting virtually or by other means;</p> <p>(XII) specify other information required by laws, regulations and the regulatory rules of the place where the shares of the Company are listed and these articles of association.</p> <p>Notices and supplementary notices of shareholders' general meetings shall adequately and completely disclose the particulars of all proposals. Where the opinions of an independent non- executive director are required on the matters to be discussed, such opinions and reasons thereof shall be provided when the notices or supplementary notices of shareholders' general meetings are served.</p> <p>The start time of voting virtually or by other means at the shareholders' general meeting shall not be earlier than 3:00 p.m. on the day before the physical meeting is held, and not be later than 9:30 a.m. on the day when the physical meeting is held. The end time of voting shall not be earlier than 3:00 p.m. on the day when the physical meeting is ended.</p> <p>The interval between the date of record and the date of the meeting shall not be more than seven working days. Once being confirmed, the date of record could not be changed.</p> <p>The accidental omission to give 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 and the resolutions passed at the meeting.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 80	<p>If the election of directors or supervisors is proposed to be discussed at a shareholders' general meeting, the notice of such meeting shall adequately disclose particulars of the candidates for directors or supervisors, which shall at least include:</p> <p>(I) personal particulars, including educational background, work experience, and part-time jobs;</p> <p>(II) whether they are connected with the Company, its controlling shareholders or de facto controllers;</p> <p>(III) their shareholdings in the Company;</p> <p>(IV) whether they are subject to the punishment of the CSRC and other relevant departments and the penalty of stock exchanges;</p> <p>(V) information of the directors or supervisors newly appointed, re-elected or re-designated required to be disclosed under the Hong Kong Listing Rules.</p> <p>Election of each candidate for director or supervisor shall be conducted by separate resolution.</p>	Article 85	<p>If the election of directors or supervisors is proposed to be discussed at a shareholders' general meeting, the notice of such meeting shall adequately disclose particulars of the candidates for directors or supervisors, which shall at least include:</p> <p>(I) personal particulars, including educational background, work experience, and part-time jobs;</p> <p>(II) whether or not the candidate has any affiliation (related-party relationship) with the controlling shareholder and the de facto controller of the Company;</p> <p>(III) their shareholdings in the Company;</p> <p>(IV) whether they are subject to the punishment of the CSRC and other relevant departments and the penalty of stock exchanges;</p> <p>(V) other information on a newly appointed, re-elected, or transferred director or supervisor that must be disclosed as required by regulatory rules of the place where the shares of the Company are listed.</p> <p>Each candidate for a director or supervisor in addition to those elected through the cumulative voting shall be proposed by way of a single proposal.</p>
Article 81	<p>After the notice of the shareholders' general meeting is issued, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall explain the reasons in writing at least two working days prior to the original scheduled date. If the Company changes the venue or time of a shareholders' general meeting, it shall give adequate prior notice to the shareholders.</p>	Article 86	<p>After the notice of the shareholders' general meeting is issued, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. Once the meeting is postponed or canceled, the convener shall issue an announcement and give reasons therefor at least 2 working days prior to the original date of the meeting. If the Company changes the venue or time of a shareholders' general meeting, it shall give adequate prior notice to the shareholders.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 83	<p>All shareholders of the Company or their proxies shall be entitled to attend the shareholders' general meeting and vote in accordance with the applicable laws, regulations and these articles of association.</p> <p>Any shareholder may attend the shareholders' general meeting in person or appoint one or more persons (whether or not such persons are shareholders) as his/her proxies to attend and vote on his/her behalf, and the proxies so appointed may exercise the following rights pursuant to the authorizations from such shareholder:</p> <p>(I) the shareholder's rights to speak at the shareholders' general meeting;</p> <p>(II) the rights to demand by himself/herself or jointly with others in voting by way of poll;</p> <p>(III) the rights to vote by show of hands or by poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by poll.</p>	Article 88	<p>All shareholders already registered on the date of record and their proxies shall have the right to attend the shareholders' general meeting and to vote in accordance with the relevant laws, regulations, and the provisions hereof.</p> <p>Any shareholder may attend the shareholders' general meeting in person or appoint one or more persons (whether or not such persons are shareholders) as his/her proxies to attend and vote on his/her behalf, and the proxies so appointed may exercise the following rights pursuant to the authorizations from such shareholder:</p> <p>(I) the shareholder's rights to speak at the shareholders' general meeting;</p> <p>(II) the rights to demand by himself/herself or jointly with others in voting by way of poll;</p> <p>(III) the rights to vote by show of hands or by poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by poll.</p>
Article 85	<p>Individual shareholders attending a shareholders' general meeting in person shall produce their identity cards or other valid proof or evidence of their identities, and in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.</p> <p>For a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend a shareholders' general meeting. In the case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization issued by such legal representatives according to the laws.</p>	Article 90	<p>Individual shareholders attending the meeting in person shall present their personal identity cards, certificates or stock account cards that can prove their identities. Proxies authorized to attend the meeting shall present their personal identity cards and the power of attorney from the shareholder.</p> <p>For a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend a shareholders' general meeting. In the case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization issued by such legal representatives according to the laws.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 89	The convener shall verify the validity of the qualifications of shareholders based on such shareholders' register, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of their voting shares.	Article 94	The convener and the lawyer so hired shall verify the legitimacy of shareholders in accordance with the register of shareholders rendered by the securities registration and clearing institution, and shall register the names (or designations) of these shareholders and the number of voting shares each of them holds. The registration for a meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of their voting shares.
-	NA	Article 95	When a shareholders' general meeting is held, all directors, supervisors, and the secretary to the Board of Directors shall be present at the general meeting, and the managers and the senior executives shall attend the meeting without voting right.
Article 95	<p>Minutes shall be prepared for shareholders' general meetings by the secretary to the board of directors. The minutes shall state the following contents:</p> <p>(I) the time, venue and agenda of the meeting and the name of the convener;</p> <p>(II) the name of the chairman of the meeting and the names of the directors, supervisors, general managers and senior management attending or present at the meeting;</p> <p>(III) the number of shareholders and proxies attending the meeting, total number of voting shares they represent, and the percentages of their voting shares to the total share capital of the Company for each shareholder;</p> <p>(IV) the process of review and discussion, summary of any speech, and voting results of each proposal;</p> <p>(V) the shareholders' questions, opinions, suggestions and corresponding answers or explanations;</p> <p>(VI) the names of lawyer(s), vote counters and scrutinizer(s) of the voting;</p> <p>(VII) other contents to be included as specified in these articles of association.</p>	Article 101	<p>Minutes shall be prepared for shareholders' general meetings by the secretary to the board of directors. The minutes shall state the following contents:</p> <p>(I) the time, venue and agenda of the meeting and the name of the convener;</p> <p>(II) the name of the chairman of the meeting and the names of the directors, supervisors, general managers and senior management attending or present at the meeting;</p> <p>(III) the number of shareholders and proxies attending the meeting, total number of voting shares they represent, and the percentages of their voting shares to the total share capital of the Company for each shareholder;</p> <p>(IV) the process of review and discussion, summary of any speech, and voting results of each proposal;</p> <p>(V) the shareholders' questions, opinions, suggestions and corresponding answers or explanations;</p> <p>(VI) names of lawyers, counting officers and scrutineers;</p> <p>(VII) other contents to be included as specified in these articles of association.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 96	<p>The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the board of directors, conveners or their representatives attending the meeting, and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the signed attendance record of attending shareholders, proxy forms and valid information on other means of voting at the domicile of the Company, for a period of no less than 10 years.</p> <p>Shareholders may examine photocopies of the minutes of meetings during the office hours of the Company free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within 7 days upon receipt of the payment for reasonable charges.</p>	Article 102	<p>The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the board of directors, conveners or their representatives attending the meeting, and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the register of the meeting regarding the shareholders present, the power of attorney of proxies, as well as all valid materials of voting virtually and other voting for no less than 10 years.</p> <p>Shareholders may examine photocopies of the minutes of meetings during the office hours of the Company free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within 7 days upon receipt of the payment for reasonable charges.</p>
Article 97	<p>The convener shall ensure that the shareholders' general meeting is conducted continuously until final resolutions are made. If the shareholders' general meeting is suspended or resolutions cannot be made because of force majeure or other special causes, the convener shall take necessary measures to resume the meeting or directly terminate that meeting as soon as practicable, and a notice shall be given to shareholders promptly.</p>	Article 103	<p>The convener shall ensure that the shareholders' general meeting is conducted continuously until final resolutions are made. In the event that the general meeting is adjourned or resolutions failed to be reached due to force majeure or other special reasons, necessary measures shall be adopted to resume the meeting as soon as possible or the meeting shall be concluded directly, and announcing the same without delay. The convener shall, at the same time, report to the branch of the China Securities Regulatory Commission at the place where the Company is located and the Shanghai Stock Exchange.</p>
Article 98	<p>Resolutions of the shareholders' general meeting are divided into ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of the shareholders' general meeting shall be adopted by shareholders in attendance (including proxies) holding at least half of the voting rights.</p> <p>Special resolutions of the shareholders' general meeting shall be adopted by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.</p>	Article 104	<p>Resolutions of the shareholders' general meeting are divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution must be passed by votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p>Special resolutions of the shareholders' general meeting shall be adopted by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 99	<p>Resolutions of the shareholders' general meeting</p> <p>(I) The following matters shall be adopted by ordinary resolution in the shareholders' general meeting, unless otherwise provided by laws, regulations and these articles of association:</p> <p>(1) the work reports of the board of directors and the supervisory committee;</p> <p>(2) the profit distribution plans and plans for making up losses drafted by the board of directors;</p> <p>(3) the dismissal and remuneration of the members of the board of directors and the supervisory committee and the method of payment of the remuneration;</p> <p>(4) the annual budgets and final accounts, balance sheets, profit statements and other financial statements of the Company;</p> <p>(5) matters other than those that laws, regulations or these articles of association require to be adopted by special resolution.</p> <p>(II) The following matters shall be adopted by special resolution at the shareholders' general meeting:</p> <p>(1) the increase or reduction of the registered capital and issuance of any class of shares, warrants and other similar securities by the Company;</p>	Article 105	<p>Resolutions of the shareholders' general meeting</p> <p>(I) The following matters shall be adopted by ordinary resolution in the shareholders' general meeting, unless otherwise provided by laws, regulations and these articles of association:</p> <p>(1) the work reports of the board of directors and the supervisory committee;</p> <p>(2) the profit distribution plans and plans for making up losses drafted by the board of directors;</p> <p>(3) appointment and dismissal of members of the Board of Directors and the Board of Supervisors, their remuneration and the method of payment;</p> <p>(4) the annual budgets and final accounts, balance sheets, profit statements and other financial statements of the Company;</p> <p>(5) annual report of the Company;</p> <p>(6) matters other than those that laws, regulations or these articles of association require to be adopted by special resolution.</p> <p>(II) The following matters shall be adopted by special resolution at the shareholders' general meeting:</p> <p>(1) the increase or reduction of the registered capital and issuance of any class of shares, warrants and other similar securities by the Company;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	(2) the amendment of these articles of association of the Company;		(2) the amendment of these articles of association of the Company;
	(3) the issuance of corporate bonds and the listing of securities of the Company;		(3) the issuance of corporate bonds, securities of the Company and relevant listing plans;
	(4) the merger, division, dissolution, liquidation (including voluntary winding up) or change in the corporate form of the Company;		(4) the merger, division, split, dissolution and liquidation (including voluntary winding-up), or change of corporate form of the Company;
	(5) the purchase or sale of material asset(s) or the provision of security by the Company within one year with the amount(s) exceeding 30% of the total assets of the Company, except those needed for the daily operation of the Company or the provision of security for the Company;		(5) the Company's purchase or sale of material assets or the guarantees provided to third parties within one year exceed 30% of the Company's latest audited total assets;
	(6) equity incentive plans of the Company;		(6) equity incentive plans of the Company;
	(7) other matters which are stipulated by laws, regulations or these articles of association, and which are supposed to have a significant impact on the Company if they are passed by ordinary resolution at the shareholders' general meeting or which are required to be adopted by special resolution at the shareholders' general meeting.		(7) other matters which are stipulated by laws, regulations or these articles of association, and which are supposed to have a significant impact on the Company if they are passed by ordinary resolution at the shareholders' general meeting or which are required to be adopted by special resolution at the shareholders' general meeting.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>When the shareholders' general meeting considers matters relating to a connected transaction, the connected shareholders shall not participate in the vote, and the number of voting shares represented by them shall not be counted in the total number of valid voting shares. The resolution of the shareholders' general meeting shall fully disclose the voting by the unconnected shareholders.</p>		<p>When the shareholders' general meeting considers affiliated (related-party) transactions, the affiliated (related) shareholders shall not participate in voting, nor shall the voting shares they represent be included in the aggregate valid votes. The resolution adopted shall fully disclose the voting of non-affiliated (non-related) shareholders.</p> <p>Before the shareholders' general meeting considers the affiliated (related-party) transactions, the Company shall determine the scope of affiliated (related) shareholders in accordance with relevant laws, regulations, and normative documents. Affiliated (related) shareholders or their proxies may attend the shareholders' general meeting, and may elaborate on their views to the shareholders present at the meeting pursuant to the procedures, provided, however, that they shall abstain from voting. The resolution of the shareholders' general meeting on affiliated (related) transactions shall be effective only when it is passed by votes representing more than half of the voting rights represented by the non-affiliated (non-related) shareholders present at the shareholders' meeting. Provided, however, that a special resolution shall be effective only when it is passed by votes representing more than two-thirds of the voting rights represented by the non-affiliated (non-related) shareholders presenting at the meeting, when an affiliated (related) transaction involves a matter that must be passed by the special resolution as set out herein.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 100	<p>When a shareholder (including his/her proxy) exercises his/her voting rights based on the number of voting shares which he/she represents, each share shall entitle him/her to one vote.</p> <p>No voting rights shall be attached to the shares held by the Company, and such shares shall not be counted among the total number of voting shares held by the shareholders present at a shareholders' general meeting.</p>	Article 106	<p>When a shareholder (including his/her proxy) exercises his/her voting rights based on the number of voting shares which he/she represents, each share shall entitle him/her to one vote.</p> <p>The votes on medium and small investors shall be counted separately when significant issues affecting their interests are considered at the shareholders' general meeting. The results of separate vote counting shall be made public in a timely manner.</p> <p>No voting rights shall be attached to the shares held by the Company, and such shares shall not be counted among the total number of voting shares held by the shareholders present at a shareholders' general meeting.</p> <p>As long as the applicable laws, regulations, and regulatory requirements of the place where the Company's shares are listed are complied with, the Board of Directors, independent non-executive directors, shareholders holding more than 1% of the voting shares, or investor protection agencies established under laws, administrative regulations or the provisions of the China Securities Regulatory Commission, may publicly solicit the voting rights of shareholders. When soliciting voting rights of shareholders, the Board of Directors and the qualified shareholders shall fully disclose the specific voting intention and other information to the shareholder whose vote is to be solicited. It is prohibited to solicit voting rights from shareholders by means of compensation or in a disguised compensation form. The Company shall not impose the minimum shareholding restriction on the soliciting of voting rights, except for legal conditions.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 102	<p>Lists of nominations for the candidates for directors or supervisors shall be put forward by way of proposal at the shareholders' general meetings for voting.</p> <p>The method and procedure for nominating candidates for directors and supervisors are as follows:</p> <p>(I) The incumbent board of directors, shareholders individually or in aggregate continuously holding 3% or more of the shares of the Company, may nominate candidates (excluding independent non-executive directors) for the next session of the board of directors or for filling the casual vacancies of the board of directors without exceeding the number of persons to be elected. The qualifications of the candidates shall be reviewed by the incumbent board of directors. The qualified candidates for directors shall be proposed by the board of directors to a shareholders' general meeting for voting.</p> <p>(II) The incumbent supervisory committee, shareholders individually or in aggregate continuously holding 3% or more of the shares of the Company, may nominate candidates who are not employee representatives for the next session of the supervisory committee or for filling the casual vacancies of the supervisory committee without exceeding the number of persons to be elected. The qualifications of the candidates shall be reviewed by the incumbent supervisory committee. The qualified candidates for supervisors shall be proposed to a shareholders' general meeting by the supervisory committee for voting. Supervisors who are employee representatives shall be elected through an employee representative meeting and become a member of the supervisory committee directly.</p>	Article 108	<p>Lists of nominations for the candidates for directors or supervisors shall be put forward by way of proposal at the shareholders' general meetings for voting.</p> <p>The method and procedure for nominating candidates for directors and supervisors are as follows:</p> <p>(I) The incumbent board of directors, shareholders individually or in aggregate continuously holding 3% or more of the shares of the Company, may nominate candidates (excluding independent non-executive directors) for the next session of the board of directors or for filling the casual vacancies of the board of directors without exceeding the number of persons to be elected. The qualifications of the candidates shall be reviewed by the incumbent board of directors. The qualified candidates for directors shall be proposed by the board of directors to a shareholders' general meeting for voting.</p> <p>(II) The incumbent supervisory committee, shareholders individually or in aggregate continuously holding 3% or more of the shares of the Company, may nominate candidates who are not employee representatives for the next session of the supervisory committee or for filling the casual vacancies of the supervisory committee without exceeding the number of persons to be elected. The qualifications of the candidates shall be reviewed by the incumbent supervisory committee. The qualified candidates for supervisors shall be proposed to a shareholders' general meeting by the supervisory committee for voting. Supervisors who are employee representatives shall be elected through an employee representative meeting and become a member of the supervisory committee directly.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>(III) The incumbent board of directors, supervisory committee, shareholders individually or in aggregate continuously holding 1% or more of the shares of the Company, may nominate candidates for independent non-executive directors to the shareholders' general meeting. The qualifications of the candidates shall be reviewed by the incumbent board of directors. The qualified candidates for independent non-executive directors shall be proposed by the board of directors to a shareholders' general meeting for voting.</p> <p>(IV) The above-mentioned proposals submitted by the board of directors, the supervisory committee and shareholders with the right to nominate to the convener of the shareholders' general meeting shall include relevant information such as the identity certificates, resumes and basic particulars of the candidates for directors and supervisors. The board of directors shall disclose the details of the candidates for directors and supervisors before the convening of the shareholders' general meeting.</p> <p>(V) The Company shall set aside a period of time before the convening of the meeting in respect of the nomination of candidates for directors by shareholders. Within this period, shareholders may issue a written notice to the Company in respect of the nomination a candidate for director, and such candidate may issue a written notice regarding the indication of his/her intention to accept the nomination to the Company. The aforementioned period shall be at least seven days commencing on, and no earlier than, the day following the dispatch of the notice of the convening of such meeting until no later than seven days prior to the date of such meeting.</p>		<p>(III) The incumbent board of directors, supervisory committee, shareholders individually or in aggregate continuously holding 1% or more of the shares of the Company, may nominate candidates for independent non-executive directors to the shareholders' general meeting. The qualifications of the candidates shall be reviewed by the incumbent board of directors. The qualified candidates for independent non-executive directors shall be proposed by the board of directors to a shareholders' general meeting for voting.</p> <p>(IV) The above-mentioned proposals submitted by the board of directors, the supervisory committee and shareholders with the right to nominate to the convener of the shareholders' general meeting shall include relevant information such as the identity certificates, resumes and basic particulars of the candidates for directors and supervisors. The board of directors shall disclose the details of the candidates for directors and supervisors before the convening of the shareholders' general meeting.</p> <p>(V) The Cumulative Voting shall be adopted by the shareholders' general meeting for electing and voting directors and supervisors in accordance with the provisions hereof or the resolutions of the shareholders' general meeting. The Cumulative Voting shall be adopted when a sole shareholder and its persons acting in concert hold(s) 30% or more of the shares to which he has rights and interests.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>The term “Cumulative Voting” mentioned above means that each share has the same voting rights corresponding to the number of directors or supervisors to be elected when the shareholders’ general meeting elects the same, and the voting rights possessed by shareholders can be used in a centralized manner. The election of directors and supervisors who are not employee representatives shall be finalized in order of the number of votes received, provided, however, that the minimum votes for each candidate must exceed half of the shares held by shareholders (including proxies) with voting rights and presenting at the shareholders’ general meeting. In addition to the Cumulative Voting, all resolutions proposed at the shareholders’ general meeting shall be voted one by one, and for different proposals on the same matter, voting will be conducted as per the time sequence by which these proposals are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to a resolution, the shareholders’ general meeting will not postpone the proposals and shall vote on them.</p>
Article 108	Where the number of votes for and against are equal, the chairman of the meeting shall be entitled to cast one additional vote, irrespective of voting by show of hands or by poll.	–	Deleted
Article 109	<p>Before the shareholders’ general meeting votes on a proposal, two shareholder representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder has a material interest in a matter being considered, he/she and his/her proxy may not participate in the vote counting or vote scrutiny.</p> <p>When the shareholders’ general meeting votes on a proposal, the shareholders’ representatives and supervisors’ representatives shall be jointly responsible for counting the votes and scrutinizing the vote count and shall announce the results of the vote on the spot. The results of the votes on the resolutions shall be entered into the minutes of the meeting.</p>	Article 114	<p>Before the shareholders’ general meeting votes on a proposal, two shareholder representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder has a material interest in a matter being considered, he/she and his/her proxy may not participate in the vote counting or vote scrutiny.</p> <p>When voting on the resolution is conducted at the shareholders’ general meeting, the lawyers, shareholder representatives, and supervisor representatives shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting result on the spot, which shall be recorded in the meeting minutes. A shareholder or his/her proxy casting a vote virtually or by other means has the right to examine his/her voting result through the corresponding voting system.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 110	<p>The shareholders' general meeting held on-site shall not end earlier than the shareholders' general meetings otherwise held. The chairman of shareholders' general meeting shall announce the outcome and results of the vote on each proposal and announce whether each such proposal has been passed based on the results of the votes.</p> <p>The chairman of the meeting shall decide whether or not a resolution of the shareholders' general meeting has passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.</p> <p>Until the formal announcement of the voting results, relevant parties, such as the companies, vote counters, scrutineers and major shareholders, involved in the voting in person or in other ways at the shareholders' general meeting shall bear an obligation of confidentiality in respect of the voting.</p>	Article 115	<p>The termination of the on-site shareholders' general meeting shall not be earlier than its virtual version held virtually or by other means, where the presider shall announce the voting result of every resolution and thereon its approval or disapproval.</p> <p>The chairman of the meeting shall decide whether or not a resolution of the shareholders' general meeting has passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.</p> <p>Prior to the formal announcement of the voting result, the companies, vote counter, scrutiner, major shareholders, Internet service provider and other parties involved in the on-site meeting and the virtual meeting(s) and by other means shall be obligated to keep the voting confidential.</p>
Article 111	<p>The shareholders present at a shareholders' general meeting shall clearly vote for or against, or abstain from voting on each proposal put to vote.</p> <p>If a ballot is blank, marked erroneously, illegible or has not been cast, the voter shall be deemed to have waived his/her right to vote, and the voting result of the number of shares held by him/her shall be counted as "abstention".</p> <p>Where the stock exchange in the place where the shares of the Company are listed requires an abstention by any shareholder in respect of a resolution, or imposes restrictions on any shareholder for voting for (or against) a resolution, the vote casted by such shareholder or his/her proxy(ies) shall not be counted in the case of any violation of the said requirement or restrictions.</p>	Article 116	<p>The shareholders present at a shareholders' general meeting shall clearly vote for or against, or abstain from voting on each proposal put to vote. The circumstance that the securities registration and clearing institution shall, as the nominal holder of the shares of Shanghai-Hong Kong Stock Connect, declare in accordance with the expression of the will of the actual holder is hereby excluded.</p> <p>If a ballot is blank, marked erroneously, illegible or has not been cast, the voter shall be deemed to have waived his/her right to vote, and the voting result of the number of shares held by him/her shall be counted as "abstention".</p> <p>Where the stock exchange in the place where the shares of the Company are listed requires an abstention by any shareholder in respect of a resolution, or imposes restrictions on any shareholder for voting for (or against) a resolution, the vote casted by such shareholder or his/her proxy(ies) shall not be counted in the case of any violation of the said requirement or restrictions.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 113	NA	Article 118	Any resolution of the shareholders' general meeting shall be announced in a timely manner, clearly describing the number of present shareholders and proxies, the total number of voting shares held and its proportion in the total voting shares of the Company herein, the voting method, the voting result of each proposal and the details of every resolution.
Article 114	If a proposal is not passed or a resolution passed at the previous shareholders' general meeting is amended at such general meeting, it shall be set out as a special reminder in the resolutions of the shareholders' general meeting.	Article 119	Where a proposal of resolution fails to be adopted or a previous resolution is altered at the shareholders' general meeting, it shall be mentioned specifically in the announcement of the final resolution of the shareholders' general meeting.
-	NA	Article 121	Where any resolution concerning cash dividend, stock dividend or conversion of capital reserve into capital stock is proposed, the Company shall give effect to the detailed plan within two months after the conclusion of the shareholders' general meeting.
Article 116	Shareholders holding different classes of shares shall be class shareholders. Class shareholders shall be entitled to the rights and assume obligations pursuant to the provisions of laws, regulations and these articles of association. The Company shall, where appropriate, ensure that holders of preferential shares will be entitled to sufficient voting rights.	Article 122	Shareholders holding different classes of shares shall be class shareholders. Class shareholders shall be entitled to the rights and assume obligations pursuant to the provisions of laws, regulations and these articles of association.
Article 117	Any variation or abrogation of the rights of any class shareholders proposed by the Company may only come into effect upon the approval by a special resolution at a shareholders' general meeting and approval by the affected classes of shareholders at separate meetings convened in accordance with articles 119 to 124 of these articles of association. Where the holder of domestic shares of the Company transfers all or part of the shares held by him/her to an overseas investor and list them on the overseas stock exchange for trading, or converts all or part of his/her domestic unlisted shares into overseas-listed foreign shares and list them on the overseas stock exchange for trading, it shall not be considered as a proposed change or abolishment of the rights of class shareholders by the Company.	Article 123	If the Company intends to change or abrogate the rights of classes of shareholders, such change or abrogation shall be made only when it is passed by a special resolution of the shareholders' general meeting, and even by the affected classes of shareholders at the shareholders' general meeting convened separately in accordance with Articles 125 to Article 129 hereof. Where the holder of domestic shares of the Company transfers all or part of the shares held by him/her to an overseas investor and list them on the overseas stock exchange for trading, or converts all or part of his/her domestic unlisted shares into overseas-listed foreign shares and list them on the overseas stock exchange for trading, it shall not be considered as a proposed change or abolishment of the rights of class shareholders by the Company.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 118	<p>The following circumstances shall be deemed to be a variation or abrogation of the rights of a certain class shareholder:</p> <p>(I) an increase or reduction in the number of shares of such class, or an increase or reduction in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to the shares of such class;</p> <p>(II) a conversion of all or part of the shares of such class into those of another class, or vice versa, or a grant of such conversion rights;</p> <p>(III) the removal or reduction of rights to accrued dividends or rights to cumulative dividends attached to the shares of such class;</p> <p>(IV) the reduction or removal of a dividend preference or a priority to the distribution of property during liquidation attached to shares of such class;</p> <p>(V) the addition, removal or reduction of conversion rights, options, voting rights, right of transfer, pre-emptive rights or rights to obtain securities of the Company attached to shares of such class;</p> <p>(VI) the removal or reduction of rights attached to shares of such class to receive payments payable by the Company in a particular currency;</p> <p>(VII) the creation of a new class of shares having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;</p>	Article 124	<p>The following circumstances shall be deemed to be a variation or abrogation of the rights of a certain class shareholder:</p> <p>(I) an increase or reduction in the number of shares of such class, or an increase or reduction in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to the shares of such class;</p> <p>(II) a conversion of all or part of the shares of such class into those of another class, or vice versa, or a grant of such conversion rights;</p> <p>(III) the removal or reduction of rights to accrued dividends or rights to cumulative dividends attached to the shares of such class;</p> <p>(IV) the reduction or removal of a dividend preference or a priority to the distribution of property during liquidation attached to shares of such class;</p> <p>(V) the addition, removal or reduction of conversion rights, options, voting rights, right of transfer, pre-emptive rights or rights to obtain securities of the Company attached to shares of such class;</p> <p>(VI) the removal or reduction of rights attached to shares of such class to receive payments payable by the Company in a particular currency;</p> <p>(VII) the creation of a new class of shares having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	(VIII) the restriction on the transfer or ownership of the shares of such class or any addition to such restriction;		(VIII) the restriction on the transfer or ownership of the shares of such class or any addition to such restriction;
	(IX) the issuance of rights to subscribe for, or convert into, shares of such class or another class;		(IX) the issuance of rights to subscribe for, or convert into, shares of such class or another class;
	(X) the increase of the rights and privileges of shares of another class;		(X) the increase of the rights and privileges of shares of another class;
	(XI) the restructuring of the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate degree of liability;		(XI) the restructuring of the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate degree of liability;
	(XII) the variation or abrogation of the provisions of these articles of association.		(XII) the modification or abrogation of the terms set out in this section.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 119	<p>Shareholders of the affected class, whether or not having the right to vote at the shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (II) to (VIII), (XI) and (XII) of article 118 of these articles of association, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>The "interested shareholder(s)" referred to in the preceding paragraph have the following meanings:</p> <p>(I) In the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on the Hong Kong Stock Exchange in accordance with article 27 of these articles of association, "interested shareholder" shall refer to the controlling shareholder as defined in article 58 of these articles of association;</p> <p>(II) In the case of a repurchase of its own shares by the Company through an off-market agreement outside the Hong Kong Stock Exchange in accordance with article 27 of these articles of association, "interested shareholder" shall refer to the shareholder to which the proposed agreement relates to;</p> <p>(III) In the case of a restructuring of the Company, "interested shareholder" shall refer to a shareholder within a class who bears liabilities in a proportion less than the burden imposed on other shareholders of that class or who has interests different from those held by other shareholders of the same class.</p>	Article 125	<p>Shareholders of the affected class, whether or not having the right to vote at the shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (II) to (VIII), (XI) and (XII) of article 124 of these articles of association, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>The "interested shareholder(s)" referred to in the preceding paragraph have the following meanings:</p> <p>(I) When the Company issues an offer to buy back to all shareholders in equal proportion pursuant to the provisions hereof or buys back its own shares through public trading on stock exchanges, "interested shareholder" refers to the controlling shareholder defined in Article 61 hereof.</p> <p>(II) When the Company issues an offer to buy back to all shareholders by an agreement outside stock exchanges pursuant to the provisions hereof, "interested shareholder" refers to any of the shareholders pertaining to the agreement.</p> <p>(III) In the case of a restructuring of the Company, "interested shareholder" shall refer to a shareholder within a class who bears liabilities in a proportion less than the burden imposed on other shareholders of that class or who has interests different from those held by other shareholders of the same class.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 120	<p>The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class.</p> <p>A resolution of a class meeting shall only be passed in accordance with article 119 of these articles of association by the votes of shareholders present at the class meeting who represent not less than two-thirds of the voting rights.</p>	Article 126	Resolutions of the general meeting of classes of shareholders shall be made after being voted by more than two-thirds of the shareholders with voting rights present thereat in accordance with Article 25 hereof.
Article 121	In the event that the Company convenes a class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class 15 days before the extraordinary general meeting, specifying the matters to be considered and the date and venue of the meeting. Shareholders who intend to attend the meeting shall serve the written reply to the Company prior to the date of the meeting.	Article 127	Whenever the Company holds a meeting of classes of shareholders, a written notice shall be issued in accordance with the provisions of Article 82 hereof, detailing the matters to be deliberated thereat, as well as the date and the place of the meeting, to all registered shareholders of any classes of shares. If the regulatory rules of the place where the shares of the Company are listed have special provisions hereto, such regulatory rules shall prevail.
Article 122	If the number of shares carrying voting rights at such meeting held by shareholders who intend to attend such meeting reaches not less than half of the total number of shares of that class carrying the voting rights at such meeting, the Company may convene such class meeting; if not, the Company shall further notify the shareholders by way of announcement within 5 days thereof specifying the matters to be considered and the date and venue of the meeting. After such announcement is given, the Company may then convene the class meeting.	–	Deleted

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 125	<p>Directors shall be elected or replaced by shareholders' general meetings and shall have a term of three years, renewable upon expiry if re-elected.</p> <p>The written notification of nomination of a candidate for director and a written consent of the candidate shall be served to the Company seven days prior to the date of the shareholders' general meeting (the notification period shall begin from no earlier than the next day following the dispatch of the notice of the shareholders' general meeting and end no later than seven days prior to the date of the shareholders' general meeting). The Company shall allow at least seven days (from the next day following the dispatch of the notice of the shareholders' general meetings) for submission of such documents by the nominator and the director candidate.</p> <p>Shareholders may remove any director before the expiry of his/her term of office by ordinary resolution (without prejudice to any claim in accordance with any contract) at the shareholders' general meetings subject to the compliance with laws and administrative regulations.</p> <p>A director's term of office shall commence from the date when he/she takes office and end upon expiry of the term of the current session of the board of directors. The existing director shall continue to perform the duties of a director in accordance with laws, regulations and these articles of association after the expiry of his/her term if no re-election is held in time. The term of office of a person appointed as a director by the board of directors to fill a casual vacancy or as an additional member of the board of directors shall terminate when the next shareholders' annual general meeting is held, and such person shall be eligible for re-election.</p> <p>The general manager and senior management members may concurrently serve as directors, provided that the total number of directors who concurrently serve as the general manager and senior management members shall not be more than half of the total number of directors of the Company.</p> <p>Directors are not required to hold shares of the Company.</p>	Article 130	<p>Directors shall be elected or replaced by shareholders' general meetings and shall have a term of three years, renewable upon expiry if re-elected.</p> <p>As long as the shareholders' general meeting complies with relevant laws, administrative regulations, and the regulatory rules of the place where the shares of the Company are listed, shareholders can, by means of an ordinary resolution, remove any director whose term of office has not expired (provided, however, that any claims based on any contract are not affected hereby).</p> <p>A director's term of office shall commence from the date when he/she takes office and end upon expiry of the term of the current session of the board of directors. The existing director shall continue to perform the duties of a director in accordance with laws, regulations and these articles of association after the expiry of his/her term if no re-election is held in time. The term of office of a person appointed as a director by the board of directors to fill a casual vacancy or as an additional member of the board of directors shall terminate when the next shareholders' annual general meeting is held, and such person shall be eligible for re-election.</p> <p>The general manager and senior management members may concurrently serve as directors, provided that the total number of directors who concurrently serve as the general manager and senior management members shall not be more than half of the total number of directors of the Company.</p> <p>Directors are not required to hold shares of the Company. The Company has no employee representative directors.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 126	<p>Any director who leaves office before the expiry of his/her term of office without permission shall be liable for any loss of the Company arising therefrom.</p> <p>Subject to the laws, regulations and these articles of association, the shareholders' general meetings may remove any director before the expiry of his/her term of office, provided that the shareholders' general meetings shall not remove any director without cause and that such removal shall not affect the contractual rights of such director to claim for damages.</p>	–	Deleted
Article 127	<p>The directors shall comply with the laws, regulations and these articles of association and shall faithfully perform the following responsibilities:</p> <p>(I) exercising the power granted by the Company with prudence, conscientiousness and diligence to ensure that the business operations of the Company are in compliance with the laws, regulations and economic policies of China and business operations of the Company are within the scope under its business license;</p> <p>(II) treating all shareholders equally;</p> <p>(III) keeping abreast of the business operations and management of the Company;</p> <p>(IV) giving written acknowledgement of the regular reports of the Company;</p> <p>(V) providing true information and materials to the Supervisory Committee without interfering the Supervisory Committee or supervisors in the exercise of their duties;</p> <p>(VI) fulfilling other obligations of diligence as stipulated by the laws, regulations and these articles of association.</p>	Article 131	<p>The directors shall comply with the laws, regulations and these articles of association and shall faithfully perform the following responsibilities:</p> <p>(I) exercising the power granted by the Company with prudence, conscientiousness and diligence to ensure that the business operations of the Company are in compliance with the laws, regulations and economic policies of China and business operations of the Company are within the scope under its business license;</p> <p>(II) treating all shareholders equally;</p> <p>(III) keeping abreast of the business operations and management of the Company;</p> <p>(IV) giving written acknowledgement of the regular reports of the Company. To ensure that any information disclosed by the Company is true, accurate, and complete;</p> <p>(V) providing true information and materials to the Supervisory Committee without interfering the Supervisory Committee or supervisors in the exercise of their duties;</p> <p>(VI) fulfilling other obligations of diligence as stipulated by the laws, regulations and these articles of association.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 129	<p>Directors may request to resign prior to the expiry of their term of office. The resigning director shall submit a written resignation to the board of directors. Subject to the laws, regulations and regulatory rules of the place where the shares of the Company are listed, if the board of directors appoints a new director to fill the casual vacancy or as an addition to the board of the directors, the term of office of such director shall terminate at the first general meeting after his/her appointment, and the director shall be eligible for re-election thereat. All directors to be appointed to fill casual vacancies shall be subject to shareholder election at the first general meeting after appointment.</p> <p>If any director resigns such that the membership of the board of directors falls short of the number of directors required, such director shall continue to fulfill his/her duties as director pursuant to laws, regulations and these articles of association until a new director is elected.</p> <p>Save as provided in the preceding paragraph, the resignation of a director shall be effective when his/her resignation is served to the board of directors.</p>	Article 133	<p>Directors may request to resign prior to the expiry of their term of office. The Board of Directors will disclose relevant information within 2 days. The resigning director shall submit a written resignation to the board of directors. Subject to the laws, regulations and regulatory rules of the place where the shares of the Company are listed, if the board of directors appoints a new director to fill the casual vacancy or as an addition to the board of the directors, the term of office of such director shall terminate at the first general meeting after his/her appointment, and the director shall be eligible for re-election thereat. All directors to be appointed to fill casual vacancies shall be subject to shareholder election at the first general meeting after appointment.</p> <p>If any director resigns such that the membership of the board of directors falls short of the number of directors required, such director shall continue to fulfill his/her duties as director pursuant to laws, regulations and these articles of association until a new director is elected.</p> <p>Save as provided in the preceding paragraph, the resignation of a director shall be effective when his/her resignation is served to the board of directors.</p>
Article 130	<p>Any independent director may request to resign prior to the expiry of his/her term. If at any time the number of the independent directors of the Company does not satisfy the number, qualifications or independence requirements under Hong Kong Listing Rules, the Company shall notify the Hong Kong Stock Exchange immediately, and issue an announcement to provide the particulars and reasons. The Company shall also appoint a sufficient number of independent directors to meet the requirements of the Hong Kong Listing Rules within three months of such non-compliance with the relevant requirements.</p>	Article 134	<p>Any independent non-executive directors may tender their resignation ahead of the expiration of the term of office. If, at any time, the Company's independent non-executive directors fail to meet the requirements of the "Hong Kong Listing Rules" regarding the quorum, qualification, or independence, the Company shall, without delay, notify the Hong Kong Stock Exchange and explain relevant details and reasons in an announcement. The Company shall further delegate sufficient independent non-executive directors within 3 months of being notified of non-compliance with relevant requirements, in order to meet the requirements of the "Hong Kong Listing Rules".</p>
-	NA	Article 136	<p>No director shall act on behalf of the Company or the Board of Directors in his or her own name without legal authorization as required by the provisions hereof or from the Board of Directors. When a director acts in his/her own name, the director shall declare his/her position and identity in advance if a third party reasonably believes that the director is acting on behalf of the Company or the Board of Directors.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 133	The Company shall have independent non-executive directors who shall act in accordance with the laws, regulations and these articles of association.	Article 138	The Company has independent non-executive directors. Independent non-executive directors shall act in accordance with laws, regulations, the provisions hereof, and corresponding rules of the security regulatory authorities and the stock exchanges where the shares of the Company are listed.
Article 136	<p>The board of directors shall perform the following responsibilities:</p> <p>(I) to convene shareholders' general meetings for the board of directors to propose matters for approval and to present their work reports at such meetings;</p> <p>(II) to implement the resolutions of shareholders' general meetings;</p> <p>(III) to change the scope of business or the name of the Company;</p> <p>(IV) to decide on the business and investment plans of the Company;</p> <p>(V) to prepare the annual financial budgets and final accounts of the Company;</p> <p>(VI) to formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>(VII) to propose the increase or reduction of the registered capital of the Company;</p> <p>(VIII) to propose the issuance of corporate bonds and listing of securities of the Company;</p> <p>(IX) to formulate the plans of merger, division, dissolution or other changes in corporate structure of the Company;</p>	Article 141	<p>The board of directors shall perform the following responsibilities:</p> <p>(I) to convene shareholders' general meetings for the board of directors to propose matters for approval and to present their work reports at such meetings;</p> <p>(II) to implement the resolutions of shareholders' general meetings;</p> <p>(III) to change the scope of business or the name of the Company;</p> <p>(IV) to decide on the business and investment plans of the Company;</p> <p>(V) to prepare the annual financial budgets and final accounts of the Company;</p> <p>(VI) to formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>(VII) to propose the increase or reduction of the registered capital of the Company;</p> <p>(VIII) to propose the issuance of corporate bonds and listing of securities of the Company;</p> <p>(IX) to formulate the Company's plans for material acquisitions, acquisitions of shares of the Company, or mergers, divisions, dissolutions or changes of corporation form;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	(X) to decide the purchase and disposals of major assets of a value exceeding 30% of the latest audited total assets of the Company;		(X) to decide on the Company's external investments, acquisitions and sales of assets, pledges of assets, external guarantees, entrusted financial management, affiliated (related) transactions, and external donations within the limits of authority as granted by the shareholders' general meeting;
	(XI) to determine the establishment of the internal management structure and the establishment of branches of the Company;		(XI) to determine the establishment of the internal management structure and the establishment of branches of the Company;
	(XII) to determine the appointment and dismissal of the general manager and the secretary to the board of directors of the Company, and the appointment and dismissal of the deputy general manager, chief financial officer and the senior management as proposed by the general manager and to determine their remuneration, rewards and punishments;		(XII) to appoint or dismiss the General Manager, Secretary to the Board of Directors of the Company and any other Senior Executives, and determine their remuneration, rewards and punishments; appoint or dismiss the Deputy General Manager, Chief Financial Officer and any other Senior Executives of the Company as nominated by the General Manager, and determine their remuneration, rewards and punishments;
	(XIII) to formulate the general management systems of the Company;		(XIII) to formulate the general management systems of the Company;
	(XIV) to formulate the remuneration and incentive systems of the Company;		(XIV) to formulate the remuneration and incentive systems of the Company;
	(XV) to propose amendments to these articles of association;		(XV) to propose amendments to these articles of association;
	(XVI) to propose to shareholders' general meetings for the appointment or replacement of the accounting firm that provides audit service to the Company;		(XVI) To manage the disclosure of any information of the Company;
	(XVII) to determine the provision of guarantee for third parties not required to be considered by shareholders' general meeting;		(XVII) to propose to shareholders' general meetings for the appointment or replacement of the accounting firm that provides audit service to the Company;

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	(XVIII) to determine the establishment of the subsidiaries and branches of the Company, and the reorganization of such subsidiaries;		(XVIII) to determine the provision of guarantee for third parties not required to be considered by shareholders' general meeting;
	(XIX) to review the work reports of the general manager of the Company and inspect his/her work;		(XIX) to determine the establishment of the subsidiaries and branches of the Company, and the reorganization of such subsidiaries;
	(XX) to consider and approve the connected transactions required to be considered and approved by the board of directors in accordance with the laws, regulations, listing rules of the stock exchange on which the shares of the Company are listed and these articles of association;		(XX) to review the work reports of the general manager of the Company and inspect his/her work;
	(XXI) other duties conferred by these articles of association or the shareholders' general meeting;		(XXI) to approve affiliated (related) transactions that should be approved by the Board of Directors pursuant to laws, regulations, the listing rules of the stock exchange where the shares of the Company are listed, as well as the provisions hereof;
	(XXII) other matters as required in the laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed.		(XXII) other duties conferred by these articles of association or the shareholders' general meeting;
			(XXIII) other matters as required in the laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>The aforesaid matters proposed by the board of directors shall be approved by a simple majority of the directors, except sub-paragraph (VII), (VIII), (IX) and (XV) which shall be approved by more than two-thirds of the directors.</p> <p>The board of directors shall establish four committees, including the audit committee, strategy development committee, nomination committee, and remuneration and evaluation committee. The committees shall be accountable to the board of directors and perform their duties in accordance with these articles of association and the authorization of the board of directors. The proposals of the committees shall be submitted to the board of directors for approval. All members of the committees shall be directors. Independent non-executive directors shall be the majority in the audit committee, nomination committee, and remuneration and evaluation committee, and shall act as conveners. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the rules of the committees to regulate their operation.</p> <p>Matters beyond the scope of authorization given by the shareholders' general meetings shall be submitted to the shareholders' general meetings for consideration.</p>		<p>For purpose of making decisions on the matters as mentioned above, the matters under items (VII), (VIII), (IX), and (XV) shall be approved by more than two-thirds of all directors, while the remaining matters shall be approved by more than half of all directors.</p> <p>The board of directors shall establish four committees, including the audit committee, strategy development committee, nomination committee, and remuneration and evaluation committee. The committees shall be accountable to the board of directors and perform their duties in accordance with these articles of association and the authorization of the board of directors. The proposals of the committees shall be submitted to the board of directors for approval. All members of the committees shall be directors. Independent non-executive directors shall be the majority in the audit committee, nomination committee, and remuneration and evaluation committee, and shall act as conveners. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the rules of the committees to regulate their operation.</p> <p>Matters beyond the scope of authorization given by the shareholders' general meetings shall be submitted to the shareholders' general meetings for consideration.</p>
Article 141	<p>The board of directors shall determine the authority for external investments, purchase and sale of assets, mortgages, external guarantee, entrustment of financial services and connected transactions, and establish stringent procedures for review and decision-making. Major investment projects shall be assessed by experts and professionals and reported to the shareholders' general meeting for approval.</p>	Article 146	<p>The Board of Directors shall determine the authorizations and establish strict review and decision-making procedures for external investments, purchases and sales of assets, pledges of assets, external guarantee matters, entrusted financial management and affiliated (related) transactions; and organize relevant experts and professionals to review major investment projects and submit to the shareholders' general meeting for approval.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
-	NA	Article 147	<p>The Board of Directors has the powers and authorities to approve transactions (other than the provision of guarantees) as follows:</p> <p>(I) The total amount of assets involved in a transaction (if the book value co-exists with the assessed value, the higher prevails) accounts for more than 10% of the Company's latest audited total assets;</p> <p>(II) The trading volume of a transaction (including the transaction amount paid, debts and expenses assumed, etc.) exceeds 10% of the market value of the Company;</p> <p>(III) The net assets of the transaction subject matter(e.g., equity) in the latest fiscal year exceeds 10% of the market value of the Company;</p> <p>(IV) The operating income related to the transaction subject matter(e.g., equity) in the latest fiscal year accounts for more than 10% of the audited operating income of the Company in the latest fiscal year and exceeds RMB10 million;</p> <p>(V) The profits generated from the transaction account for more than 10% of the audited net profits of the Company in the latest fiscal year and exceed RMB1 million;</p> <p>(VI) The net profits relating to the transaction subject matter(e.g., equity) in the latest fiscal year account for more than 10% of the audited net profits of the Company in the latest fiscal year and exceed RMB1 million;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>(VII) Other external guarantees except for those that should be submitted to the shareholders' general meeting for deliberation as set out in Article 66 hereof.</p> <p>(VIII) The affiliated (related) transaction whose transaction amount between the Company and an affiliated (related) natural person is more than RMB300,000 yuan, or the transaction amount between the Company and an affiliated (related) legal person is more than RMB3 million yuan, which accounts for more than 0.1% of the Company's latest audited total assets or the market value, but fails to meet the criteria prescribed in item (XVIII) of Article 65 hereof; affiliated (related) transactions that should be deliberated by the Board of Directors pursuant to laws, regulations, the listing rules of the stock exchange where the shares of the Company are listed, as well as the provisions hereof.</p> <p>Matters above falling within the scope of power of the Board of Directors shall be subject to relevant regulations in this respect if such matters must be deliberated and passed by the shareholders' general meeting as prescribed by laws, regulations, rules, normative documents, and the provisions hereof.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
-	NA	Article 148	<p>Any transactions within the daily business scope of the Company meet one of the following criteria shall be submitted to the Board of Directors for deliberation, and even disclosed in a timely manner:</p> <p>(I) The transaction amount accounts for more than 50% of the Company's latest audited total assets, and the absolute amount exceeds RMB100 million yuan;</p> <p>(II) The transaction amount accounts for more than 50% of the audited operating income or operating cost of the Company in the latest fiscal year and exceeds RMB100 million yuan;</p> <p>(III) The total profit expected to be generated from the transaction accounts for more than 50% of the audited net profit of the Company in the latest fiscal year, and exceeds RMB5 million yuan;</p> <p>(IV) Other transactions that may have a significant impact on the assets, liabilities, equity and operating results of the Company.</p>
Article 145	Meetings of the board of directors include regular meetings and extraordinary meetings. The board of directors shall hold at least four regular meetings each year on a quarterly basis. An extraordinary board meeting may be requested by shareholders holding more than one tenth of the total number of shares carrying voting rights, more than one third of the directors, more than a half of the independent non-executive directors, the general manager, or the board of supervisors. The chairman of the board of directors shall convene and chair the board meeting within ten days after receiving such request.	Article 152	Meetings of the board of directors include regular meetings and extraordinary meetings. The board of directors shall hold at least four regular meetings each year on a quarterly basis. Shareholders representing more than one-tenth of the voting rights, more than one-third of directors, or half of the independent non-executive directors, chairman, General Manager or the Board of Supervisors may propose the convening of an interim meeting of the Board of Directors. The chairman of the board of directors shall convene and chair the board meeting within ten days after receiving such request.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 146	<p>A written notice of board meetings shall be served 14 days before the date of a regular meeting and five days before the date of an extraordinary meeting. The notice of a board meeting shall specify:</p> <p>(I) the date and venue of the meeting;</p> <p>(II) the duration of the meeting;</p> <p>(III) the reasons for holding the meeting and the matters to be discussed;</p> <p>(IV) the name, telephone number or other contact information of the contact person.</p>	Article 153	<p>A written notice of board meetings shall be served 14 days before the date of a regular meeting and five days before the date of an extraordinary meeting. The notice of a board meeting shall specify:</p> <p>(I) the date and venue of the meeting</p> <p>(II) the duration of the meeting;</p> <p>(III) the reasons for holding the meeting and the matters to be discussed;</p> <p>(IV) date of notice;</p> <p>(V) the name, telephone number or other contact information of the contact person.</p>
Article 149	<p>Meetings of the board of directors may be held onsite, in the form of written resolutions or other means agreed by all directors. If a board meeting is to be held onsite, telephone, video or other means can be used to facilitate the participation of directors. Directors participating in the meeting by any of the aforesaid means shall be deemed as attending the meeting.</p> <p>If a major shareholder (for the purpose of this section only, major shareholders refer to shareholders who individually or jointly hold more than 10% of total voting shares of the Company) or a director has significant interest in the matter to be considered which is considered material by the board of directors, the matter shall be dealt with by a physical board meeting rather than by written resolution. Independent non-executive directors who, and whose close associates (as defined in the Hong Kong Stock Exchange Listing Rules), have no material interest in the transaction should be present at that board meeting.</p>	Article 156	<p>Meetings of the board of directors may be held onsite, in the form of written resolutions or other means agreed by all directors. If a board meeting is to be held onsite, telephone, video or other means can be used to facilitate the participation of directors. Directors participating in the meeting by any of the aforesaid means shall be deemed as attending the meeting.</p> <p>If a major shareholder (for the purpose of this section only, major shareholders refer to shareholders who individually or jointly hold more than 10% of total voting shares of the Company) or a director has significant interest in the matter to be considered which is considered material by the board of directors, the matter shall be dealt with by a physical board meeting rather than by written resolution. Independent non-executive directors who, and whose close associates (as defined in the Hong Kong Stock Exchange Listing Rules), have no material interest in the transaction should be present at that board meeting.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			If a director is affiliated (related) to the enterprise involved in the resolution of the meeting of the Board of Directors, he/she shall not exercise his/her voting rights over the resolution or exercise voting rights on behalf of other directors. The meeting of the Board of Directors may be held with the presence of a majority of non-affiliated (non-related) directors, and resolutions made at the meeting of the Board of Directors shall be adopted by a majority of non-affiliated (non-related) directors. If the number of non-affiliated (non-related) directors present at the meeting of the Board of Directors is less than three, the matter shall be submitted to the shareholders' general meeting for deliberation.
Article 155	All reasonable expenses of directors for attending board meetings shall be borne by the Company. The Company shall provide directors with the greatest protection permitted by applicable laws, including but not limited to indemnifying directors from liability to third parties arising from the exercise of their duties.	-	Deleted
Article 157	The provisions of these articles of association concerning directors' duties of loyalty and of clauses (IV) – (VI) of article 127 concerning the duty of diligence shall also apply to the members of the senior management.	Article 163	The provisions of these articles of association concerning directors' duties of loyalty and of clauses (IV) – (VI) of article 131 concerning the duty of diligence shall also apply to the members of the senior management.
Article 158	No person of the Company who holds a position other than a director or supervisor in other entities under the control of the controlling shareholder or actual controller of the Company shall act as a member of the senior management in the Company.	Article 164	Any person who holds any administrative position other than director or supervisor in the company of the controlling shareholder or the de facto controller of the Company and other units they control shall not serve as a senior executive of the Company. The senior executive of the Company shall be paid by the Company, rather than accepting the remuneration paid by the controlling shareholder.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 160	<p>The general manager shall be accountable to the board of directors and shall have the following responsibilities:</p> <p>(I) to manage the production and operation of the Company, to implement the resolutions of the board of directors, and to report to the board of directors;</p> <p>(II) to determine the annual business plan, investment plan, financial budget and final accounts of the Company for approval by the board of directors, and to implement the annual business plan, investment plan and financial budget of the Company;</p> <p>(III) to convene and preside over the general manager's office meetings;</p> <p>(IV) to determine the internal management organization of the Company;</p> <p>(V) to determine the general management system of the Company;</p> <p>(VI) to determine the rules and regulations of the Company;</p> <p>(VII) to propose the appointment and dismissal of members of senior management of the Company by the board of directors;</p> <p>(VIII) to decide on the appointment and dismissal of officers other than those required to be appointed and dismissed by the board of directors;</p> <p>(IX) to propose to convene extraordinary meetings of the board of directors;</p> <p>(X) other responsibilities conferred by these articles of association or the board of directors.</p> <p>The general manager may attend the meetings of the board of directors, but has no voting rights at the meetings if he/she is not a director of the Company.</p>	Article 166	<p>The general manager shall be accountable to the board of directors and shall have the following responsibilities:</p> <p>(I) to manage the production and operation of the Company, to implement the resolutions of the board of directors, and to report to the board of directors;</p> <p>(II) to organize the implementation of the Company's annual business plan, investment plan, and budget program;</p> <p>(III) to convene and preside over the general manager's office meetings;</p> <p>(IV) to determine the internal management organization of the Company;</p> <p>(V) to determine the general management system of the Company;</p> <p>(VI) to determine the rules and regulations of the Company;</p> <p>(VII) to propose the appointment and dismissal of members of senior management of the Company by the board of directors;</p> <p>(VIII) to decide on the appointment and dismissal of officers other than those required to be appointed and dismissed by the board of directors;</p> <p>(IX) to propose to convene extraordinary meetings of the board of directors;</p> <p>(X) other responsibilities conferred by these articles of association or the board of directors.</p> <p>The general manager may attend the meetings of the board of directors, but has no voting rights at the meetings if he/she is not a director of the Company.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
-	NA	Article 175	Senior executives of the Company shall faithfully perform their duties and maintain the best interests of the Company and the shareholders. Senior executives of the Company shall hold liable for compensation in accordance with the law if the interests of the Company and public shareholders are jeopardized due to the failure of senior executives to faithfully do the same or breach of duty of good faith.
-	NA	Article 180	The supervisors shall ensure that the information disclosed by the Company is true, accurate, and complete, and shall, at regular intervals, execute written confirmation opinions on the Company's periodic reports.
Article 174	A supervisor shall not use his/her connected relationships and cause damages to the Company and shall be liable for damages of the Company resulting therefrom.	Article 182	A supervisor shall not jeopardize the interests of the Company by taking advantage of his/her affiliated (related) relationship, and shall be liable for compensation if any loss is caused to the Company.
Article 179	The written notice of meeting of the supervisory committee shall be delivered to all supervisors 10 days before the meeting. The notice shall contain the date, venue and duration of the meeting, matters to be discussed and the name, telephone number, or other information of the contact person.	Article 187	If the Company intends to hold a regular meeting and an extraordinary meeting of the Board of Supervisors, all supervisors shall be notified in writing respectively 10 days and 5 days prior to the meeting. The meeting notice shall detail the meeting date, venue, duration, cause and topic, date of notification, contact name, telephone number, or other information, etc.
Article 191	<p>Each of the directors, supervisors, general manager and senior management of the Company shall carry out his/her duties in accordance with the principles of fiduciary duty and shall not put himself/herself in a position that may give rise to conflict of interest. This principle includes (but not limited to) the following obligations:</p> <p>(I) to act honestly in the best interests of the Company;</p> <p>(II) to exercise his/her powers within the scope of his/her functions and powers and not to act beyond such powers;</p> <p>(III) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another person and, unless and to the extent permitted by the laws, regulations or with the informed consent of the shareholders' general meeting, not to delegate the exercise of his/her discretion to others;</p>	Article 199	<p>Each of the directors, supervisors, general manager and senior management of the Company shall carry out his/her duties in accordance with the principles of fiduciary duty and shall not put himself/herself in a position that may give rise to conflict of interest. This principle includes (but not limited to) the following obligations:</p> <p>(I) to act honestly in the best interests of the Company;</p> <p>(II) to exercise his/her powers within the scope of his/her functions and powers and not to act beyond such powers;</p> <p>(III) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another person and, unless and to the extent permitted by the laws, regulations or with the informed consent of the shareholders' general meeting, not to delegate the exercise of his/her discretion to others;</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	(IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;		(IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
	(V) unless otherwise stipulated by these articles of association or with the informed consent of the shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;		(V) unless otherwise stipulated by these articles of association or with the informed consent of the shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
	(VI) without the informed consent of the shareholders' general meeting, not to use any property of the Company for his/her own benefit by any means;		(VI) without the informed consent of the shareholders' general meeting, not to use any property of the Company for his/her own benefit by any means;
	(VII) not to exploit his/her position to accept bribes or other illegal income or expropriate any property of the Company by any means, including (but not limited to) opportunities advantageous to the Company;		(VII) not to exploit his/her position to accept bribes or other illegal income or expropriate any property of the Company by any means, including (but not limited to) opportunities advantageous to the Company;
	(VIII) without the informed consent of the shareholders' general meeting, not to accept commissions in connection with the transactions of the Company;		(VIII) without the informed consent of the shareholders' general meeting, not to accept commissions in connection with the transactions of the Company;
	(IX) to abide by these articles of association, perform his/her duties faithfully, protect the interests of the Company, and not to exploit his/her position and power in the Company to advance his/her own personal interests;		(IX) to abide by these articles of association, perform his/her duties faithfully, protect the interests of the Company, and not to exploit his/her position and power in the Company to advance his/her own personal interests;
	(X) without the informed consent of the shareholders' general meeting, not to compete with the Company in any form;		(X) without the informed consent of the shareholders' general meeting, not to compete with the Company in any form;
	(XI) not to misappropriate funds of the Company, not to open accounts in his/her own name or other names for the deposit of the assets or funds of the Company, not to lend the funds of the Company to others without the consent of the shareholders' general meeting or the board of directors in violation of these articles of association and not to use the properties of the Company as security for a shareholder of the Company or other individual(s);		(XI) not to misappropriate funds of the Company, not to open accounts in his/her own name or other names for the deposit of the assets or funds of the Company, not to lend the funds of the Company to others without the consent of the shareholders' general meeting or the board of directors in violation of these articles of association and not to use the properties of the Company as security for a shareholder of the Company or other individual(s);

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>(XII) without the informed consent of the shareholders' general meeting, not to disclose any confidential information relating to the Company acquired during his/her tenure of office and not to use such information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if it is:</p> <ol style="list-style-type: none"> 1. provided by the laws; 2. required in the public interest; 3. required in the interests of such director, supervisor, general manager or senior management. <p>Any gain arising from the breach of this article by the personnel mentioned in this article shall belong to the Company. Such personnel shall be liable for compensation for any loss of the Company arising therefrom.</p>		<p>(XII) Jeopardizing the interests of the Company by making use of its affiliated (related) relationship;</p> <p>(XIII) without the informed consent of the shareholders' general meeting, not to disclose any confidential information relating to the Company acquired during his/her tenure of office and not to use such information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if it is:</p> <ol style="list-style-type: none"> 1. provided by the laws; 2. required in the public interest; 3. required in the interests of such director, supervisor, general manager or senior management. <p>Any gain arising from the breach of this article by the personnel mentioned in this article shall belong to the Company. Such personnel shall be liable for compensation for any loss of the Company arising therefrom.</p>
Article 195	<p>Where a director, supervisor, general manager, or senior management of the Company is in any way, directly or indirectly, materially interested in an executed or proposed contract, transaction or arrangement with the Company (other than the service contract of such director, supervisor, general manager or senior management with the Company), he/she shall declare the nature and extent of his/her interests to the board of directors at the earliest opportunity, regardless of whether or not such matters are generally subject to the approval of the board of directors.</p>	Article 203	<p>Where a director, supervisor, general manager, or senior management of the Company is in any way, directly or indirectly, materially interested in an executed or proposed contract, transaction or arrangement with the Company (other than the service contract of such director, supervisor, general manager or senior management with the Company), he/she shall declare the nature and extent of his/her interests to the board of directors at the earliest opportunity, regardless of whether or not such matters are generally subject to the approval of the board of directors.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>Save for the exceptions as provided in the Hong Kong Listing Rules or as permitted by the Hong Kong Stock Exchange, a director shall abstain from voting on any board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates (as defined in the Hong Kong Listing Rules) has a material interest and shall not be counted in the quorum present at the board meeting.</p> <p>Unless the interested director, supervisor, general manager or senior management of the Company discloses his/her interests to the board of directors in accordance with the preceding paragraph of this article and the relevant matters are approved by the board of directors at a meeting in which such director, supervisor, general manager or senior management of the Company is not counted in the quorum and abstains from voting, the Company shall have the right to rescind such contract, transaction or arrangement except where the other party is a bona fide party acting without knowledge of the breach of duty by the interested director, supervisor, general manager and senior management.</p> <p>A director, supervisor, general manager or senior management of the Company is deemed to be interested in a contract, transaction or arrangement in which his/her related person is interested.</p>		<p>Unless the interested director, supervisor, general manager or senior management of the Company discloses his/her interests to the board of directors in accordance with the preceding paragraph of this article and the relevant matters are approved by the board of directors at a meeting in which such director, supervisor, general manager or senior management of the Company is not counted in the quorum and abstains from voting, the Company shall have the right to rescind such contract, transaction or arrangement except where the other party is a bona fide party acting without knowledge of the breach of duty by the interested director, supervisor, general manager and senior management.</p> <p>A director, supervisor, general manager or senior management of the Company is deemed to be interested in a contract, transaction or arrangement in which his/her related person is interested.</p>
Article 200	<p>A guarantee provided by the Company in breach of the first paragraph of article 198 shall be unenforceable against the Company, unless:</p> <p>(I) a loan has been advanced to a related person of any of the directors, supervisors, general manager and senior management of the Company or its controlling shareholders, where the lender was not aware of the situation when the loan was made;</p> <p>(II) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>	Article 208	<p>A guarantee provided by the Company in breach of the first paragraph of article 206 shall be unenforceable against the Company, unless:</p> <p>(I) a loan has been advanced to a related person of any of the directors, supervisors, general manager and senior management of the Company or its controlling shareholders, where the lender was not aware of the situation when the loan was made;</p> <p>(II) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 204	<p>The contract for emoluments entered into between the Company and its directors or supervisors shall provide that in the event of a takeover of the Company, the directors and supervisors of the Company shall, subject to the prior approval of the shareholders' general meeting, have the right to receive compensation or other payment for loss of office or retirement. A takeover of the Company as referred to above means one of the following:</p> <p>(I) a general offer made by any person to all shareholders;</p> <p>(II) a general offer made by any person to enable the offer or to become a controlling shareholder within the meaning set out in article 58 herein.</p> <p>If the relevant director or supervisor does not comply with this article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of their acceptance of the offer mentioned above. The expenses incurred in distributing such sum on a pro rata basis shall be borne by the relevant director or supervisor and shall not be paid out of that sum.</p>	Article 212	<p>The contract for emoluments entered into between the Company and its directors or supervisors shall provide that in the event of a takeover of the Company, the directors and supervisors of the Company shall, subject to the prior approval of the shareholders' general meeting, have the right to receive compensation or other payment for loss of office or retirement. A takeover of the Company as referred to above means one of the following:</p> <p>(I) a general offer made by any person to all shareholders;</p> <p>(II) a general offer made by any person to enable the offer or to become a controlling shareholder within the meaning set out in article 61 herein.</p> <p>If the relevant director or supervisor does not comply with this article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of their acceptance of the offer mentioned above. The expenses incurred in distributing such sum on a pro rata basis shall be borne by the relevant director or supervisor and shall not be paid out of that sum.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 205	<p>The Company shall enter into a contract in writing with each director, supervisor, general manager and senior management and such contract shall at least include, inter alia, the following provisions:</p> <p>(I) The directors, supervisors, general manager and senior management of the Company shall undertake that he/she shall observe and comply with the Company Law, the Special Regulations, these articles of association, the Codes on Takeovers and Mergers and Share Buy-back, and other regulations formulated by the Hong Kong Stock Exchange, and shall agree that the Company shall be entitled to the remedies provided in these articles of association and that neither the contract nor their office may be transferred;</p> <p>(II) The directors, supervisors, general manager and senior management of the Company shall undertake that they shall observe and perform their duties to the shareholders as stipulated in these articles of association;</p> <p>(III) The clauses relating to arbitration under these articles of association and the Hong Kong Listing Rules.</p>	Article 213	<p>The Company shall enter into a contract in writing with each director, supervisor, general manager and senior management and such contract shall at least include, inter alia, the following provisions:</p> <p>(I) Directors, supervisors, General Manager, and other senior executives hereby undertake to the Company that they will observe the Company Law, the Special Regulations, the provisions hereof, the “Code on Takeovers and Mergers”, the “Code on Share Repurchases”, and other codes formulated by the Hong Kong Stock Exchange. They further agree that the Company shall be entitled to the remedies stipulated herein and that neither the contract nor the positions thereof are transferable;</p> <p>(II) The directors, supervisors, general manager and senior management of the Company shall undertake that they shall observe and perform their duties to the shareholders as stipulated in these articles of association;</p> <p>(III) The clauses relating to arbitration under these articles of association and the Hong Kong Listing Rules.</p>
Article 213	<p>The Company shall publish at least two financial reports every fiscal year, including the interim financial report, to be published within 60 days after the end of the first six months of each fiscal year, and the annual financial report, to be published within 120 days after the end of each fiscal year.</p>	Article 221	<p>The Company publishes financial reports at least four times per fiscal year. This means that an interim financial report will be published within 60 days after the end of the first six months of a fiscal year, and an annual financial report will be published within 120 days after the end of the fiscal year. Quarterly reports will be disclosed within 1 month as of the end of the first 3 months and 9 months of each fiscal year. The disclosure date of Q1 quarterly reports shall not be earlier than that of the annual report for the previous year.</p> <p>The reports above are prepared in accordance with relevant laws, regulations, and corresponding rules of the security regulatory authorities and the stock exchanges where the shares of the Company are listed. Where the Company expects to be unable to disclose any periodic report as scheduled, the reasons, solutions, and expected disclosure date shall be promptly announced.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
-	NA	Article 227	<p>The Company shall distribute its profits pursuant to the policy as follows:</p> <p>(I) Profit distribution principles</p> <p>From the perspective of sustainable development and after comprehensive consideration of the actual business development, social capital costs, and financing environment of the Company, it has established a sustainable, stable, scientific, and predictable plan and mechanism of returns for investors. The Company has further made positive and clear institutional arrangements against profit distribution, in order to ensure both continuity and stability of the profit distribution policy.</p> <p>(II) Profit distribution forms</p> <p>Dividends may be distributed in cash (which shall take priority over all others), stocks, and the combination of cash and stock, and any other legal methods; provided, however, that any profit distribution so made shall not exceed the limit of accumulated distributable profits. Subject to the Company's cash expenditure plan, the Company may distribute interim cash dividends based on its current operating profits and cash flows.</p> <p>Where the Company intends to present shares or convert capital reserve into capital stock, the financial and accounting reports of the semi-annual or quarterly reports shall be audited. Where the Company pays only cash dividends, this audit can be exempted.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>(III) Profit distribution conditions and cash dividend ratio</p> <p>The Company shall maintain both the continuity and stability of its profit distribution policy. In the case of profit distribution, the ratio of the total cash dividends (including the interim cash dividends that have been distributed) to the net profit attributable to the shareholders of the year shall not be less than 10%, when it is profitable during the annual reporting period and the accumulated undistributed profit is positive.</p> <p>Where stock dividends are distributed at the same time, the Board of Directors shall propose differentiated cash dividend policy, taking into account factors such as the industrial characteristics, development stages, business models, profitability, and the possibility of major capital expenditure arrangements, as the case may be:</p> <ol style="list-style-type: none"> 1. If the Company has developed into its maturation stage and has no major capital expenditure arrangements, the minimum proportion of cash dividend in the profit distribution shall reach 80%; 2. If the Company has developed into its maturation stage and has major capital expenditure arrangement(s), the minimum proportion of cash dividend in the profit distribution shall reach 40%; 3. If the Company has developed into its growth stage and has major capital expenditure arrangement(s), the minimum proportion of cash dividend in the profit distribution shall reach 20%; <p>Where it is difficult to distinguish its development stage but there are major capital expenditure arrangements, the profit distribution shall be subject to the preceding paragraph.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>(IV) Profit distribution intervals</p> <p>The Company distributes profits at least once a year or may distribute interim cash dividends pursuant to its profitability and capital needs.</p> <p>(V) Conditions for distribution of stock dividends</p> <p>The Company distributes dividends mainly in cash. Besides fulfilling the cash dividends above, the Board of Directors may propose a profit distribution plan for granting stock dividends to the shareholders' general meeting for consideration, insofar as the Company complies with the said provisions on cash dividend and its operating income is growing rapidly, and to the extent that distribution of stock dividends is beneficial to the interests of all shareholders of the Company due to the imbalance between the share price and the size of its share capital.</p> <p>(VI) Protection of public investors</p> <p>Where a shareholder misappropriates the Company's funds in violation of the regulations, the Company shall deduct the cash dividends distributed to the shareholder to repay the funds he/she misappropriates.</p> <p>(VII) Decision-making mechanism of profit distribution plans</p> <p>1. Demonstration procedures and decision-making mechanism of the profit distribution policy</p> <p>(1) Subject to the development stages of the Company, the current operating conditions, and the capital demand plan for project investment, the Board of Directors shall properly dispose of the short- and long-term relationships of the Company on the basis of fully considering the interests of shareholders, and determine reasonable profit distribution plans for this purpose.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>(2) The Board of Directors is responsible for formulating profit distribution plans. It is also the Board of Directors that shall put forward feasible profit distribution proposals building on the Company's financial and operating conditions.</p> <p>(3) Independent non-executive directors shall, prior to the board meeting regarding profit distribution, put forward clear opinions on profit distribution proposals. If a profit distribution proposal is approved, the proposal shall be passed by more than half of the independent non-executive directors. Otherwise, the independent non-executive directors shall render the facts and reasons for their objection, requesting the Board of Directors to reformulate profit distribution proposals.</p> <p>Independent non-executive directors may, when necessary, call for the convening of shareholders' general meeting. Independent non-executive directors can propose dividend proposals by soliciting opinions from minority shareholders and directly submitting the proposals to the Board of Directors for consideration.</p> <p>(4) The Board of Supervisors shall give clear opinions on profit distribution proposals, and if it agrees with a profit distribution proposal, a resolution shall be formed for this purpose. Otherwise, the Board of Supervisors shall render the facts and reasons for their objection, suggesting that the Board of Directors reformulate profit distribution proposals. The Board of Supervisors may, when necessary, call for the convening of shareholders' general meeting.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>(5) If a profit distribution plan is approved through the foregoing procedures, it will be submitted to the shareholders' general meeting for consideration by the Board of Directors. Whenever the shareholders' general meeting deliberates an adjustment plan for the profit distribution policy, the Company shall offer convenience for public investors to attend the shareholders' general meeting by providing Internet or other means as per relevant regulations of the Shanghai Stock Exchange.</p> <p>2. Decision-making procedure for adjusting the profit distribution policy</p> <p>If the profit distribution policy should be adjusted due to major changes in the external business environment or business conditions of the Company, the Company may adjust the profit distribution policy, provided, however, that any profit distribution policy so adjusted must not go against the regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange.</p> <p>(1) The Strategy Committee under the Board of Directors shall formulate the adjustment plans for the profit distribution policy, fully demonstrate the necessity of the adjustment, and elaborate on the purpose of profit retention. Then, the Board of Directors may implement the compensation plan for cash dividends in the previous years when the Company becomes more profitable, in order to ensure that the shareholders receive cash dividends on a continuous basis.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>(2) Independent non-executive directors shall put forward clear opinions on profit distribution proposals. A profit distribution proposal shall be passed by more than half of the independent non-executive directors. Otherwise, the independent non-executive directors shall render the facts and reasons for their objection, requesting the Board of Directors to reformulate adjustment plans for profit distribution policy. Independent non-executive directors may, when necessary, call for the convening of shareholders' general meeting.</p> <p>(3) The Board of Supervisors shall give clear opinions on adjustment plans for the profit distribution policy, and if it agrees with an adjustment plan, a resolution shall be formed for this purpose. Otherwise, the Board of Supervisors shall render the facts and reasons for their objection, suggesting that the Board of Directors reformulate adjustment plans for profit distribution policy. The Board of Supervisors may, when necessary, call for the convening of shareholders' general meeting.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
			<p>(4) Any adjustment plan for the profit distribution policy shall be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting. When serving the notice of holding the shareholders' general meeting, the opinions of the independent non-executive directors and the Board of Supervisors shall be announced. Whenever the shareholders' general meeting deliberates an adjustment plan for the profit distribution policy, the Company shall offer convenience for public investors to attend the shareholders' general meeting by providing Internet or other means as per relevant regulations of the Shanghai Stock Exchange.</p> <p>(VIII) Implementation of profit distribution plans</p> <p>After the stockholders' general meeting makes a resolution on the profit distribution plan, the Board of Directors shall complete distribution of profits within two months as of the meeting.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 220	<p>Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in dividends subsequently declared.</p> <p>Subject to the laws, regulations, normative documents and securities regulatory authorities of the place where the securities of the Company are listed, the Company may exercise the power to forfeit unclaimed dividends after the lapse of a prescribed period.</p> <p>The Company may stop delivering dividend warrants by post to holders of overseas listed foreign shares, if the dividend warrants have been left uncashed on two consecutive occasions. The Company may also do so if a warrant is returned undelivered for the first time.</p> <p>The Company may sell the shares of an untraceable holder of overseas listed foreign shares in such manner deemed to be appropriate by the board of directors, subject to the following conditions:</p> <p>(I) the Company has at least distributed dividends for three times and no dividend has been claimed during a period of twelve years; and</p> <p>(II) upon the expiry of the twelve-year period, the Company shall give a notice by way of an announcement published in one or more newspaper(s) in the place where the securities of the Company are listed stating its intention to sell the shares and shall notify the securities regulatory authorities of the place where the securities of the Company are listed of such intention.</p>	-	Deleted

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 223	<p>The Company shall engage an independent accounting firm in accordance with the Securities Law of the People's Republic of China and other laws and regulations to audit its financial statements, verify its net assets and provide consultancy services. The accounting firm so appointed shall hold office from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting and can be reappointed.</p>	Article 231	<p>The Company shall engage an independent accounting firm in accordance with the Securities Law and other laws and regulations to audit its financial statements, verify its net assets and provide consultancy services. The accounting firm so appointed shall hold office from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting and can be reappointed.</p>
Article 231	<p>The notices of the Company shall be delivered in any of the following manners:</p> <p>(I) by hand;</p> <p>(II) by mail;</p> <p>(III) other means in accordance with these articles of association.</p> <p>For the purpose of delivering corporate communication to H shareholders as required by the Hong Kong Listing Rules, the Company may post such notice to H shareholders on the designated website of the Company and/or the Hong Kong Stock Exchange or deliver such notice by electronic means, subject to the laws and regulations and the listing rules of the place where the shares of the Company are listed and these articles of association.</p>	Article 239	<p>The notices of the Company shall be delivered in any of the following manners:</p> <p>(I) by hand;</p> <p>(II) by mail;</p> <p>(III) by announcement;</p> <p>(IV) other means in accordance with these articles of association.</p> <p>For the purpose of delivering corporate communication to H shareholders as required by the Hong Kong Listing Rules, the Company may post such notice to H shareholders on the designated website of the Company and/or the Hong Kong Stock Exchange or deliver such notice by electronic means, subject to the laws and regulations and the listing rules of the place where the shares of the Company are listed and these articles of association.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>“Corporate communication” refers to the documents issued or to be issued by the Company to its H shareholders or other persons, as required by the Hong Kong Listing Rules, for information or action, including but not limited to:</p> <ol style="list-style-type: none"> 1. the annual report of the Company, including the report of directors, the annual accounting statements, the auditing report and, if applicable, the summary of the financial report of the Company; 2. the interim report and, if applicable, the summary of the interim report of the Company; 3. notices of meetings; 4. listing documents; 5. circulars; 6. Forms of proxy (as defined by the listing rules of the place where the shares of the Company are listed). <p>If a notice is issued by way of an announcement in accordance with these articles of association, such announcement shall be published in accordance with the Hong Kong Listing Rules.</p>		<p>“Corporate communication” refers to the documents issued or to be issued by the Company to its H shareholders or other persons, as required by the Hong Kong Listing Rules, for information or action, including but not limited to:</p> <ol style="list-style-type: none"> 1. the annual report of the Company, including the report of directors, the annual accounting statements, the auditing report and, if applicable, the summary of the financial report of the Company; 2. the interim report and, if applicable, the summary of the interim report of the Company; 3. notices of meetings; 4. listing documents; 5. circulars; 6. forms of proxy (as defined by the listing rules of the place where the shares of the Company are listed). <p>Such announcements shall be published as per the methods stipulated by the listing rules of the place where the shares of the Company are listed when serving the notice in the form of announcements to exercise the rights set out herein.</p>
–	NA	Article 240	Where a notice is sent by announcement, it shall be served once it is announced.
Article 232	The notice of the Company to convene a shareholders’ general meeting shall be delivered by hand, mail, facsimile or e-mail.	Article 241	A notice of the shareholders’ general meeting to be convened by the Company shall be served by personal delivery, mail, fax, or e-mail.
Article 233	The notice of the Company to convene a meeting of the board of directors shall be delivered by hand, mail, facsimile or e-mail.	Article 242	A notice of the meeting of the Board of Directors to be convened by the Company shall be served by personal delivery, mail, fax, or e-mail.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 234	The notice of the Company to convene a meeting of the supervisory committee shall be delivered by hand, mail, facsimile or e-mail.	Article 243	A notice of the meeting of the Board of Supervisors to be convened by the Company shall be served by personal delivery, mail, fax, or e-mail.
Article 235	The recipient shall sign (or stamp) to acknowledge receipt if the notice of the Company is delivered by hand, and the notice shall be deemed received on the date of delivery. The notice is deemed received on the third business day after such notice is delivered by post if it is sent by post. The notice is deemed received on the date of the facsimile delivery report if it is sent by facsimile. The notice is deemed received on the date of transmission if it is sent by e-mail.	Article 244	Where a notice is sent by personal delivery, it shall be autographed (or sealed) in the acknowledgment by the receiver, and the receipt date signed by the receiver shall be the date of service; where the notice of the Company is sent by mail, the service date shall be 3 business days as of the date when the notice is delivered to the post office; where the notice is sent by fax, the service date shall be the date showing on the report transmitted by the facsimile machine; where the notice is sent by e-mail, the service date shall be the time when the e-mail is sent out; where the notice is sent out by announcement, the service date shall be the date when the announcement is published.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 237	<p>The announcements to be issued to H shareholders in accordance with these articles of association shall be published simultaneously in the manner as required by the Hong Kong Listing Rules. No information about the Company shall be disclosed in other public media before its disclosure in the designated newspapers and websites. The announcements of the Company shall not be replaced by press conferences, question-and-answer sessions with reporters or by any other means.</p> <p>The board of directors may change the designated media for the disclosure of information about the Company and shall ensure that such designated media complies with the qualifications and criteria as required by the laws and regulations of the mainland China and Hong Kong, securities regulatory authorities under the State Council, overseas regulatory authorities and the stock exchange of the place where the shares of the Company are listed.</p>	Article 246	<p>In terms of any announcement made to holders of A Shares or required to be made in China in accordance with relevant regulations and the provisions hereof, the Company shall designate, at least, one of the journals of the China Securities Regulatory Commission, such as China Securities Journal, Securities Daily, and Securities Times, as its newspapers and periodicals for publishing announcements and other information that needs to be disclosed. Besides, the website of the Shanghai Stock Exchange (www.sse.com.cn) is used as the web for publishing announcements and other information about the Company that needs to be disclosed. In terms of any announcement made to holders of H Shares or required to be made in Hong Kong in accordance with relevant regulations and the provisions hereof, such announcements shall be published pursuant to the methods stipulated in the Hong Kong Listing Rules. The Company shall neither disclose any information on any other public media ahead of its disclosure on the designated newspapers and websites, nor shall its announcement be replaced by other forms such as press releases or press conferences.</p> <p>The board of directors may change the designated media for the disclosure of information about the Company and shall ensure that such designated media complies with the qualifications and criteria as required by the laws and regulations of the mainland China and Hong Kong, securities regulatory authorities under the State Council, overseas regulatory authorities and the stock exchange of the place where the shares of the Company are listed.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 246	<p>The Company shall be dissolved and liquidated in accordance with the laws upon the occurrence of any of the following events:</p> <p>(I) expiry of the valid term of the business or the occurrence of other events of dissolution as stated in these articles of association;</p> <p>(II) a resolution for dissolution is passed by a shareholders' general meeting;</p> <p>(III) dissolution is necessary due to a merger or division of the Company;</p> <p>(IV) the Company is revoked of business license, ordered to close or canceled according to law;</p> <p>(V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10% of all shareholders' voting rights may petition a people's court to dissolve the Company.</p>	Article 255	<p>The Company may be dissolved for the following reasons:</p> <p>(I) expiry of the valid term of the business or the occurrence of other events of dissolution as stated in these articles of association;</p> <p>(II) a resolution for dissolution is passed by a shareholders' general meeting;</p> <p>(III) dissolution is necessary due to a merger or division of the Company;</p> <p>(IV) the Company is revoked of business license, ordered to close or canceled according to law;</p> <p>(V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10% of all shareholders' voting rights may petition a people's court to dissolve the Company.</p>
Article 247	<p>Upon the occurrence of the situation mentioned in sub-paragraph (I) of article 246, the Company may continue to exist by amending these articles of association.</p>	Article 256	<p>Upon the occurrence of the situation mentioned in sub-paragraph (I) of article 255, the Company may continue to exist by amending these articles of association.</p>
Article 248	<p>In the case of dissolution of the Company under sub-paragraph (I), (II), (IV) and (V) of article 246, a liquidation committee shall be formed within 15 days after the occurrence of the event of dissolution to deal with matters of the liquidation. The members of the liquidation committee shall be directors or other persons appointed by a shareholders' general meeting. If a liquidation committee is not established in time, the creditors may apply to the people's court to establish a liquidation committee by their appointment to proceed with the liquidation.</p>	Article 257	<p>In the case of dissolution of the Company under sub-paragraph (I), (II), (IV) and (V) of article 255, a liquidation committee shall be formed within 15 days after the occurrence of the event of dissolution to deal with matters of the liquidation. The members of the liquidation committee shall be directors or other persons appointed by a shareholders' general meeting. If a liquidation committee is not established in time, the creditors may apply to the people's court to establish a liquidation committee by their appointment to proceed with the liquidation.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 252	<p>After the liquidation committee has thoroughly examined the assets of the Company and prepared the balance sheets and a list of assets, it shall formulate a liquidation plan for submission to the shareholders' general meeting or the people's court for confirmation. If the liquidation committee discovers that the assets of the Company are insufficient to pay its debts in full, it shall apply to the people's court for a declaration of bankruptcy in accordance with the laws.</p> <p>After the people's court has ruled for the Company to declare bankruptcy, the liquidation of the Company shall be dealt with by the people's court.</p>	Article 261	<p>After the liquidation committee has thoroughly examined the assets of the Company and prepared the balance sheets and a list of assets, it shall formulate a liquidation plan for submission to the shareholders' general meeting or the people's court for confirmation.</p>
Article 253	<p>After the liquidation of the Company is completed, the liquidation committee shall prepare a liquidation report, a statement of income and expense and financial accounts in respect of the liquidation period for verification by a certified public accountant in China before they are submitted to the shareholders' general meeting or the people's court for confirmation. The liquidation committee shall deliver the same to the companies registry within 30 days from the date of confirmation of the liquidation report by the shareholders' general meeting or the competent authorities, apply for the deregistration of the Company and announce the termination of the Company.</p>	Article 262	<p>After the liquidation of the Company is completed, the liquidation committee shall prepare a liquidation report, a statement of income and expense and financial accounts in respect of the liquidation period for verification by a certified public accountant in China before they are submitted to the shareholders' general meeting or the people's court for confirmation. The liquidation committee shall submit a liquidation report to the registration authority within 30 days as of the day when the shareholders' general meeting or the people's court confirms the liquidation report, applying for canceling the Company's registration and announcing its termination.</p>
Article 254	<p>Settlement of liabilities out of the properties of the Company shall be made in the following order:</p> <p>(I) liquidation expenses;</p> <p>(II) wages due to employees of the Company, labor insurance fees and statutory compensation;</p> <p>(III) taxes payable;</p> <p>(IV) debts of the Company.</p> <p>The residual assets of the Company after settlement of all liabilities shall be distributed to the shareholders of the Company according to the class and proportion of their shareholdings.</p>	Article 263	<p>Settlement of liabilities out of the properties of the Company shall be made in the following order:</p> <p>(I) liquidation expenses;</p> <p>(II) wages due to employees of the Company, labor insurance fees and statutory compensation;</p> <p>(III) taxes payable;</p> <p>(IV) debts of the Company.</p> <p>The remaining assets shall, after payment of the Company's debts, be distributed proportionally in accordance with the shares held by the shareholders. The Company's assets will not be allocated to the shareholders prior to payment of the aforesaid expenses, arrears, compensation, debts, etc.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 255	<p>Members of the liquidation committee are required to perform their duties in good faith and in compliance with the applicable laws.</p> <p>Members of the liquidation committee shall not abuse their authority to accept bribes or other unlawful income and shall not misappropriate the properties of the Company.</p> <p>Members of the liquidation committee are liable to indemnify any loss arising from their willful or material default.</p> <p>After inspection of the properties of the Company and preparation of the balance sheet and list of assets, if the liquidation committee realizes that the Company does not have sufficient assets to meet its liabilities, it must apply immediately to the people's court for a declaration of bankruptcy. After such declaration of bankruptcy by the people's court, the liquidation shall be dealt with by the people's court. Liquidation of a company declared bankrupt in accordance with the laws shall be processed in accordance with the laws of corporate bankruptcy.</p>	Article 264	<p>Members of the liquidation committee are required to perform their duties in good faith and in compliance with the applicable laws.</p> <p>Members of the liquidation committee shall not abuse their authority to accept bribes or other unlawful income and shall not misappropriate the properties of the Company.</p> <p>Members of the liquidation committee are liable to indemnify any loss arising from their willful or material default.</p>
Article 256	<p>After completion of the liquidation, the liquidation committee shall prepare and submit a liquidation report to a shareholders' general meeting or a people's court for confirmation. Subject to such confirmation, the report shall be submitted to the company registration authority for the deregistration of the Company. An announcement of its termination shall be published.</p>	Article 265	<p>After inspection of the properties of the Company and preparation of the balance sheet and list of assets, if the liquidation committee realizes that the Company does not have sufficient assets to meet its liabilities, it must apply immediately to the people's court for a declaration of bankruptcy. After such declaration of bankruptcy by the people's court, the liquidation shall be dealt with by the people's court. Liquidation of a company declared bankrupt in accordance with the laws shall be processed in accordance with the laws of corporate bankruptcy.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 258	<p>Amendments shall be made to these articles of association by the Company in any of the following circumstances:</p> <p>(I) after an amendment of the Company Law or the laws and regulations, and there is any conflict between the provisions of these articles of association and those of the amended Company Law and laws and regulations;</p> <p>(II) there are changes in the particulars of the Company which are different from that set out in these articles of association;</p> <p>(III) a resolution of a shareholders' general meeting is passed to amend these articles of association;</p> <p>(IV) registration shall be made in respect of the amendment of these articles of association involving changes in particulars of registration required by the laws and regulations. The amendment of these articles of association involving the matters of the Mandatory Provisions shall become effective upon approval from the company approval department under the State Council and the securities regulatory authorities under the State Council. The amendment of these articles of association involving changes in particulars of the registration of the Company shall be registered in accordance with the laws.</p>	Article 266	<p>Amendments shall be made to these articles of association by the Company in any of the following circumstances:</p> <p>(I) after an amendment of the Company Law or the laws and regulations, and there is any conflict between the provisions of these articles of association and those of the amended Company Law and laws and regulations;</p> <p>(II) there are changes in the particulars of the Company which are different from that set out in these articles of association;</p> <p>a resolution of a shareholders' general meeting is passed to amend these articles of association;</p>
-	NA	Article 267	Where any revision of the "Articles of Association" approved by the shareholders' general meeting requires the review and approval of the competent authorities, it shall be submitted hereto for approval; where the registration items are involved, change of registration shall be handled lawfully.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
-	NA	Article 267	Any revision of the “Articles of Association” is the information required to be disclosed by laws and regulations, and shall be announced in accordance with relevant regulations.
Article 261	<p>Definitions</p> <p>(I) “De facto controller(s)” refers to any party who is not a shareholder of the Company but may have a de facto control on any acts of the Company through investment, agreements or any other arrangements.</p> <p>(II) “Connected relationship” refers to the relationship between the controlling shareholders, de facto controllers, directors, supervisors, senior management of the Company and any enterprise(s) directly or indirectly controlled by the Company, and other relationships that may lead to a transfer of interests of the Company. State-controlled enterprises, however, shall not be connected by the virtue of being controlled by the state.</p> <p>(III) “Subsidiary(ies) of the Company” refers to a company in which the Company holds more than 50% of its shares or may determine the election of majority of the member of its board of directors or may have de facto control through agreements or other arrangements.</p> <p>(IV) “RMB” refers to Renminbi, the lawful currency of the People’s Republic of China, unless the context otherwise specifies.</p>	Article 271	<p>Definitions</p> <p>(I) “De facto controller(s)” refers to any party who is not a shareholder of the Company but may have a de facto control on any acts of the Company through investment, agreements or any other arrangements.</p> <p>(II) Affiliated (related) relationship refers to (i) the relations between the controlling shareholder, the de facto controller, directors, supervisors, senior executives and those enterprises under their direct or indirect control. (ii) other relations that may cause the transfer of the Company’s interest; and (iii) any relationship between affiliated or related persons as defined by the listing rules of the place where the shares of the Company are listed. Provided, however, that no association exists among those enterprises controlled by the state.</p> <p>(III) “Subsidiary(ies) of the Company” refers to a company in which the Company holds more than 50% of its shares or may determine the election of majority of the member of its board of directors or may have de facto control through agreements or other arrangements.</p> <p>(IV) “RMB” refers to Renminbi, the lawful currency of the People’s Republic of China, unless the context otherwise specifies.</p> <p>(V) Market value refers to the arithmetic average of the closing market value of ten trading days before trading.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 264	Any matter not contained in these articles of association shall be agreed upon by the shareholders of the Company by written agreements. If there is any conflict between these articles of association and such written agreements entered into by and between the shareholders, the written agreements shall prevail.	Article 274	Any outstanding matters herein shall, in combination with actual situations of the Company, be handled in accordance with laws, regulations, and corresponding rules of the security regulatory authorities in the place where the shares of the Company are listed. Where the <i>Articles of Association</i> contradicts laws and regulations enacted after the <i>Articles of Association</i> takes effect or corresponding rules of the security regulatory authorities in the place where the shares of the Company are listed, then those enacted hereafter or such corresponding rules in this respect shall prevail.
-	NA	Article 278	The annexes to the <i>Articles of Association</i> include the <i>Rules of Procedure of the Shareholders' General Meeting</i> , the <i>Rules of Procedure of the Board of Directors</i> and the <i>Rules of Procedure of the Board of Supervisors</i> .
-	NA	Article 279	The <i>Articles of Association</i> is approved by a special resolution of the shareholders' general meeting of the Company and will take effect and put into force as of the date when the initial public offering of A Shares is completed and the Company is listed on the SSE STAR MARKET. The previous <i>Articles of Association</i> of the Company will be null and void as soon as this new one becomes effective.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING

(As reviewed and approved by the First Extraordinary General Meeting in 2023)

Chapter I General Provisions

Article 1 To regulate the acts of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as “the Company”) and ensure the due exercise of rights by the shareholders’ general meeting, these rules are formulated in accordance with the provisions in relevant laws, regulations, and normative documents, including the *Company Law of the People’s Republic of China* (hereinafter referred to as the “*Company Law*”), the *Securities Laws of the People’s Republic of China* (hereinafter referred to as the “*Securities Law*”), *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as “*Hong Kong Listing Rules*”), *Rules for the General Meetings of Shareholders of Listed Companies*, *Code of Corporate Governance for Listed Companies in China*, *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market*, as well as the *Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (hereinafter referred to as “the *Articles of Association*”).

Article 2 The Company shall hold the shareholders’ general meeting in strict accordance with relevant provisions of laws, regulations, these rules, and the *Articles of Association*, in order to ensure that shareholders can exercise their rights, *ipso jure*.

The board of directors shall pragmatically perform the duties thereof and organize the shareholders’ general meeting, duly and earnestly. Directors shall ensure, in a diligent and responsible manner, that the shareholders’ general meeting is held normally and the shareholders may exercise their powers pursuant to law.

Article 3 The shareholders’ general meeting shall duly exercise its functions and powers within the scope prescribed in the *Company Law* and the *Articles of Association*.

Article 4 The shareholders’ general meetings include annual general meeting and extraordinary general meeting. The annual general meeting shall be held once a year within six months after the end of the previous fiscal year. The extraordinary general meeting shall be held from time to time. In the event of the circumstances that an extraordinary general meeting is needed as set out by Article 100 of the *Company Law* and by the *Articles of Association*, the extraordinary general meeting shall be held within 2 months.

Where the Company is unable to hold the shareholders’ general meeting within the foregoing period, it shall report to the branch of China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) and Shanghai Stock Exchange, detailing the reasons and making an announcement for this purpose.

Article 5 Whenever the Company convenes shareholders' general meetings, lawyers will be hired to render legal opinions and announcements with respect to:

- (I) the compliance with laws, administrative regulations, these rules, and the *Articles of Association* in terms of the convening and holding procedures of the meeting;
- (II) the legitimacy and validity of the qualifications of the attendees and the convener;
- (III) the legitimacy and validity of the voting procedures and results of the meeting;
- (IV) other issues concerned, at the request of the Company.

Chapter II Convening of Shareholders' General Meeting

Article 6 The board of directors shall duly convene the shareholders' general meeting within the time limit specified in Article 4 hereof.

Article 7 Independent non-executive directors are entitled to propose to the board of directors to convene any extraordinary general meetings. For such proposal, the board of directors shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receipt of such proposal in accordance with laws, regulations, and the *Articles of Association*.

If the board of directors agrees to convene an extraordinary general meeting, a notice about the same shall be issued within five days upon approval of the board resolution. If the board of directors does not agree to convene the extraordinary general meeting, reasons thereof shall be explained, together with an announcement for this purpose.

Article 8 The board of supervisors has the right to propose in writing to the board of directors to convene an extraordinary general meeting. The board of directors shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days after receiving the proposal in accordance with the laws, regulations, and the *Articles of Association*.

If the board of directors agrees to convene an extraordinary general meeting, the notice about the same shall be given within five days upon approval of the board resolution. If the board of directors makes alterations to the original proposal in the notice, consent has to be obtained from the board of supervisors.

If the board of directors does not agree to convene the extraordinary general meeting requested or does not reply in writing within ten days upon receiving the request, the board of directors shall be considered as unable or refusing to fulfill the obligation to convene the extraordinary general meeting, and the board of supervisors may convene and preside over the meeting on its own.

Article 9 Shareholders that individually or jointly hold 10% or more shares of the Company have the right to propose to the board of directors to convene an extraordinary general meeting by way of written request. The board of directors shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days after receiving the request in accordance with the laws, regulations, and the *Articles of Association*.

If the board of directors agrees to convene an extraordinary general meeting, the notice about the same shall be given within five days upon approval of the board resolution. If the board of directors makes alterations to the original proposal in the notice, consent has to be obtained from relevant shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or does not reply within ten days upon receipt of the request, shareholders that individually or jointly hold 10% or more shares of the Company have the right to propose to the board of supervisors to convene an extraordinary general meeting by way of written request.

If the board of supervisors agrees to convene the extraordinary general meeting, the notice of meeting shall be issued within 5 days upon receiving the request. Should there be alterations to the original request in the notice, consent has to be obtained from relevant shareholders.

If the board of supervisors does not issue the notice of the general meeting within the specified period, it will be considered as not going to convene and preside over the general meeting, and the shareholders who individually or jointly hold over 10% of the shares of the Company for 90 consecutive days have the right to convene and preside over the meeting on their own.

Article 10 If the board of supervisors or shareholders decide to convene the shareholders' general meeting on their own initiative, they shall notify the board of directors in writing and report to Shanghai Stock Exchange for the record.

The shareholders that have the right to convene the shareholders' general meeting must hold no less than 10% of shares of the Company immediately before the resolution of such meeting is announced.

The board of supervisors and the shareholders convening the meeting shall, at the time when a notice of the shareholders' general meeting is sent and the resolution of the shareholders' general meeting is announced, submit relevant supporting documents to Shanghai Stock Exchange.

Article 11 With regard to the shareholders' general meeting convened by the board of supervisors or shareholders on their own initiative, the board of directors and the secretary to the board of directors shall cooperate. The board of directors shall provide the register of shareholders as of the date of record. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institution for obtaining the same, with relevant announcement regarding the convening notice of the shareholders' general meeting. The register of shareholders obtained by the convener shall not be used for purposes other than holding the shareholders' general meeting.

Article 12 The Company shall bear costs and expenses necessary for the shareholders' general meetings that are convened by the board of supervisors or shareholders on their own initiative.

Chapter III Proposal and Notice of Shareholders' General Meeting

Article 13 The contents of the proposal shall be within the terms of reference of the shareholders' general meeting and have clear topics and specific matters to be resolved, and shall comply with relevant provisions of the laws, regulations, and the *Articles of Association*.

Article 14 Unless otherwise required by the *Articles of Association* on the shareholders who propose specific motions, the shareholders that individually or jointly hold over 3% of the shares of the Company may submit an extempore proposal to the convener in writing 10 days prior to the date of the meeting. The convener shall send a supplementary notice of the shareholders' general meeting and announce the contents of such extempore proposal within two days upon receipt of the proposal.

Except in the circumstances provided for in the preceding paragraph, the convener shall not, after the notice of the general meeting has been given, amend the proposal already listed in the notice of the general meeting or add a new proposal.

The general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the shareholders' general meeting or that is inconsistent with Article 13 of the *Articles of Association*.

Article 15 The convener shall, by announcements, notify all shareholders 21 days before an annual general meeting and 15 days before an extraordinary general meeting.

Unless otherwise provided for by laws, regulations, and regulatory rules of the place where the Company's shares are listed, as well as the *Articles of Association*, the notice of the shareholders' general meeting shall be served to the shareholders (whether or not they are entitled to vote at the meeting) in person or by mail, postage paid, provided, however, that the recipient address shall be as recorded in the register of shareholders. The notice of the shareholders' general meeting may be served in the form of announcements as per laws and regulations.

**APPENDIX V PROPOSED FORMULATION OF RULES OF PROCEDURES OF
SHAREHOLDERS' GENERAL MEETING**

Any notice of the shareholders' general meeting, information or written statement issued to the shareholders of foreign shares listed overseas shall be served by any of the following methods 21 days before an annual general meeting or 15 days before an extraordinary general meeting:

- (I) These materials shall be served to each of the shareholders of foreign shares listed overseas, in person or by mail, to the registered address thereof;
- (II) These materials shall be published on the Company's website or the website designated by the securities regulatory authority or stock exchange where the Company's securities are listed, as long as applicable laws, regulations and relevant listing rules are observed;
- (III) These materials shall be issued in accordance with other requirements of the stock exchange where the Company's securities are listed and the listing rules.

When the Company calculates the starting period of the above-mentioned "21 days" and "15 days", the date when the meeting convened is not included, but the date on which the notice is given is included.

Article 16 All the particulars of all proposals shall be disclosed in the notice and the supplementary notice of shareholders' general meeting fully and completely and all the information or explanations necessary to enable the shareholders to make a sound judgment on the matter to be discussed. If the independent non-executive directors are required to express opinions on the matters to be discussed, their opinions and reasons therefor shall be disclosed while the notice of the shareholders' general meeting and the supplementary notice are issued.

Where the notice fails to be delivered to or reach the entitled receiver because of negligence, the validity of the notice shall not be affected.

If, as required by the listing rules of the place where the company's securities are listed, the Company needs to send, mail, distribute, issue, announce, or provide relevant documents in English and Chinese versions, the Company may (subject to the shareholders' stated intentions) send only the English version or only the Chinese version to relevant shareholders, as long as the Company has made appropriate arrangements to determine whether its shareholders wish to receive the English version or the Chinese version only, and to the extent permitted by applicable laws and regulations.

Article 17 Where the election of directors and supervisors is to be discussed in the shareholders' general meeting, the particulars of the candidates for directors and supervisors shall be fully disclosed in the notice of the shareholders' general meeting, including at least:

- (I) personal information such as educational background, working experience, and part-time job;

**APPENDIX V PROPOSED FORMULATION OF RULES OF PROCEDURES OF
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- (II) whether or not the candidate has any affiliated (related) relationship with the Company or controlling shareholder and the *de facto* controller of the Company;
- (III) disclosure of the number of shares of the Company held;
- (IV) whether or not the candidate has been subject to penalties by securities supervision authorities as well as sanctions by any stock exchange.

Each candidate for a director or supervisor in addition to those elected through the cumulative voting shall be proposed by way of a single proposal.

Article 18 The notice of the shareholders' general meeting shall:

1. Be made in writing;
2. Specify the venue, date, and time of the meeting;
3. Detail the matters to be discussed at the meeting;
4. Specify the date of record for the shareholders who have the right to attend the general meeting;
5. To all shareholders, provide any information and explanations needed to enable shareholders to make informed decisions on the matters to be discussed. This principle includes (but is not limited to) the provision of specific conditions and contracts (if any) for the proposed transactions when the Company proposes a merger, share repurchase, share capital restructuring or other restructuring, with an earnest explanation of causes and consequences thereof;
6. If any director, supervisor, the General Manager and other senior managers have significant interests in the matters to be discussed, the nature and degree of the interests shall be disclosed accordingly. If the matters to be discussed have an influence on any director, supervisor, the General Manager and other senior managers in the capacity of shareholder, which is different from that on other shareholders of the same class, this difference shall be explained;
7. Contain the text of any special resolution to be proposed for adoption at the meeting;
8. The following information shall be mentioned in a conspicuous statement: all shareholders have the right to attend the shareholders' general meeting, and they may appoint a proxy in writing to attend the meeting and vote on their behalf, and that such proxy may not necessarily be a shareholder of the Company;

9. Specify the time and place that the power of attorney for appointing the proxy is to be served;
10. State the names and telephone numbers of the contact persons for meeting affairs.
11. State the time and procedures for voting virtually or by other means;
12. Be subject to other requirements stipulated by laws, regulations, regulatory rules of the place where the Company's shares are listed, the *Articles of Association*, etc.

The interval between the date of record and the date of the meeting shall not be more than seven working days. Once being confirmed, the date of record could not be changed.

Article 19 The shareholders' general meeting shall not be postponed or canceled without proper reasons after a notice thereof is given, and the proposals set out in the notice of the general meeting shall not be withdrawn. Once the meeting is postponed or canceled, the convener shall issue an announcement and give reasons therefor at least 2 working days prior to the original date of the meeting.

Chapter IV Holding of Shareholders' General Meeting

Article 20 The Company shall hold its shareholders' general meeting at its domicile, at the place specified in the *Articles of Association* or in the notice of shareholders' general meeting.

Shareholders' general meeting shall have a venue and be held on site. Subject to laws, regulations or the *Articles of Association*, the safe, economical, and convenient network and other methods shall be provided to facilitate shareholders to attend the meeting. A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.

Shareholders may either attend the shareholders' general meeting in person or appoint one or more proxy(ies) (who may not necessarily be a shareholder) to attend and vote at such meeting on their behalf. Subject to the appointment of the shareholder, the proxy may exercise:

- (I) the right to voice at the shareholders' general meeting;
- (II) the right to put to a vote individually or jointly;
- (III) the right to vote by a show of hands or ballots, provided, however, that the proxy can only exercise the right to vote by voting when there is more than one shareholder proxy.

Article 21 A shareholder shall entrust a proxy in writing or at the designated electronic address recognized by the board of directors; the written power of attorney shall be signed by the principal or by an agent entrusted thereby in writing, or submitted at a designated electronic address or electronically. If the principal is a legal person, the written power of attorney shall be affixed with the corporate seal or signed by its duly appointed agent, or submitted at a designated electronic address or electronically.

If the shareholder is a recognized clearing house in the place where the Company's securities are listed or its agent, the shareholder may authorize one or more persons it deems fit to act on its behalf at any of the shareholders' general meeting or any meeting of class shareholders. Provided, however, that the power of attorney shall state the number and type of shares involved by each of the authorized person if more than one person is authorized for this purpose, and the power of attorney shall be signed by an authorized person of the recognized clearing house. The person so authorized may attend the meeting on behalf of the recognized clearing house (or its agent) (without presenting the shareholding certificate, notarized power of attorney, and/or further evidence proving its due authorization) and exercise the rights thereof as if he/she were a shareholder having the same statutory rights as other shareholders, including the right to voice and vote.

Article 22 The time and procedures for voting virtually or by other means shall be clearly stated in the notice of the shareholders' general meeting.

The start time of voting virtually or by other means at the shareholders' general meeting shall not be earlier than 3:00 p.m. on the day before the physical meeting is held, and not be later than 9:30 a.m. on the day when the physical meeting is held. The end time of voting shall not be earlier than 3:00 p.m. on the day when the physical meeting is ended.

Article 23 The board of directors and other conveners shall take all necessary measures to ensure that the shareholder' general meeting is conducted in an orderly manner. They shall take measures to prevent any activities from interfering the shareholders' general meeting, causing disturbance, or infringing the legal interests of shareholders and report such activities to the relevant authority.

Article 24 All shareholders already registered on the date of record or their proxies shall have the right to attend the shareholders' general meeting, which must not be withheld by the Company and the convener on any grounds.

Article 25 Individual shareholders attending the meeting in person shall present their personal identity cards, certificates or stock account cards that can prove their identities. Proxies authorized to attend the meeting shall present their personal identity cards and the power of attorney from the shareholder.

Corporate shareholder shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove their identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the power of attorney legally issued by the legal representative of the corporate shareholder.

Article 26 The Company shall be responsible for compiling the attendance register. The name of an attendee (or name of the relevant unit), ID number, domicile, the number of shares with voting rights that he holds or represents, and the name of the person (or name of the relevant unit) who attends the meeting by proxy shall be stated in the attendance register.

Article 27 The convener and the lawyers shall verify the legitimacy of shareholders in accordance with the register of shareholders rendered by securities registration and clearing institutions, and shall register the names (or designations) of these shareholders and the number of voting shares each of them holds. The registration of the meeting shall be ended before the presider of the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares they hold.

Article 28 The shareholders' general meeting shall be presided over by the board chairman. To the extent that the chairman is unable to or fails to perform the duties thereof, the meeting shall be presided over by a director jointly elected by more than half of the directors, failing which the shareholders present at the meeting shall elect a person to act as the chairman. If, however, the shareholders cannot elect the chairman, the shareholder (including its proxy) who is present at the meeting and holds the most voting shares shall be the presider of the meeting.

The shareholders' general meeting convened by the board of supervisors on its own initiative shall be presided over by the chairman of the board of supervisors. When the chairman of the board of supervisors is unable or fails to perform his/her duties, the meeting shall be presided over by one supervisor jointly recommended by more than half of the supervisors.

The shareholders' general meeting convened by shareholders on their own initiative shall be presided over by the representative recommended by the conveners.

If the presider of the shareholders' general meeting violates these rules, which makes it impossible for the meeting to proceed, the shareholders' general meeting may, with consents of the shareholders with more than half of the voting rights present at the general meeting, nominate a person to act as the presider of the meeting and continue the meeting.

Article 29 The presider shall announce the start of the meeting as scheduled, and the meeting shall be carried out item by item in the order of topics and proposals included in the agenda. Items included in the agenda shall be reported, and deliberated and voted on item by item.

Article 30 The board of directors and the board of supervisors shall respectively give a report on their work in the previous year to the shareholders' general meeting during the annual general meeting, and each of the independent non-executive directors shall report on their job performance as well.

Article 31 Directors, supervisors, and senior managers shall make response to and give explanation for the inquiries made by shareholders at the shareholders' general meeting.

Article 32 Prior to voting, the presider of the meeting shall announce the number of shareholders and proxies present and the total number of shares with voting rights held by them, which shall be that as stated in the registration form of the meeting.

Article 33 When a shareholder is affiliated (related) with (to) the matters to be deliberated by the shareholders' general meeting, the shareholder shall abstain from voting, nor shall the voting shares he/she represents be included in the aggregate valid votes at the shareholders' general meeting. The resolution adopted at the meeting shall fully disclose the voting of non-affiliated (non-related) shareholders.

The votes on medium and small investors shall be counted separately when significant issues affecting their interests are deliberated at the shareholders' general meeting. The results of separate vote counting shall be made public in a timely manner.

The Company have no voting rights to the shares held on its own, and that part of the shares is not included in the total number of shares with voting rights held by shareholders attending the meeting.

As long as the applicable laws, regulations, and regulatory requirements of the place where the Company's shares are listed are complied with, the Board of Directors, independent non-executive directors, shareholders holding more than 1% of the voting shares, or investor protection agencies established under laws, administrative regulations or the provisions of the China Securities Regulatory Commission, may publicly solicit the voting rights of shareholders. When soliciting voting rights of shareholders, the Board of Directors and the qualified shareholders shall fully disclose the specific voting intention and other information to the shareholder whose vote is to be solicited. It is prohibited to solicit voting rights from shareholders by means of compensation or in a disguised compensation form. The Company shall not impose the minimum shareholding restriction on the soliciting of voting rights, except for legal conditions.

If a shareholder buys voting shares of the company in violation of Paragraph 1 and Paragraph 2 of Article 63 of the PRC Securities Law, the shares in excess of the prescribed proportion shall not be exercised for 36 months after the purchase and shall not be counted as part of the total number of voting shares present at the shareholders' meeting

Article 34 The Cumulative Voting shall be adopted by the shareholders' general meeting for electing and voting directors and supervisors in accordance with the provisions in the *Articles of Association* or the resolutions of the shareholders' general meeting. The Cumulative Voting shall be adopted when a sole shareholder and its persons acting in concert hold(s) 30% or more of the shares to which he/she has rights and interests in a listed company.

The term "Cumulative Voting" mentioned above means that each share has the same voting rights corresponding to the number of directors or supervisors to be elected when the shareholders' general meeting elects the same, and the voting rights possessed by shareholders can be used in a centralized manner.

Article 35 In addition to the Cumulative Voting, all proposals shall be voted on at the shareholders' general meeting one by one. For different proposals on the same matter, voting will be conducted according to the time sequence by which these proposals are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the shareholders' general meeting shall not postpone the proposals and shall vote on them.

Article 36 When considering a proposal at the shareholders' general meeting, no change shall be made thereto. Otherwise, such change shall be treated as a new proposal and shall not be voted at that general meeting.

Article 37 The same voting right shall only be exercised by one means, either through on-site voting, or virtual voting or by other voting means. If the same voting right is exercised through more than one means, the result of the first vote cast shall prevail.

Article 38 Resolutions rendered to the shareholders' general meeting of the Company shall be voted by open ballot, provided that the presider may, on the principle of good faith, permit to vote on resolutions relating purely to procedural or administrative matters by a show of hands when the regulations of the stock exchange where the Company's shares are listed are complied with.

Article 39 If the matter requiring voting by ballot is the election of the chairman or the suspension of the meeting, the voting shall be conducted without delay. With regard to other matters requiring voting by ballot, the chairman shall decide the time to vote, and then the meeting may continue to discuss other matters. The voting results are still deemed to be the resolutions adopted at the meeting.

Article 40 In case of voting by ballot, shareholders (including their proxies) with two or more voting rights may not necessarily cast all their votes for or against a proposal.

Article 41 The present shareholders shall express their opinions on the resolution: approval, disapproval, or abstention. The circumstance that the securities registration and clearing institution shall, as the nominal holder of the shares of Shanghai-Hong Kong Stock Connect, declare in accordance with the expression of the will of the actual holder is hereby excluded.

Any blank, falsely-filled or unreadable vote, or failure of voting shall be deemed as abstention, and the voting result upon its holding shares shall be filled with "abstention".

If the stock exchange where the Company's shares are listed stipulates that any shareholder shall abstain from voting on a certain resolution, or restricts any shareholder to vote for (or against) a certain resolution, no votes cast by or on behalf of such shareholder shall be counted in case of violation of relevant stipulation or restriction in this respect.

Article 42 Prior to the vote on the resolution, two shareholders shall be chosen as representatives to participate in vote counting and scrutinizing. Where the matter under deliberation is affiliated (related) with (to) any shareholder, the relevant shareholder and his/her proxy shall not participate in the counting and scrutinizing of votes.

When voting on the resolution is conducted at the shareholders' general meeting, the lawyers, shareholder representatives, and supervisor representatives shall be jointly responsible for vote counting and scrutinizing.

A shareholder or his/her proxy casting a vote virtually or by other means has the right to examine his/her voting result through the corresponding voting system.

Article 43 The termination of the on-site shareholders' general meeting shall not be earlier than its virtual version held virtually or by other means, where the presider shall announce on site the voting result of every resolution and thereon its approval or disapproval.

The presider is responsible for deciding whether the resolution of the shareholders' general meeting is passed or not. The decision shall be final and announced at the meeting and recorded in the minutes.

Prior to the formal announcement of the voting result, the companies, vote counter, scrutinizer, major shareholders, Internet service provider and other parties involved in the on-site meeting and the virtual meeting(s) and by other means shall be obligated to keep the voting confidential.

Article 44 Any resolution of the shareholders' general meeting shall be announced in a timely manner, clearly describing the number of present shareholders and proxies, the total number of voting shares held and its proportion in the total voting shares of the Company herein, the voting method, the voting result of each proposal and the details of every resolution.

Article 45 Where a proposal of resolution fails to be adopted or a previous resolution is altered at the shareholders' general meeting, it shall be mentioned specifically in the announcement of the final resolution of the shareholders' general meeting.

Article 46 Minutes of the shareholders' general meeting shall be kept by the secretary to the board of directors. The minutes shall include the following contents:

- (I) time, place, and agenda of the meeting, and the name or designation of the convener;
- (II) name of the presider of the meeting, and names of the directors, supervisors, the secretary to the board of directors, general manager, and other senior managers who attend the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the percentage of the total number of shares of the Company they represent;
- (IV) the discussions in respect of each proposal, highlights of the speeches made at the meeting and the results of voting;
- (V) details of the queries or recommendation of the shareholders, and the corresponding replies or explanations;
- (VI) names of lawyers, counting officers, and scrutineers;
- (VII) other contents which shall be recorded in the minutes of the meeting in accordance with the *Articles of Association*.

The directors, supervisors, secretary to the board of directors, the convener or his/her representative and the presider of the meeting who attend the meeting shall sign on the meeting minutes. These attendees shall ensure the truthfulness, accuracy, and completeness of the meeting minutes. The minutes shall be kept together with the attendance register of meeting regarding the shareholders present, the power of attorney of proxies, as well as all valid materials for voting virtually or by other means for no less than 10 years.

Article 47 The convener shall ensure that the general meeting is held continuously until final resolutions are reached. In the event that the general meeting is adjourned or resolutions failed to be reached due to force majeure or other special reasons, necessary measures shall be adopted to resume the meeting as soon as possible or the meeting shall be concluded directly, and announcing the same without delay. The convener shall, at the same time, report to the branch of the China Securities Regulatory Commission at the place where the Company is located and the Shanghai Stock Exchange.

Article 48 Where any proposal concerning election of a director or a supervisor is adopted at the shareholders' general meeting, the time of his/her assumption of office shall be subject to the *Articles of Association*.

Article 49 Where any resolution concerning cash dividend, stock dividend, or conversion of capital reserve into capital stock is proposed, the Company shall give effect to the detailed plan within two months after the conclusion of the shareholders' general meeting.

Article 50 The resolution of the shareholders' general meeting shall be null and void if the content goes against laws and regulations.

Neither the controlling shareholder nor the *de facto* controller shall restrict or obstruct small and medium-sized investors from exercising voting rights, *ipso jure*, or jeopardize the legitimate rights and interests of the Company and small and medium-sized investors.

If the procedures for convening, or the methods of voting at, a shareholders' general meeting violate the laws, regulations or the *Articles of Association*, or the contents of a resolution violate the *Articles of Association*, shareholders shall have the right to initiate proceeding to the people's court to rescind such resolution within sixty days from the date on which such resolution is adopted.

Chapter V Special Procedures for Voting by Class Shareholders

Article 51 Shareholders holding different classes of shares are referred to as class shareholders. Class shareholders shall have rights and assume obligations in accordance with laws, regulations, and the *Articles of Association*.

Article 52 If the Company intends to change or abrogate the rights of class shareholders, such change or abrogation shall be made only when it is passed by a special resolution of the shareholders' general meeting, and even by the affected class shareholders at the shareholders' general meeting convened separately in accordance with Articles 54 to 58 hereof.

Article 53 It shall be deemed to change or abrogate the rights of a certain class of shareholders if:

- (I) The number of shares of this class is increased or decreased, or the number of shares of a class enjoying the same or more voting rights, distribution rights, or other privileges as or than shares of this class is increased or decreased;
- (II) All or part of this class of shares are converted to other classes, or all or part of another class of shares are converted to shares of this class or the conversion right is granted;
- (III) The right of shares of this class to obtain dividends or accumulated dividends that have already been generated is canceled or decreased;
- (IV) The preferential right to receive dividends or asset distribution in the liquidation of shares of this class is decreased or canceled;
- (V) The right to convert shares, option right, voting right, transfer right, preferential allotment rights, and the right to obtain securities of the Company held by this class of shares, are increased, canceled or decreased;
- (VI) The right of this class of shares to receive any payables of the Company in specific currencies is canceled or decreased;
- (VII) A new class of shares enjoying the same or more voting rights, distribution rights, or other privileges as or than this class of shares is established;
- (VIII) Restrictions on the transfer or ownership of this class of shares are imposed or increased;
- (IX) The right to subscribe for shares of this class or another class or the right to convert shares is granted;
- (X) The rights and privileges of other classes of shares are added;
- (XI) The reorganization plan of the Company will cause different classes of shareholders to bear responsibilities out of proportion in the reorganization;
- (XII) The provisions hereof are changed or abrogated.

Article 54 Any affected class shareholders shall, regardless of whether they originally had any voting rights at the shareholders' general meeting, have voting rights at the general meeting of class shareholders when items (II) to (VIII) and items (XI) to (XII) in Article 53 are involved, provided, however, that interested shareholders shall not have any voting rights at that meeting.

The “interested shareholders” above shall mean:

- (I) the controlling shareholder defined herein, when the Company issues an offer to buy back to all shareholders in equal proportion pursuant to the provisions hereof or buys back its own shares through public trading on the stock exchange;
- (II) the shareholders pertaining to the agreement, when the Company issues an offer to buy back to all shareholders outside stock exchanges pursuant to the provisions hereof;
- (III) in a reorganization plan, the shareholders who assume responsibility in a lower proportion than other shareholders in this class or those who have different interests from other shareholders in this class.

Article 55 Resolutions of the general meeting of class shareholders shall be made after being voted by more than two thirds of the shareholders with voting rights present at the meeting in accordance with Article 54 hereof.

Article 56 Whenever the Company holds a general meeting of class shareholders, a written notice shall be issued in accordance with the provisions of the *Articles of Association*, detailing the matters to be deliberated at the meeting, as well as the date and place of the meeting, to all registered shareholders of this class of shares. If the regulatory rules of the place where the shares of the Company are listed have special provisions hereto, such regulatory rules shall prevail.

Article 57 Notice of a general meeting of class shareholders shall only be given to shareholders entitled to vote at the meeting.

Any general meeting of class shareholders shall be held in the same procedure as the shareholders' general meeting as far as possible. The provisions hereof and the *Articles of Association* regarding the procedures for holding the shareholders' general meeting shall apply to the general meeting of class shareholders.

Article 58 In addition to shareholders of other classes of shares, shareholders of domestic shares and of foreign shares are regarded as different class shareholders. The circumstances below shall not apply to the special procedures for voting by class shareholders:

- (I) Where, upon approval by a special resolution at the shareholder's general meeting, the Company issues domestic shares and overseas-listed foreign shares every 12 months separately or simultaneously, and the respective numbers of domestic shares and overseas-listed foreign shares to be issued do not exceed 20% of the issued outstanding shares in this class.

- (II) Where the plan for issuing domestic shares and overseas-listed foreign shares as of the establishment of the Company is completed within 15 months from the date of approval by the securities regulatory authority of the State Council;
- (III) Where, upon approval by the securities regulatory authority of the State Council, shareholders of domestic shares of the Company transfer their shares to foreign investors and list and trade such shares on overseas stock exchanges; or all or part of the domestic shares are converted into overseas-listed foreign shares and listed and traded on overseas stock exchanges.

Chapter VI Implementation of Resolutions of the Shareholders' General Meeting

Article 59 It is the responsibility of the board of directors to organize the implementation of the resolutions adopted by the shareholders' general meeting. Such resolutions shall be handed over to the management of the Company for specific implementation according to the content and division of responsibilities. It is the responsibility of the board of supervisors to directly implement any matters required by the resolutions of the shareholders' general meeting to be implemented by the board of supervisors.

Article 60 The General Manager shall report to the board of directors with respect to the implementation of the resolutions, and then the board of directors shall report the same to next shareholders' general meeting. In case of any matters to be implemented by any supervisors, the board of supervisors shall report to the shareholders' general meeting. The board of supervisors may also report to the board of directors if it deems necessary.

Article 61 The chairman of the Company shall, in addition to supervising and inspecting the implementation of resolutions adopted by the shareholders' general meeting, convene an extraordinary meeting of the board of directors to listen to and deliberate reports on the implementation of the resolutions when necessary.

Chapter VII Supplementary Provisions

Article 62 These rules are attached to the *Articles of Association* and approved by a special resolution of the shareholders' general meeting of the Company. These rules will take effect and put into force as of the date when the initial public offering of A Shares is completed and the Company is listed on the SSE STAR MARKET. The original *Rules of Procedure of the Shareholders' General Meeting* of the Company will be null and void as soon as these rules become effective.

Article 63 Matters not covered herein shall be subject to relevant provisions of laws, regulations, normative documents, and the *Articles of Association*. In the event of any inconsistency between the provisions herein and those in laws, regulations, normative documents, and the *Articles of Association*, the provisions thereof shall prevail.

Article 64 Any announcements, notices, or supplementary notices of the shareholders' general meeting referred to herein shall refer to the information released on the media and the website of the stock exchange that meet the conditions prescribed by the securities regulatory authority of the place where the Company's shares are listed.

Article 65 The Company shall amend these rules if:

- (I) After revision of the *Company Law* or relevant laws, regulations, or the *Articles of Association*, the provisions herein are in conflict with them.
- (II) These rules shall be amended as decided by the shareholders' general meeting.

Article 66 Any amendments to these rules shall be decided by the shareholders' general meeting. The amended draft shall be effective after it is reported to and approved by the shareholders' general meeting.

Article 67 The term "above" or "within" used herein includes the value *per se*; "over", "less than", or "more than" does not include the value *per se*.

Article 68 These rules shall be interpreted by the board of directors of the Company.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.**RULES OF PROCEDURE OF THE BOARD OF DIRECTORS**

(As reviewed and approved by the First Extraordinary General Meeting in 2023)

Chapter I General Provisions

Article 1 To define the duty and authority of the Board of Directors of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “Company”) and regulate the organization and behavior of the Board of Directors (which is sometimes referred to as the “Board” for the sake of convenience), these rules are formulated in accordance with the *Company Law of the People’s Republic of China*, the *Securities Laws of the People’s Republic of China*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd* (hereinafter referred to as “Hong Kong Listing Rules”), *Code of Corporate Governance for Listed Companies in China*, the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market*, and the *Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (hereinafter referred to as the “Articles of Association”), with a view to ensuring work efficiency and scientific decision of the Board.

Article 2 The Board of Directors—as a standing body of the Company—is responsible for the shareholders’ general meeting, implements the resolutions of the shareholders’ general meeting, and maintains the interests of the Company and all shareholders. It is also the responsibility of the Board of Directors to decide on the development goals and major business activities.

Chapter II Board Office

Article 3 The Board Office is set up under the Board of Directors to handle its daily affairs.

Article 4 Secretary to the Board of Directors (hereinafter referred to as the “Board Secretary”) is in charge of the Board Office and shall safekeep the seal of the Board and the Board Office. The Board Secretary may appoint a representative for securities-related affairs to assist in the work thereof.

Chapter III Meeting of the Board of Directors

Article 5 Meetings of the Board of Directors are divided into regular meetings and extraordinary meetings.

Article 6 Regular meetings are held, at least, 4 times a year and on a quarterly basis. Regular meetings shall be convened and presided over by the chairman. The Board Office shall, 14 days prior to the regular meeting, submit a written meeting notice to all directors and supervisors, the General Manager, and the Board Secretary.

In case of convening an extraordinary meeting, the Board Office shall, 5 days prior to the meeting, submit a notice to all directors and supervisors, the General Manager, and the Board Secretary, in principle. In the event that an extraordinary meeting should be held as soon as possible in case of emergency, the meeting notice may be issued by telephone or by other oral means at any time, provided that the convener shall make an explanation hereto at the meeting.

The notice of convening the meeting shall be delivered in person, by email, telephone, mail, or fax. If the notice is not delivered directly, it shall be confirmed by telephone and corresponding records shall be kept.

Article 7 The Board of Directors shall hold an extraordinary meeting if it is proposed by:

- (I) shareholders representing more than 10% of the voting rights;
- (II) more than one-third of directors jointly;
- (III) more than half of the independent non-executive directors;
- (IV) the Board of Supervisors;
- (V) the chairman when he/she deems it necessary;
- (VI) the General Manager;
- (VII) security regulatory authorities as required;
- (VIII) other circumstances prescribed in the *Articles of Association*.

Article 8 The chairman of the Board of Directors convenes and presides over the board meetings. Failure of the chairman in performing or his/her inability to fulfill the duty thereof shall entitle a director elected by more than half of the directors to do the same on the chairman's behalf.

Article 9 A notice of the meeting of the Board of Directors shall include the following contents:

- (I) date and place of the meeting;
- (II) how will the meeting be held;

- (III) matters (proposals) to be reconsidered at the meeting;
- (IV) the convener and the presider, the proposer of an extraordinary meeting and written proposal thereof;
- (V) meeting materials necessary for the directors to vote;
- (VI) requirements for directors to attend the meeting in person or delegate other directors to attend the meeting on their behalf;
- (VII) contact person and information;
- (VIII) date of notice.

A verbal meeting notice shall at least include items (I) and (II) above, as well as the explanation for holding an extraordinary meeting as soon as possible in case of an emergency.

Any proposals of the Board of Directors shall, together with the notice, be submitted to the directors and corresponding attendees.

Article 10 If, after the notice of regular meeting is sent out, the meeting time and venue, etc. need to be changed, or if any proposals need to be added, changed, or canceled, a written notice of change shall be issued prior to the original meeting date, elaborating on the details and contents of the new proposal.

If, after the notice of the extraordinary meeting is sent out, the meeting time and venue, etc. need to be changed, or if any proposals need to be added, changed, or canceled, it is necessary to elaborate on the details and contents of the new proposal and provide relevant materials, after which the consent of all directors shall be obtained for this purpose. All these actions shall be well documented.

Article 11 A meeting of the Board of Directors shall not be held unless more than half of the directors are present.

If a meeting of the Board of Directors cannot be held normally, or there is an objection to the validity of a resolution, the Company shall promptly disclose relevant matters, the claims of the parties thereto, its current situation, and other information that will facilitate investors to understand the actual situation of the Company. In case of the circumstances above, the Board of Directors shall maintain the normal production and operation order of the Company, protect the interests of the Company and all shareholders, and treat all shareholders fairly.

Supervisors can attend a meeting of the Board of Directors; if the General Manager and the Board Secretary, are not concurrent directors, they shall attend the meeting of the Board of Directors. Those who are related to the topic under deliberation shall attend the meeting as required. Those present at the meeting are entitled to express their opinions on relevant topics, provided, however, that no voting right shall be vested thereto.

Article 12 Extraordinary meetings of the Board of Directors shall be held by means of propagation and resolutions shall be made on the premise that directors can fully express their opinions, which shall be signed by attending directors.

Article 13 A meeting of the Board of Directors shall be attended by the director himself/herself. If a director is unable to attend for some reason, he/she shall review the meeting materials in advance to form clear opinions with respect thereto. Then, the director shall appoint another director in writing to do the same on his/her behalf. The names of the principal and the proxy, the principal's brief opinion on each proposal, the principal's scope of authority and instructions on the intention of voting, as well as the signature and date of the appointment, etc. shall be clearly indicated in the power of attorney.

The proxy present at the meeting shall exercise the rights of the director within the scope of authorization. If a director fails to attend a meeting of the Board of Directors and fails to appoint a proxy to do so, he/she shall be deemed to have waived his/her voting rights at the meeting.

Where other directors are appointed to sign any written confirmation opinions on periodical reports, a special authorization shall be made in the power of attorney for this purpose.

The director appointed shall render a written power of attorney to the presider, and indicate his/her attendance as a proxy in the attendance book.

Article 14 Whenever applying for attending a meeting of the Board of Directors by proxy, the following principles shall be observed:

- (I) When considering any affiliated (related) transactions, any non-affiliated (related) directors shall not appoint any affiliated (related) directors to attend on their behalf; any affiliated (related) directors shall not accept the appointment from any non-affiliated (related) directors;
- (II) No independent non-executive director shall appoint any directors other than the independent non-executive directors to attend the meeting on its behalf. Any directors other than independent non-executive directors shall not accept the appointment from independent non-executive directors;

- (III) In no event shall a director appoint any other director to attend on his/her behalf, without stating his/her opinions and voting intentions on the proposal, nor shall relevant directors accept the full appointment or any appointment without clear authorization;
- (IV) A director shall not accept the appointment from more than two directors. No director shall appoint a director who has accepted the appointment from two other directors to attend the meeting on his/her behalf.

Article 15 In principle, meetings of the Board of Directors shall be held on-site. With the consent of the convener (presider) and the proposer, an extraordinary meeting can be held by video, telephone, fax, email, etc., at which voting and resolution can be made as well, as long as all directors present at the meeting can fully express their opinions. A meeting of the Board of Directors can also be held simultaneously on-site and in other ways.

If a meeting is not held on-site, the quorum shall be calculated on the basis of the valid votes actually received by fax or e-mail within the specified time limit, the directors who were present in the video, and who expressed their opinions in the teleconference, or based on the written acknowledgment submitted by the directors that can prove their attendance of the meeting.

If there are major shareholders (for the purposes of this chapter only, major shareholders refer to those who hold, individually or collectively, more than 10% of the Company's total voting shares) or directors have any conflicts of interest that the Board of Directors deems significant to the matters to be deliberated by it, such matters shall be handled by holding board meeting (instead of a written resolution). Any independent non-executive directors who themselves and close associates thereof (as defined in the *Hong Kong Listing Rules*) do not have any material interest in the transaction shall attend relevant meetings of the Board of Directors.

Chapter IV Proposals, Issues, and Resolutions of the Board of Directors

Article 16 Proposals of the Board of Directors shall:

- (I) not conflict with laws, regulations, normative documents, and the *Articles of Association*, and fall within the scope of responsibility of the Board of Directors;
- (II) have unequivocal topics and specific issues to be resolved.

Article 17 Proposals of regular meeting

The Board Office shall, prior to issuance of the notice of a regular meeting of the Board of Directors, fully solicit the opinions of all directors to form a preliminary meeting proposal, which shall be then rendered to the chairman for finalization.

The chairman shall, prior to finalizing a proposal, solicit the opinions of the General Manager and other senior executives as necessary.

Article 18 Proposals of extraordinary meeting

In the event of proposing to hold an extraordinary meeting of the Board of Directors, a written proposal signed (sealed) by the proposer shall be submitted through the Board Office or directly to the chairman. The following contents shall be indicated in the written proposal:

- (I) name or designation of the proposer;
- (II) reasons for, or objective causes of, the proposal;
- (III) time or time limit, venue, and method of the meeting proposed;
- (IV) clear and specific proposals;
- (V) contact details of the proposer and the date of the proposal, etc.

The contents of the proposal shall fall within the scope of authority of the Board of Directors as set out in the *Articles of Association*, and any materials pertaining to the proposal shall be submitted therewith.

The Board Office shall, upon receipt of the said written proposals, forward the same to the chairman on the same day. If the chairman believes that the proposal is unambiguous in terms of contents, and any specific or relevant materials are insufficient, he/she may request the proposer to revise or supplement the same.

The chairman shall convene and preside over meetings of the Board of Directors within 10 days after receipt of such proposal.

Article 19 Directors and the General Manager may put forward any proposal to the Board of Directors prior to the meeting. The proposer shall, within 3 days prior to the regular meeting or before sending out the notice of the extraordinary meeting, render the proposal to the Board Secretary. Then the chairman shall decide whether to incorporate the proposal into those to be considered by the Board of Directors. If a proposal is submitted to the Board of Directors pursuant to the provisions above and the chairman determines to consider the proposal, the Board Secretary shall, after the notice of the meeting of the Board of Directors has been sent out, issue a notice of change in accordance with relevant provisions thereof.

If the chairman fails to incorporate the proposal submitted by the proposer into those to be considered by the Board of Directors, the chairman shall explain the reasons to the proposer. If this is rejected by the proposer, the Board of Directors shall decide whether to incorporate the proposal into consideration by votes representing more than half of the directors.

Article 20 The presider shall request the directors attending the meeting of the Board of Directors to express their clear opinions on each proposal. If a director expresses repeated opinions on the same proposal, exceeds the scope of the proposal, hinders other directors from expressing their views, or hinders the normal process of the meeting, the presider shall promptly stop the director.

With regard to the proposal that shall be accepted in advance by independent non-executive directors, the presider shall, prior to the discussion of the proposal, delegate an independent non-executive director to read out the written acceptance opinions reached by the independent non-executive directors.

Save that the unanimous consent of all directors presents at the meeting, the meeting shall not vote on any proposals not mentioned in the notice of the meeting. Where a director has accepted the appointment from other directors to attend the meeting on their behalf, the director shall not vote on any proposals not mentioned in the notice of the meeting on behalf of other directors.

The Board of Directors shall act in strict accordance with the authorization by the shareholders' general meeting and the *Articles of Association*, rather than forming any resolutions beyond its authority.

Article 21 Directors shall carefully read corresponding meeting materials, and express their opinions independently and prudently upon fully understanding the situation.

Directors may, prior to the meeting, obtain the information that they need to know from the Board Office, the convener, the General Manager, and other senior executives, the accounting firm and the law firm, and other relevant personnel and institutions. Directors may, during the meeting, advise the presider to ask the said persons and institutions to attend the meeting for explanation.

If a meeting of the Board of Directors needs to resolve on profit distribution of the Company, the proposal to be submitted to the Board of Directors for consideration can be firstly notified to the certified public accountants, requesting them to draft an audit report accordingly (where other financial data except for those related to the distribution have been determined). After the Board of Directors resolves on the distribution, the certified public accountants shall be requested to issue a formal audit report, based on which the Board of Directors shall resolve on other related matters regularly reported.

Article 22 Upon sufficient discussion, the presider shall, in due time, request the directors present to vote on the proposals one by one.

Any resolution of the Board of Directors shall be made on a one-person-one-vote basis and voted by filling out ballot papers or by show of hands.

The voting intentions of directors are approval, disapproval, and abstention. Directors present at the meeting shall select one of the intentions above. In case of failure, or if two or more intentions are selected at the same time, the presider shall request relevant directors to reselect. Otherwise, the vote will be regarded as a waiver. If a director leaves the venue halfway without any selection, the director shall be deemed as abstention. If the circumstance above occurs when a meeting is held remotely, the convener or the Board Secretary may request relevant directors to re-select within a reasonable time limit, failing which the director shall be deemed as abstention.

Whenever the votes are equally divided, the chairman shall have the deciding vote cast to resolve a tie.

If more than half of the directors present at the meeting uphold that the proposal is unambiguous in terms of contents, or it is unable for them to resolve on relevant issues due to insufficient meeting materials provided, the presider shall request to postpone voting on that issue. The director who proposes to postpone voting shall elaborate on the conditions to be met for resubmission and deliberation.

Article 23 Upon voting by directors present at the meeting, in case of voting by written ballots, the representative for securities-related affairs and relevant staff of the Board Office shall promptly collect the votes of directors, and submit them to the Board Secretary for vote counting under the supervision of other directors.

If a meeting is held on-site, the presider shall call out the counting results on the spot while counting the ballots. In other cases, however, the presider shall request the Board Secretary to notify the directors of the voting results ahead of the next working day after the end of the stipulated time limit of voting.

Where a director votes after the presider calls out the voting result or the stipulated time limit of voting expires, the voting results will not be counted.

Article 24 Any resolution made by the Board of Directors shall be adopted by more than half of all directors. Where any laws, administrative regulations, and the *Articles of Association* stipulates that any resolutions of the Board of Directors shall be subject to the approval of more directors when resolving, such stipulation shall prevail.

In the event of any conflicts in terms of contents and meaning of different resolutions, the resolution with a later formation date shall prevail.

Where a proposal is not approved, the meeting of the Board of Directors shall not consider the proposal with the same content within one month, if relevant conditions and factors in this respect have not changed significantly.

Directors shall abstain from voting on relevant proposals if:

- (I) any circumstances under which directors shall abstain from voting as stipulated by laws and regulations occur;
- (II) any circumstances in which a director himself/herself believes that he/she shall abstain from voting;
- (III) other situations stipulated in the *Articles of Association* that the directors must abstain from voting because of the affiliated (related) relationship with the enterprise involved in the proposal occur.

In case directors abstain from voting, the meeting of the Board of Directors may be held with the presence of a majority of non-affiliated (non-related) directors, and resolutions made at the meeting of the Board of Directors shall be adopted by more than half of non-affiliated (non-related) directors. If the number of non-affiliated (non-related) directors present at the meeting of the Board of Directors is less than three, the proposal shall be, rather than being voted, submitted to the shareholders' general meeting for deliberation.

The presider shall decide whether the resolution of the Board of Directors is passed according to the voting results, and shall call out the voting results at the meeting. The voting results of resolutions shall be recorded in the minutes.

Article 25 Where the presider has any doubt about the voting results, he/she may count or check the number of votes. Where the presider fails to do so and the directors present at the meeting raise objections against the results announced by the presider, the directors are entitled to request vote counting immediately after announcing the voting result and the presider shall count the votes in a timely manner.

Article 26 Any meeting of the Board of Directors shall have minutes and resolutions.

Directors present at the meeting shall sign and confirm the minutes and resolutions of the meeting on behalf of themselves and the directors by whom they are appointed. Any directors having different opinions on the minutes or resolutions of the meeting may make written explanations when signing.

Directors who neither sign for confirmation as per the preceding paragraph nor provide written explanations for their different opinions shall be deemed to have fully agreed with the minutes and resolutions of the meeting.

If a resolution of the Board of Directors violates laws, administrative regulations, or the *Articles of Association*, resulting in any loss to the Company, the directors participating in the resolution shall be liable for compensation to the Company. However, if a director has raised his/her objection during the voting, which was recorded in the meeting minutes and can be proved, the director may be exempted from such liability. If a director neither attends the meeting nor appoints any proxy or provides written opinions on the matters discussed at or prior to the meeting of the Board of Directors, he/she shall be deemed to have no objections, and shall not be exempted from liability therefor.

Article 27 The Board Secretary shall arrange for the staff of the Board Office to document the meeting of the Board of Directors.

The minutes shall contain:

- (I) times, date, venue, or means of the meeting;
- (II) issuance of the notice of meeting;
- (III) the convener and the presider of the meeting;
- (IV) directors' attendance in person and by proxy;
- (V) proposals deliberated at the meeting, key points and main opinions of each director on relevant matters, and intention of voting on the proposals;
- (VI) the voting method and result of each proposal (the voting result shall indicate the number of affirmative votes, dissenting votes, or abstention votes);
- (VII) other matters regarded by the directors present at the meeting as shall be recorded.

Any meeting of the Board of Directors held on-site and by video, telephone, etc. can be recorded as needed.

Announcement of resolutions of the Board of Directors shall be made by the Board Secretary as per relevant regulations of the stock exchange. Prior to disclosing the announcement of resolutions, directors present, participants, recording and service personnel, etc. are obliged to keep the content of resolutions confidential.

Article 28 Any notices and meeting materials, attendance book, power of attorney for directors to attend as a proxy of other directors, records, votes, minutes, meeting records, resolutions signed and confirmed by directors present, as well as other archives of the Board of Directors shall be safekept by the Board Secretary. Any archives of the meeting of the Board of Directors shall be kept for no less than 10 years.

Chapter V Implementation of Resolutions of the Board of Directors

Article 29 Upon making a resolution, the Board of Directors will distinguish between different situations, or submit the matter or proposal to the shareholders' general meeting for deliberation and approval, or assign relevant resolutions to the General Manager who shall organize the management level for implementation. The General Manager shall report the implementation of resolutions to the Board of Directors. In case of adjournment of the Board of Directors, the General Manager can directly report to the chairman, and the Board Secretary is responsible for sending written report materials to the directors.

The chairman shall prompt relevant personnel to implement the resolutions of the Board of Directors, and inspect the implementation as well. Besides, the chairman shall report the implementation of the resolutions that have been made in the subsequent meetings.

Chapter VI Supplementary Provisions

Article 30 These rules are attached to the *Articles of Association* and approved by a special resolution of the shareholders' general meeting of the Company. These rules will take effect and put into force as of the date when the initial public offering of A Shares is completed and the Company is listed on the SSE STAR MARKET. The original *Rules of Procedure of the Board of Directors of the Company* will be null and void as soon as these rules become effective.

Article 31 Matters not covered herein shall be subject to relevant provisions of laws, administrative regulations, normative documents, and the *Articles of Association*. In the event of any inconsistency between the provisions herein and laws, administrative regulations, normative documents, and the *Articles of Association*, the provisions thereof shall prevail.

Article 32 The Board of Directors may amend the rules herein as per relevant laws, regulations, and the *Articles of Association*, and submit the amendment to the shareholders' general meeting for approval before they become effective.

Article 33 The terms "above" and "within" used herein shall include the number itself; "over" does not include the number itself.

Article 34 These rules shall be interpreted by the board of directors of the Company.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

WORKING SYSTEM FOR INDEPENDENT NON-EXECUTIVE DIRECTORS

(As reviewed and approved by the First Extraordinary General Meeting in 2023)

Chapter I General Provisions

Article 1 In order to optimize the governance structure of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “Company”), maintain the legitimate rights and interests of all the shareholders and stakeholders of the Company and promote the standardized operation of the Company, this *Working System for Independent Non-executive Directors* is formulated in accordance with the provisions in relevant laws, administrative regulations, and normative documents, including the *Company Law of the People’s Republic of China* (hereinafter referred to as the “*Company Law*”), the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as “*Hong Kong Listing Rules*”), the *Rules for the Independent Directors of Listed Companies*, the *No. 1 Guidelines for Self-discipline Supervision of Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange – Standardized Operation*, and the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market* (hereinafter referred to as the “*STIB Listing Rules*”), as well as the *Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (hereinafter referred to as the “*Articles of Association*”).

Article 2 An independent non-executive director (hereinafter also referred to as “independent director”) is a director who holds no position other than director at the Company and has no relationship with the Company or any of its major shareholders that may hinder independent and objective judgment. The qualifications of an independent director shall be consistent with the requirements in the *Hong Kong Listing Rules* and the *Rules for the Independent Directors of Listed Companies*, as well as the approval of regulatory authorities, if required.

Article 3 The independent directors shall undertake the duties of honesty and diligence to the Company and all of its shareholders. In accordance with the requirements in relevant laws and regulations and the *Articles of Association*, the independent directors shall earnestly perform their duties, fully understand the business operation of the Company and the issues discussed at the board of directors, maintain the interests of the Company and all the shareholders, and particularly protect the legitimate rights and interests of minority shareholders.

The independent directors shall perform their duties independently without being affected by major shareholders, the *de facto* controller, or any other entity or individual having an interest in the Company. The Company shall ensure that the independent directors legally perform their duties.

The independent directors shall make a statement to the Company if any deliberated matter is discovered to have an impact on their independence and shall recuse from the deliberation. The independent directors shall promptly notify the Company of any circumstance that significantly impacts their independence during their employment and shall tender the resignation.

If a conflict arises among the shareholders or directors of the Company, causing significant impact on the operation and management of the Company, the independent directors shall perform their duties proactively and maintain the overall interests of the Company.

The independent directors shall pay close attention to the matters of the Company which are closely related to the minority shareholders, including affiliated (related) transactions, external guarantees, use of raised funds, protection of public shareholders, merger, acquisition, and reorganization, major investment and financing activities, financial management, remuneration of senior managers, profit distribution and information disclosure.

The independent directors may propose the convening of the meeting of the board of directors and the shareholders' general meeting and engage an accounting firm, law firm and any other securities service providers to audit, check, or issue an opinion on related matters.

Article 4 The independent directors engaged by the Company, in principle, may serve concurrently as the independent directors at a maximum of five listed companies (including the Company) and shall ensure that they have sufficient time and energy to effectively perform the duties as independent directors.

Article 5 The independent directors shall account for at least one third of the board of directors of the Company, and at least one independent director usually resides in Hong Kong. The independent directors shall have more than five years' work experience in the areas of law, economy, finance, management or otherwise as necessary to perform their duties, and there shall be at least one accounting professional. If an accounting professional is nominated as the independent director candidate, he or she shall have rich accounting expertise and experience and shall meet at least one of the following conditions:

1. Have the qualification of certified public accountant;
2. Have the title of a senior professional post, the title of associate professor, or a doctorate degree in accounting, auditing, or financial management;
3. Have the title of a senior professional post in economic management and more than 5 years' full-time work experience in the professional post of accounting, auditing, or financial management.

Chapter II Qualifications of Independent Directors

Article 6 The independent directors shall have the following qualifications necessary to fully exercise their functions and powers:

- (1) They shall be qualified as the directors of the Company according to the laws, administrative regulations, and other relevant provisions;
- (2) They shall have the independence as required for the duties;
- (3) They shall have the basic knowledge in company operation, and be familiar with relevant laws, administrative regulations, regulations and rules;
- (4) They shall have more than five years' work experience in law, economy or otherwise as necessary to perform their duties;
- (5) Other conditions as required by the laws, regulations, and the *Articles of Association*.

The independent directors of the Company shall obtain the qualification certificates for independent directors. The candidates for independent directors of the Company holding no such qualification certificates at the time of nomination shall undertake in writing to participate in the training of qualifications for independent directors next time and obtain the qualification certificates.

Article 7 The independent directors must be independent and shall not be those who:

1. Directly or indirectly hold more than 1% of the total issued capital of the Company or are natural person shareholders among the Top 10 shareholders of the Company or their immediate family members;
2. Were core affiliated or related persons (as defined in *Hong Kong Listing Rules*) or the Company itself, and obtained the rights and interests in any securities of the Company in the form of gifting or other financial assistance (unless permitted in the *Hong Kong Listing Rules*);
3. Are or were the directors, partners or principals who were professional consultants providing the following companies/persons with services at that time or within two years prior to their appointment, or employees who provided relevant services for the following companies/persons together with such professional consultants or at the same period: (1) the Company, its holding companies, or their respective affiliated companies or core affiliated or related persons; or (2) any persons who were the controlling shareholders of the Company within two years before the date

when such persons are recommended as the independent directors or (in the absence of controlling shareholders) were any persons who were the general managers or directors (other than the independent directors) of the Company or their close associates.

4. Have or had, within one year before the date when they are recommended as the independent directors, a material interest in any major business activity of the Company, its holding companies, or their respective affiliated companies; or are or were involved in any major business transactions with the Company, its holding companies, or their respective affiliated companies, or any core affiliated or related persons of the Company;
5. Serve as members of the board of directors for the purpose of guaranteeing an entity which has an interest different from the overall interest of the shareholders;
6. Are or were, within two years before the date when such persons are recommended as independent directors, affiliated (related) with (to) the directors, general managers or the major shareholders of the Company as set out in the *Hong Kong Listing Rules*;
7. Are (or were, within two years before the date when such persons are recommended as the directors) the administrators or directors (other than independent directors) of the Company, its holding companies, or their respective affiliated companies, or any core affiliated or related persons of the Company;
8. Are financially dependent on the Company, its holding companies, or their respective affiliated companies, or the core affiliated or related persons of the Company;
9. Are employees working at the Company or its affiliates, immediate family members of the employees, or persons having major social relations with the employees (immediate family members mean spouse, parents, children; persons having major social relations refer to siblings, parents of the spouse, spouses of children, spouses of siblings, and siblings of the spouse);
10. Are employees working at the entity of any shareholder directly or indirectly holding more than 5% issued shares of the Company or working at the entity of any Top 5 shareholder of the Company, or the immediate family members of the employees;
11. Are employees working for the *de facto* controller of the Company and at any of its affiliated companies;

12. Provide financial, legal, and consulting services for the Company, its controlling shareholders, or their respective affiliated companies, including all the staff of the project team of the intermediaries which provide the services, reviewers at all levels, persons who sign the report, partners, and principal responsible persons;
13. Serve as the directors, supervisors, or senior managers at an entity which has major business transactions with the Company and its controlling shareholders or their respective affiliated companies, or as the directors, supervisors, or senior managers at the entity of any controlling shareholders of the entity which has major business transactions with the Company;
14. Were subject to the circumstances listed in Items (1), (9) to (13) in the recent year;
15. Are other persons as stipulated in the *Articles of Association*;
16. Any other persons as stipulated by the China Securities Regulatory Commission (hereinafter referred to as “CSRC”) or regulatory authorities of any other place in which the shares of the Company are listed.

“Working” for the purpose of the preceding paragraph means serving as the directors, supervisors, senior managers and any other workers; “Major Business Transactions” mean the transactions submitted to the shareholders’ general meeting for deliberation according to the *STIB Listing Rules* or the *Articles of Association* or any other major matters stipulated by the Shanghai Stock Exchange.

Article 8 In case of any changes that may impact the independence of independent directors after they assume office, they shall immediately notify the Company and Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”), and confirm with the Company their independence on a yearly basis. The Company shall disclose in the annual report that it has received their confirmation and state whether it still deems such independent directors to be actually independent persons.

Article 9 The independent directors shall not fall within any of the following circumstances:

- (1) They were subject to any administrative penalty by any securities regulatory authorities in the recent three years;
- (2) They are now publicly identified by the stock exchange as unsuitable for acting as directors of a listed company;
- (3) They were subject to any public censure or notice of criticism twice or more times in the recent three years;

- (4) They failed to attend the meetings of the board of directors for two consecutive instances, or the meetings they failed to attend accounted for more than one-thirds of all the meetings of the board of directors during their service as independent directors;
- (5) They issued, during their service as independent directors, any independent opinions that were significantly inconsistent with the facts.

Chapter III Nomination, Election, and Replacement of Independent Directors

Article 10 The board of directors, the board of supervisors, or the shareholders who, individually or jointly, hold more than 1% issued shares of the Company may nominate the candidates for independent directors, who will be elected at the shareholders' general meeting.

Article 11 The nominators of independent directors shall obtain the consent from the nominees before nomination. The nominators shall fully understand the occupation, educational background, title, detailed work experience, all the part-time jobs and other information of the nominees, and issue an opinion on their qualification as the independent directors and independence. The nominees shall state that they have no relationship with the Company that may impact their independence and objective judgment.

If the board of directors, the board of supervisors, or any shareholders of the Company with rights to nominate the independent directors intends to nominate candidates for independent directors, the Company shall complete the basic information about the candidates online on the website of Shanghai Stock Exchange within 2 trading days from the date when the nomination is determined and shall submit relevant materials about the candidates, including *Statement of Nominator of Independent Director*, *Statement of Candidate for Independent Director*, and other written documents, to Shanghai Stock Exchange. If the board of directors of the Company objects to relevant information of any candidates nominated by the board of supervisors or the shareholders shall also submit a written objection to Shanghai Stock Exchange.

Before the shareholders' general meeting for election of independent directors is convened, the board of directors of the Company shall publish the contents as set out in Paragraph 1 of this article and shall also submit all the materials relating to the nominees to Shanghai Stock Exchange. The board of directors of the Company that objects to relevant information of the nominees shall also submit a written objection.

Shanghai Stock Exchange will review the qualifications of the candidates for independent directors within 5 trading days upon receipt of the materials submitted by the Company. The candidates for independent directors and the nominators thereof shall truthfully answer the inquiries from Shanghai Stock Exchange within the required time and shall supplement relevant materials in a timely manner as required. If relevant materials are not supplemented in a timely manner as required, Shanghai Stock Exchange will review the existing materials within the required time and decide whether to raise an objection to the qualifications of the candidates for independent directors.

If Shanghai Stock Exchange fails to raise an objection to the qualifications of the candidates within 5 trading days upon receipt of the materials submitted by the Company, the Company may perform the decision-making procedures to elect the independent directors.

The Company shall not refer any candidates whose qualifications have been objected to by Shanghai Stock Exchange to the shareholders' general meeting for election as the independent directors and shall postpone or cancel the shareholders' general meeting according to the *Rules for the General Meetings of Shareholders of Listed Companies* published by CSRC or cancel relevant proposals for the shareholders' general meeting.

When a shareholders' general meeting is convened by the Company to elect independent directors, the board of directors of the Company shall explain whether the candidates' qualifications have been objected to by Shanghai Stock Exchange.

Article 12 Independent directors elected by the shareholders' general meeting shall submit necessary statements, commitments, and other written documents to Hong Kong Stock Exchange according to relevant provisions of *Hong Kong Listing Rules*.

Independent directors of the Company elected by the shareholders' general meeting shall submit the *Statements and Commitments of Directors (Supervisors, Senior Managers, Controlling Shareholders, and De Factor Controllers) of Listed Companies on the Science and Technology Innovation Board* within 30 days from the date of election, and shall complete or update their basic information on the website of Shanghai Stock Exchange. Independent directors who may only take office after their qualifications are approved by the competent national authorities shall perform the obligations set out in the preceding paragraph from the date of approval.

Article 13 Independent directors shall have the same term of office with any other directors of the Company, and may be re-appointed upon expiry of term of office, provided that the term of appointment must not exceed six consecutive years.

Article 14 If independent directors fail to attend the meetings of the board of directors three times in succession, the board of directors may request the shareholders' general meeting to replace such independent directors.

Article 15 If independent directors may no longer serve as the independent directors as provided in the laws, administrative regulations, and the *Articles of Association* or are otherwise inappropriate to perform the duties of independent directors, the board of directors may request the shareholders' general meeting to replace such independent directors.

Article 16 The Company may remove independent directors from office according to the legal procedures upon expiry of their term of office. If independent directors are removed before expiry of their term of office, the Company shall disclose such removal as a special disclosure.

Article 17 Independent directors may tender a resignation before expiry of their term of office. Independent directors shall resign by submitting a written resignation report to the board of directors, and shall explain any situation which relates to their resignation or they deem necessary to bring to the attention of the shareholders and creditors of the Company.

The independent directors of the Company who become no longer qualified as independent directors as required by the laws, regulations, and this Working System after they take office shall resign from office within 30 days upon occurrence of such circumstance. If they fail to resign as required, the board of directors of the Company shall launch the decision-making procedure within 2 days to remove them from office.

If, due to resignation of any independent directors, the proportion of all independent directors to all members of the board of directors of the Company is lower than the minimum requirement or there are no accounting professionals among the independent directors, the resignation report of such independent directors shall come into effect after the vacancy is filled by the new independent directors (except for resignation for loss of independence and removal from office by enforcement of law) or if any other situation stipulated by the regulatory rules of the place where the shares of the Company are listed arises. The Company shall give a timely notice to Hong Kong Stock Exchange, specifying relevant details and causes. The original nominators of such independent directors or the board of directors of the Company shall nominate new candidates for the independent directors within 90 days from the date of resignation by such independent directors, and the Company must appoint sufficient number of independent directors or independent directors who are accounting professionals within 3 months.

Chapter IV Special Functions and Powers of Independent Directors

Article 18 In order to give full play to the role of independent directors, independent directors shall have the following functions and powers in addition to those granted to them by the *Company Law*, other relevant laws and regulations and the *Articles of Association*:

- (1) To give the prior approval of a material related transaction (which means that the Company intends to enter into a related transaction with its affiliated party with a total amount more than RMB3 million yuan, or above 5% of the Company's latest audited net asset value); the independent directors may engage an intermediary to issue an independent financial consultant report as the basis of their judgment before they make the judgment.
- (2) To recommend to the board of directors that an accounting firm be engaged or dismissed;
- (3) To propose to the board of directors to convene an extraordinary general meeting;
- (4) To propose the convening of a meeting of the board of directors;

- (5) To publicly call for voting rights from the shareholders before the shareholders' general meeting is held;
- (6) To engage an external audit institution and advisory institution to audit and seek advice on the specific matters of the Company.

The independent directors shall obtain the consent from more than a half of all independent directors before they exercise the functions and powers in Items (1) to (5) of the preceding paragraph, and obtain the consent from all independent directors before they exercise the functions and powers in Item (6) of the preceding paragraph.

The matters in Items (1) and (2) may only be submitted to the board of directors for discussion after the consent is obtained from more than a half of all independent directors.

If the suggestions listed in Paragraph 1 of this article are not adopted or the above functions and powers cannot be normally performed, the Company shall disclose relevant circumstances.

The provisions of the laws, administrative regulations, and the securities regulatory authorities of the place where the Company is listed shall apply.

Article 19 The independent directors shall hold at least one meeting with the Chairman on an annual basis not attended by other non-executive and executive directors.

Article 20 If the board of directors deems that a major shareholder or director has a material conflict of interest in the matter to be deliberated by the board of directors, a resolution shall be made with respect to such matter by holding a meeting of the board of directors on site (in lieu of a written resolution). The independent directors and their close associates who have no material interest in the transaction shall attend such meeting of the board of directors.

Chapter V Independent Opinions and Duty of Due Diligence of Independent Directors

Article 21 The independent directors shall issue independent opinions to the board of directors, the committees of the board of directors, or the shareholders' general meeting in respect of the following major matters:

- (1) Nomination, appointment, and removal of directors;
- (2) Engagement or dismissal of senior managers;
- (3) Determination or adjustment of the remuneration of directors or senior managers of the Company;

- (4) Existing or new loans or other financial transactions of shareholders, the *de facto* controller, and the affiliated companies of the Company with the Company, the total amount of which is more than RMB3 million yuan, or above 5% of the Company's latest audited net asset value, and whether the Company has taken effective measures to recover the debts;
- (5) Engagement or dismissal of an accounting firm;
- (6) Changes to accounting policies or accounting estimates or correction of material accounting errors for reasons other than changes to the accounting principles;
- (7) Non-standard unqualified audit opinions issued by the certified public accountants on the financial accounting reports of the Company;
- (8) Planning for change of commitments by related parties;
- (9) Impact of issuance of preferred shares on the rights and interests of the shareholders of the Company;
- (10) Formulation of the profit distribution policy and the plans for profit distribution and conversion of capital reserve to capital stock, while particularly protecting the legitimate rights and interests of minority shareholders;
- (11) Planning for major asset restructuring, equity incentive plan, employee stock ownership plan, and share repurchase plan;
- (12) Related transactions under the *Hong Kong Listing Rules* necessary to be reviewed by the independent directors and/or for which the independent directors shall issue an opinion;
- (13) Other major transactions under the *Hong Kong Listing Rules* necessary to be reviewed by the independent directors and/or for which the independent directors shall issue an opinion;
- (14) Other affiliated (related) transactions, external guarantees, entrusted wealth management, provision of financial assistance, use of raised funds, undertaking of new businesses, investment in stocks and derivatives thereof and other major matters to be disclosed;
- (15) The Company's proposal not to trade its stocks on Shanghai Stock Exchange;
- (16) The matters which the independent directors deem may damage the legitimate rights and interests of the minority shareholders;

- (17) The matters which the independent directors deem may cause significant losses to the Company;
- (18) Other matters as provided by the laws, administrative regulations, department rules, normative documents, securities regulatory authorities of the place where the shares of the Company are listed, stock exchange, or the *Articles of Association*.

The opinions issued by the independent directors include consent, qualified opinion and reasons therefor, dissenting opinion and reasons therefor, and inability to issue an opinion and reasons therefor, and the opinions issued shall be explicit and clear.

If any matters need to be disclosed, the Company shall announce the opinion of the independent directors, and in case of any dissension among the independent directors, the board of directors shall separately disclose the opinion of each of the independent directors.

Article 22 The independent directors shall pay continuous attention to the actual management and use of the raised funds by the Company. More than a half of the independent directors may engage an accounting firm to issue a verification report on the deposit and use of the raised funds. The Company shall actively cooperate and bear necessary expenses.

The board of directors of the Company shall make a public announcement within 2 trading days after receiving the verification report as prescribed in the preceding paragraph. Where the verification report confirms that the management and use of the raised funds of the Company are in violation of relevant regulations, the board of directors shall also announce the violation in terms of the deposit and use of the raised funds, the consequences that have been or may be caused and the measures that have been or will be taken.

Article 23 The independent directors shall pay continuous attention to and understand the operating and financial conditions of the Company. In addition to attending the meeting of the board of directors, the independent directors shall ensure that they will actively perform their duties through interviews, field surveys, communications with the external audit institutions and in other forms at reasonable times to prudently investigate and verify whether there are false records, misleading statements, or material omissions in the financial statements, and when necessary, they may engage an intermediary for a special verification.

The independent directors discovering an anomaly upon investigation shall timely report to the board of directors for its verification, and when necessary, shall report to the stock exchange.

The independent directors shall perform their duties independently and fairly, shall make independent judgments on the authenticity, accuracy, and completeness of the financial statements of the Company and shall not be affected by the major shareholders or the *de facto* controller of the Company, or any other entities and individuals having an interest in the Company.

Article 24 If the provision of guarantees is deliberated by the board of directors, the independent directors shall issue independent opinions on whether the guarantees are legal and compliant, the impact on the Company, and the existing risks. When necessary, the independent directors shall engage an accounting firm to check the accumulated and current guarantees of the Company. If an anomaly is found, the independent directors shall promptly make a report and an announcement to the board of directors and the stock exchange.

Article 25 If the shares pledged by the controlling shareholders of the Company and their persons acting in concert account for more than 50% of the shares they hold, the independent directors shall issue an independent opinion on the impact of the aforesaid condition on the stable control and production operation of the Company, and shall disclose the same together with the annual report of the Company.

Chapter VI Necessary Conditions Provided for Independent Directors

Article 26 The Company shall ensure that the independent directors have the right to know as with other directors. The Company must, within the statutory time, notify the independent directors in advance of, and present sufficient materials for, the matters to be decided by the board of directors, and the independent directors may require supplementation of materials which they deem are insufficient. Two or more independent directors who deem that the materials are insufficient or the arguments are unclear may jointly request the board of directors to postpone the meeting of the board of directors or postpone the review of such matter, which the board of directors shall adopt. The materials provided by the Company to the independent directors shall be kept by the Company and the independent directors for a minimum of five years.

Article 27 The Company shall provide the working conditions necessary for the independent directors to perform their duties. The secretary to the board of directors of the Company shall provide assistance, such as presentation and provision of materials, for the independent directors to perform their duties. When necessary, the secretary to the board of directors shall announce the independent opinions, proposals, and written explanations issued by the independent directors.

Article 28 When the independent directors exercise their independent functions and powers, relevant personnel of the Company shall render active cooperation without refusal, obstruction, or concealment or interference.

Article 29 Any expenses incurred by the independent directors to engage an intermediary and otherwise required for performance of their functions and powers shall be borne by the Company.

Article 30 The Company shall give the independent directors an appropriate allowance. The board of directors shall prepare a plan in respect of the standard allowance for deliberation and approval at the shareholders' general meeting and shall be disclosed in the annual report of the Company.

In addition to the above allowance, the independent directors shall not obtain additional undisclosed benefits from the Company and its major shareholders or other institutions or persons having an interest in the Company.

Article 31 The Company may establish a necessary liability insurance system for the independent directors to lower the risks that may be incurred when the independent directors perform their normal duties.

Chapter VII Annual Report Working System

Article 32 The independent directors shall effectively perform their responsibilities and obligations as independent directors and exercise the duty of diligence during the preparation of annual reports of the Company.

Article 33 The management of the Company shall fully report the production operation and progress of major matters within the reporting year of the Company to each independent director.

Article 34 The chief financial officer of the Company shall submit the audit arrangements and other relevant materials of the current year in writing to each independent director before the certified public accountant who will audit the annual report of the Company commences the audit on the site.

Chapter VIII Performance Report of Independent Directors

Article 35 The independent directors shall submit a report to the annual shareholders' general meeting of the Company to explain their performance of duties.

Chapter IX Supplementary Provisions

Article 36 This Working System is deliberated and adopted by the shareholders' general meeting, and shall take effect and put into force as of the date when the initial public offering of A Shares is completed and the Company is listed on the SSE STAR MARKET. As of the effective date of this Working System, the original *Working System for Independent Non-executive Directors* of the Company shall automatically become invalid.

Article 37 Unless specifically stated, the terms used herein shall have the meanings ascribed to them in the *Articles of Association*. Matters not covered herein shall be subject to relevant provisions of laws, regulations, normative documents, and the *Articles of Association*. In the event of any inconsistency between the provisions herein and those in laws, regulations, normative documents, and the *Articles of Association*, the provisions thereof shall prevail.

Article 38 The board of directors shall formulate the amendments to this Working System, which will come into effect upon deliberation and approval at the shareholders' general meeting.

Article 39 This Working System shall be interpreted by the board of directors of the Company.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.**RULES OF PROCEDURE OF THE BOARD OF SUPERVISORS**

(As reviewed and approved by the First Extraordinary General Meeting in 2023)

Chapter I General Provisions

Article 1 In order to define the duty and authority of the Board of Supervisors of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “Company”), regulate its organization and behavior, and fully utilize its role of supervision and administration, these Rules are formulated in accordance with the provisions of the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, *Code of Corporate Governance for Listed Companies in China*, *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market* and laws, regulations and other regulatory documents, and the *Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (hereinafter referred to as the “Articles of Association”).

Chapter II Organizational Structure of the Board of Supervisors

Article 2 The chairman of the Board of Supervisors shall be fully responsible for the daily affairs and shall keep the stamps of the Board of Supervisors. The chairman of the Board of Supervisors may designate personnel to assist him/her in handling the daily affairs of the Board of Supervisors.

Article 3 The Board of Supervisors may appoint one person to keep the records of the meetings of the Board of Supervisors, or specify someone temporarily to take records as needed.

Article 4 The chairman of the Board of Supervisors shall exercise the following authorities:

- (I) To convene and preside over the meetings of the Board of Supervisors, and inspect the implementation of the resolutions of the Board of Supervisors;
- (II) To report its work to the Shareholders’ General Meeting on behalf of the Board of Supervisors;
- (III) In case of litigation between a director or a senior manager and the Company, the chairman of the Board of Supervisors shall act on behalf of the Company in litigation against the director or senior manager;

- (IV) Other powers and responsibilities as stipulated in laws, administrative regulations, regulatory documents and the Articles of Association and as granted by the Supervisory Board.

Chapter III Regulations and Procedures of the Board of Supervisors

Article 5 The meetings of the Board of Supervisors are classified into regular meetings and interim meetings. Regular meetings shall be held at least once every six months. Under any of the following circumstances, the Board of Supervisors shall hold an interim meeting within 10 days:

- (I) Any supervisor proposes to hold such a meeting;
- (II) The Shareholders' General Meeting and the meeting of the Board of Directors have adopted the resolutions concerning violations of laws, regulations, rules, and those of supervisory authorities, the *Articles of Association*, resolutions of the Shareholders' General Meeting of the Company and other relevant provisions;
- (III) Any misconduct by director and senior manager may cause significant harm to the Company or have a negative impact on the market;
- (IV) The Company, its directors, supervisors and senior managers have been sued by shareholders;
- (V) The Company, its directors, supervisors and senior managers have been punished by the securities regulators or publicly denounced by the stock exchange;
- (VI) Securities regulators request the meeting;
- (VII) Other situations stipulated in the *Articles of Association*.

Article 6 Before issuing a notice of convening a regular meeting of the Board of Supervisors, the Board of Supervisors shall collect proposals for the meeting from all the supervisors and may, if necessary, seek opinions from all employees of the Company. When collecting proposals and seeking opinions, the Board of Supervisors shall explain that it focuses on the supervision of standardized operation of the Company and the duty behavior of directors and senior managers rather than making decisions on the operation and management of the Company.

If a supervisor proposes to hold an interim meeting of the Board of Supervisors, he/she shall directly submit a written proposal signed by himself/herself to the chairman of the Board of Supervisors. The following contents shall be indicated in the written proposal:

- (I) Name of the supervisor proposing;

- (II) reasons for, or objective causes of, the proposal;
- (III) time or time limit, venue, and method of the meeting proposed;
- (IV) clear and specific proposals;
- (V) Contact information of the supervisor proposing and the date of the proposal.

Within 3 days after the chairman of the Board of Supervisors receives the written proposal of the supervisor, the Board of Supervisors shall issue a notice of convening an interim meeting of the Board of Supervisors.

Article 7 Meetings of the Board of Supervisors shall be convened and presided over by the Chairman of the Board of Supervisors; if the Chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over such meetings.

Article 8 To hold regular and temporary meetings of the Board of Supervisors, the Board of Supervisors shall give a written notice of the meeting with the seal of the Board of Supervisors 10 days and 5 days in advance respectively and submit it to all supervisors by direct service, fax, e-mail, post or other means. If the notice is not delivered directly, it shall be confirmed by telephone and corresponding records shall be kept.

If the circumstances are urgent and it is necessary to convene an interim meeting of the Board of Supervisors as soon as possible, a notice of the meeting may be sent orally or by telephone at any time, provided that the convener shall make an explanation at the meeting.

Article 9 The written meeting notice of the Board of Supervisors shall include the following contents:

- (I) Time and place of the meeting;
- (II) Matters to be discussed (proposals of the meeting);
- (III) Date of notice;
- (IV) the convener and the presider, the proposer of an extraordinary meeting and written proposal thereof;
- (V) Meeting materials necessary for supervisors to vote;
- (VI) Contact person and information.

A verbal meeting notice shall at least include the contents of Items (I) and (II) above, as well as the explanation of the urgent need to convene the interim meeting of the Board of Supervisors as soon as possible.

Article 10 In principle, the meeting of the Board of Supervisors shall be held on the spot.

In case of emergency, the meeting of the Board of Supervisors may vote by means of communication, but the convener of the meeting (the chairperson) shall explain the specific emergency to the supervisors present. Communication voting refers to the way in which supervisors exercise the right to vote on the matters submitted by the Board of Supervisors to the meeting for deliberation by means of designated information transmission, such as correspondence, fax, e-mail, etc., instead of holding an on-site meeting.

The rules for the implementation of communication voting are as follows: The Board of Supervisors shall convene by means of communication, and the notice of the meeting shall also:

- (I) Inform the supervisors that the meeting of the Board of Supervisors will vote by communication;
- (II) Disclose the matters to be considered in detail;
- (III) Send the standard format of the vote to the supervisors by attachment and request them to copy and use it;
- (IV) State the delivery method, address and deadline for the votes completed by the supervisors;
- (V) Indicate other matters that need to be notified to the supervisors.

The form of the vote may be prepared by the secretary of the Board of Directors of the Company.

Article 11 Where voting by means of communication, a supervisor may not entrust other supervisors to attend the meeting on his/her behalf. Supervisors must vote for, against, or abstain from the decision and sign the resolution of the meeting after finishing it for confirmation.

During communication voting, the supervisors shall send their written opinions and voting intentions on the deliberated matters to the Board of Supervisors by e-mail, fax or personal delivery before the deadline specified in the notice of meeting after signature and confirmation. If the above documents are not originals, the supervisors shall send the originals to the Company for filing as soon as possible. The supervisors shall not only state their opinions on voting without expressing their written opinion or the reason for voting.

If the supervisors fail to deliver the vote in the manner, time limit and address specified in the notice of the meeting, they are deemed to have waived their rights to vote at the meeting.

Article 12 In case of emergency when a meeting of the Board of Supervisors is required to be organized as soon as possible, the Board of Supervisors may sign the resolution of the Board of Supervisors by circulation.

Detailed rules for implementation: If the meeting of the Board of Supervisors is held by circulating and signing the written resolutions, drafts of the resolutions, related proposals, explanatory documents and other relevant files and materials shall be sent to each supervisor in turn by personal service, post or fax. If the number of supervisors who have signed the draft resolution of the Board of Supervisors has reached the quorum to make the decision, and the draft resolution is sent to the chairman of the Board of Supervisors or any other supervisor who is responsible for convening the meeting of the Board of Supervisors in the manner described above, the draft resolution shall become a resolution of the Board of Supervisors and no further meeting of the Board of Supervisors shall be held.

After voting and signing the resolution by circulation, the chairman of the Board of Supervisors or any other supervisor who is responsible for convening the meeting of the Board of Supervisors shall promptly notify all supervisors of the resolution in writing.

The chairman of the Board of Supervisors, other supervisors convening the meeting of the Board of Supervisors, the secretary of the Board of Supervisors and other designated personnel shall prepare the meeting minutes according to the resolution signed by the supervisors. The completed meeting minutes shall be signed and confirmed by the chairman of the Board of Supervisors or other supervisors convening the meeting before sent to each supervisor for signature.

Article 13 The meeting of the Board of Supervisors shall be conducted in accordance with the agenda set forth in the written notice of its convening; issues not on the agenda shall be included after more than half of the supervisors attending the meeting agree.

Article 14 The meeting of the Board of Supervisors shall be attended by the supervisors themselves. If a supervisor is unable to attend for some reason, he/she may entrust other supervisors in writing to attend and vote on his/her behalf.

The power of attorney in which the supervisor authorizes another one to attend the meeting on his/her behalf shall specify the name of the proxy, matters to be handled, scope of authorization and validity period, which shall be signed by the entrusting party. The proxy present at the meeting shall exercise the rights of the supervisor within the scope of authorization. If a supervisor fails to attend a meeting of the Board of Supervisors or appoint a proxy to attend the meeting, he/she shall be deemed to have waived his/her voting rights at the meeting.

Article 15 The meeting of the Board of Supervisors shall be held only when more than half of all supervisors are present.

If a meeting of the Board of Supervisors cannot be held normally, or there is an objection to the validity of a resolution, the Company shall promptly disclose relevant matters, the claims of the parties thereto, its current situation, and other information that will facilitate investors to understand the actual situation of the Company. In case of the circumstances above, the Board of Directors shall maintain the normal production and operation order of the Company, protect the interests of the Company and all shareholders, and treat all shareholders fairly.

The secretary of the Board of Directors and the representative of securities affairs may attend the meetings of the Board of Supervisors as nonvoting delegates. When it is necessary, the Board of Supervisors may invite the directors, general manager, other senior managers, and internal and external auditors to attend the meetings of the Board of Supervisors to answer questions of concern.

Article 16 The chairperson of the meeting shall ask the supervisors attending the meeting to express clear opinions on each proposal, and shall, upon the proposal of the supervisors, require directors, senior managers, other employees of the Company or business personnel of relevant intermediaries to attend the meeting for questioning.

Article 17 During the discussion of major issues at the meeting of the Board of Supervisors, if there is any ambiguity in the discussed topics, the chairman of the Board of Supervisors may decide to postpone the voting after asking the supervisors present for advice, and submit it to the next meeting for voting after further investigation and verification. The matters deferred for voting shall be stated in the resolution of the Board of Supervisors.

Article 18 Resolutions proposed at the meeting of the Board of Supervisors shall be voted by open votes or show of hands, and each supervisor shall have one vote.

The voting intentions of supervisors are approval, disapproval, and abstention. Supervisors present at the meeting shall select one of the intentions above. In case of failure, or if two or more intentions are selected at the same time, the chairperson shall request relevant supervisors to reselect. Otherwise, the vote will be regarded as a waiver. If a supervisor leaves the venue halfway without any selection, the supervisor shall be deemed as an abstention.

If any of the above conditions exist during the off-site meeting, the convener of the meeting may urge the relevant supervisors to select or vote again within a reasonable time limit. If the supervisors fail to do so, they shall be deemed to have abstained.

Resolutions of the Board of Supervisors shall be adopted by voting of more than two-thirds of the members of the Board of Supervisors.

Article 19 The staff of the Board of Supervisors shall keep comprehensive records of the on-site meeting. The meeting minutes of the Board of Supervisors shall include the following contents:

- (I) Time, date and place of the meeting, and the manner in which it is convened;
- (II) issuance of the notice of meeting;
- (III) the convener and the presider of the meeting;
- (IV) Attendance at the meeting;
- (V) Proposals to be considered at the meeting, key points and main opinions of each supervisor on relevant matters, and intentions of voting on the proposals;
- (VI) Manner of voting on each proposal and the result of the voting (indicating the specific number of votes for approval, disapproval, and abstention);
- (VII) Other matters considered to be recorded by the supervisors present at the meeting.

Article 20 For meetings of the Board of Supervisors held by means of communication or circulation for signing, the meeting minutes shall be sorted out with reference to the above provisions.

Supervisors attending the meeting shall sign and confirm the meeting minutes. If a supervisor has different opinions on the meeting minutes, he/she may give written explanations when signing.

If a supervisor neither signs for confirmation in accordance with the provisions of the preceding section nor gives a written explanation of his/her different opinions, he/she shall be deemed to have fully agreed to the contents of the meeting minutes.

Article 21 Supervisors shall bear the responsibility for the decisions made by the Board of Supervisors. If a resolution of the Board of Directors violates laws, administrative regulations or the *Articles of Association*, resulting in any loss to the Company, the supervisors participating in the resolution shall be liable for compensation to the Company. However, if it is proved that the supervisor has expressed his/her objection during the voting and it is recorded in the meeting minutes, the supervisor may be exempted from such liability.

Article 22 Records of the meeting of the Board of Supervisors, including meeting notices and meeting materials, votes, meeting minutes, meeting summaries and resolutions signed and confirmed by the supervisors attending the meeting, shall be kept by a special person designated by the chairman of the Board of Supervisors. The meeting archives of the Board of Supervisors shall be kept for no less than 10 years.

Article 23 Announcement of resolutions of the Board of Supervisors shall be made by the Board Secretary as per relevant regulations of the stock exchange. Prior to disclosing the announcement of resolutions, supervisors present, participants, recording and service personnel, etc. are obliged to keep the content of resolutions confidential.

Chapter IV Implementation of Resolutions from the Board of Supervisors

Article 24 The supervisors shall supervise and urge the relevant personnel to implement the resolutions of the Board of Supervisors. The chairman of the Board of Supervisors shall, at a subsequent meeting of the Board of Supervisors, report on the implementation of the resolutions already adopted.

Article 25 The resolutions of the Board of Supervisors shall be distributed to the Board of Directors or senior management according to the content of the resolutions.

Article 26 For matters required to be addressed in the resolutions of the Board of Supervisors, the Board of Supervisors shall request the Shareholders' General Meeting to arrange implementation in accordance with the relevant provisions of the Company.

Article 27 The chairman of the Board of Supervisors may organize the supervisors to inspect the implementation of the resolutions of the Board of Supervisors and give comments.

Chapter V Supplementary Provisions

Article 28 These rules are attached to the *Articles of Association* and approved by a special resolution of the shareholders' general meeting of the Company. These rules will take effect and put into force as of the date when the initial public offering of A Shares is completed and the Company is listed on the SSE STAR MARKET. The original *Rules of Procedure of the Board of Supervisors of the Company* will be null and void as soon as these rules become effective.

Article 29 Matters not covered herein shall be subject to relevant provisions of laws, administrative regulations, regulatory rules of the place where the company's shares are listed, normative documents, and the *Articles of Association*. In the event of any inconsistency between the provisions herein and laws, administrative regulations, regulatory rules of the place where the company's shares are listed, regulatory rules of the place where the company's shares are listed, normative documents, and the *Articles of Association*, the provisions thereof shall prevail.

Article 30 The Board of Supervisors may amend the rules herein as per relevant laws, regulations, and the *Articles of Association*. Amendments to these Rules shall become effective upon approval by the Shareholders' General Meeting.

Article 31 The terms “above” and “within” used herein shall include the number itself; “over” does not include the number itself.

Article 32 These Rules shall be interpreted by the Board of Supervisors of the Company.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

MEASURES FOR THE ADMINISTRATION OF RELATED TRANSACTIONS

Chapter I General Provisions

Article 1 In order to further standardize the administration of related transactions of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (“the Company” or the “Company”), define administration responsibilities and division of labor, safeguard the legitimate interests of shareholders and creditors of the Company (especially the legitimate interests of minority investors), and ensure that the related transaction contracts concluded between the Company and its related parties comply with the principles of fairness, justice and publicity, the Measures is formulated according to the relevant provisions of 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 *Code of Corporate Governance of Listed Companies*, the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market* (hereinafter referred to as the “Rules for the Listing of Stocks”), the *Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (hereinafter referred to as the “Articles of Association”) and other documents.

Related transactions that constitute the definitions provided in the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as the “Hong Kong Listing Rules”) shall be under management in accordance with relevant provisions of the Hong Kong Listing Rules and the Administration System of Related Transactions of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “H-Share Related Transaction System”).

The disclosure and decision-making procedures of the Company’s related transactions shall comply with the provisions of the *Rules for the Listing of Stocks*, the Measures, the *Hong Kong Listing Rules* and the *H-Share Related Transaction System*. In case of any inconsistency between laws, regulations or listing rules of the two places, stricter provisions shall be followed.

Article 2 Basic principles to be followed for the Company’s related transactions:

1. Good faith;
2. Equality and voluntariness;
3. Fairness, publicity and justice.

The Company shall ensure the legitimacy, necessity, rationality and justice of its related transactions and maintain its own independence. Related transactions shall not be used to transfer interests or adjust financial indicators to damage the interests of the Company, and the association of related parties shall not be concealed in any way. In carrying out related transactions, the Company shall strictly fulfill the obligations related to decision-making procedures and information disclosure in accordance with relevant provisions.

**Chapter II Definitions and Details of
Related Transactions and Related Persons**

Article 3 The Company's related transactions refer to the transactions between the Company or other entities such as its subsidiary within the scope of merger, and related persons of the Company. The related transactions include but are not limited to the following transactions and matters arising in daily business operations that may lead to the transfer of resources or obligations:

- (I) Buying or selling assets;
- (II) Outbound investment (excluding purchase of bank financial products);
- (III) Transfer or acquisition of R&D projects;
- (IV) Signing a license agreement;
- (V) Providing guarantees;
- (VI) Leasing assets to/from others;
- (VII) Entrusting or being entrusted to manage assets and business;
- (VIII) Giving or receiving assets;
- (IX) Claim and debt restructuring;
- (X) Providing financial assistance;
- (XI) Other transactions recognized by the Shanghai Stock Exchange (SSE).

The SSE may, by following the substance over form principle, recognize a transaction between the Company and a related party as a related transaction. The Company shall perform its disclosure obligation and review procedures in accordance with the provisions of Article 6 or Article 7.

Article 4 A related person (related party) of the Company refers to a natural person, legal person or other organization in any of the following circumstances:

- (I) A natural person, legal person or other organizations that directly or indirectly control the Company;
- (II) A natural person who directly or indirectly holds more than 5% of the Company's shares;

- (III) A director, supervisor or senior manager of the Company;
- (IV) Family members closely related to a relevant natural person mentioned in Items (I), (II) and (III) of this Article, including spouses, children who have reached the age of 18 and their spouses, parents, and their spouses' parents, siblings and their spouses, siblings of spouses and parents of children's spouses;
- (V) A legal person or other organizations that directly hold more than 5% of the Company's shares;
- (VI) A legal person or director, supervisor, senior manager or other personnel in-charge of other organizations who directly or indirectly control the Company;
- (VII) A legal person or other organizations directly or indirectly controlled by a related legal person or a related natural person listed in Items (I) to (VI) of this Article, or a legal person or other organizations with the aforementioned related natural persons (except independent non-executive directors) as directors or senior managers, except the Company and its holding subsidiaries;
- (VIII) A legal person or other organizations that indirectly hold more than 5% of the Company's shares;
- (IX) Any other natural person, legal person or organization that the Company has a special relationship with and may cause the interests of the Company to be titled in their favor as determined by the China Securities Regulatory Commission ("CSRC"), the SSE or the Company under the principle of substance over form.

Any legal person, organization or natural person that falls into any of the circumstances set forth in the preceding paragraph within 12 months prior to the date of transaction, or within 12 months after the relevant transaction agreement becomes effective or is performed shall be deemed as a related person of the Company.

If the Company is under the control of the same state-owned assets supervision and administration agency with a legal person or other organizations directly or indirectly controlled by a legal person or other organizations listed in Item I of this Article, no association is formed as a result, except where the legal representative, general manager, responsible person or more than half of the directors of the legal person or organization are directors, supervisors or senior managers of the Company.

Article 5 A related director of the Company shall include the following directors or meet any of the following conditions:

- (I) The Company's counterparty;
- (II) Direct or indirect controller of the counterparty;
- (III) Holding a position in the Company's counterparty, a legal person or other organizations that can directly or indirectly control the counterparty, or a legal person or other organizations that can be directly or indirectly controlled by the counterparty;
- (IV) Family members closely related to a natural person listed in Items (I) and (II) of this Article (for the specific scope, refer to the provisions of Item (IV) of Article 4);
- (V) Family members closely related to directors, supervisors or senior managers of a legal person or organization listed in Items (I) and (II) of this Article (for the specific scope, refer to the provisions of Item (IV) of Article 4);
- (VI) A director whose independent business judgment may be affected as determined by the CSRC, the SSE or the Company on the basis of substance over form principle.

Article 6 A related shareholder of the Company shall include the following shareholders or meet any of the following conditions:

- (I) The Company's counterparty;
- (II) Direct or indirect controller of the counterparty;
- (III) Directly or indirectly controlled by the counterparty;
- (IV) Under the direct or indirect control of the same natural person, legal person or other organizations with the counterparty;
- (V) A shareholder whose voting right is restricted or affected due to the unfulfilled equity transfer agreement or other agreements with the counterparty or its related person;
- (VI) A shareholder who may cause the Company's interests to be tilted in his favor as determined by the CSRC or the SSE.

Article 7 The Company shall determine the list of its related person and update it in time to ensure that the list is true, accurate and complete. When the Company and its controlling subsidiaries carry out transactions, the responsible persons shall carefully check the list of related persons and have the prudent judgment on whether they constitute related transactions. If a related transaction is constituted, the responsible persons shall perform the obligations of approval and reporting within their respective authority.

Chapter III Determination and Administration of the Prices of Related Transactions

Article 8 The prices of related transactions refer to the prices of commodities and services involved in related transactions between the Company and its related person. The Company shall enter into a written agreement to define the rights, obligations and legal liabilities of both parties and the pricing policy of the related transaction. The signing of the agreement shall follow the principles of equality, voluntariness, equivalence and compensation, and the content of the agreement shall be clear, specific and enforceable. In executing a related transaction, if there are significant changes in the major terms such as transaction price in the agreement, the Company shall go through the corresponding approval procedures again for the changed transaction amount.

Article 9 The pricing of related transactions of the Company shall be fair, and shall be carried out in accordance with the following principles:

- (I) Where the transaction is subject to government pricing, the government price may be directly applied;
- (II) If the transaction is subject to government-guided price, the transaction price may be reasonably determined within the range of government-guided prices;
- (III) In addition to government pricing or government-guided price, if there is a comparable market price or charging standard from an independent third party for the transaction, the transaction price may be determined with priority reference to such price or standard;
- (IV) If there is no comparable market price of an independent third party for the related transaction, the transaction price may be determined by referring to the price of a non-related transaction between a related party and a third party independent of the related party;
- (V) If there is neither the market price of an independent third party nor the price of an independent non-related transaction for reference, a price consisting of reasonable cost and profit may be used as the basis for pricing.

When the Company determines the prices of related transactions in accordance with Items (III), (IV) or (V) of the preceding section, it may adopt the following pricing methods depending on different related transactions:

- (I) Cost-plus method: pricing based on the reasonable costs incurred in the related transaction plus the gross profit of comparable non-related transactions. It is applicable to related transactions such as procurement, sales, transfers and use of tangible assets, provision of services and financing;
- (II) Resale price method: The amount of the price of the commodity resold to a non-related party after purchased from a related party less the gross profit of a comparable non-related transaction is taken as the fair transaction price of the commodity purchased by the related party. It is applicable to simple processing or pure purchase and sale business where the reseller has not changed the appearance, performance, structure or trademark of the commodity nor performed other substantive value-added processing;
- (III) Comparable uncontrolled price method: pricing based on the price charged for business activities identical or similar to the related transaction between non-related parties. It is applicable to all types of related transactions;
- (IV) Transaction net margin method: using the profit level indicators of comparable unrelated transaction to determine the net profit of the related transaction. It is applicable to related transactions such as procurement, sales, transfers and use of tangible assets, and provision of services;
- (V) Profit split method: calculating the profit to be allocated to each related party based on their contribution to the combined profit of the related transaction. It is applicable to the situation where the related transactions of all parties are highly integrated and it is difficult to evaluate the transaction results of each party separately.

If the Company's related transactions cannot be priced in accordance with the above principles and methods, it shall disclose the principles and methods for determining the prices of the related transactions and explain the fairness of the pricing.

The Company shall take effective measures to prevent related parties from interfering in the Company's operation and damaging its interests by monopolizing procurement or sales channels. A related transaction shall have commercial substance, and its price shall be fair. In principle, it shall not deviate from the price or charging standard of an independent third party in the market and other trading conditions.

Article 10 Administration of the Prices of Related Transactions

- (I) Both parties shall calculate the transaction amount in accordance with the price agreed in the related transaction agreement and the actual transaction quantity, calculate the account balance on a monthly base, and settle the account on a quarterly basis. Payment shall be made according to the payment method and terms specified in the related transaction agreement.
- (II) When the settlement is conducted after the end of each quarter, if there is a need to negotiate the settlement price of the previous quarter in accordance with the terms of the related transaction agreement, the following procedures shall be followed:
 - 1. If the settlement price calculated in accordance with the pricing principle agreed in the related transaction agreement has changed by more than $\pm 5\%$ but no more than $\pm 20\%$ compared to the benchmark price agreed in the agreement, it shall be submitted to the Company's General Manager's office for approval by the Financial Department, and the settlement shall be based on the settlement price determined by the office. Such matters shall be reported to the Company's Board of Directors for filing.
 - 2. If the settlement price calculated in accordance with the pricing principle agreed in the related transaction agreement has changed by more than $\pm 20\%$ compared to the benchmark price agreed in the agreement, it shall be submitted to the Board of Directors for approval by the General Manager's office, and the settlement shall be based on the settlement price determined by the Board of Directors.
- (III) Within 30 days after the end of each quarter, the Financial Department of the Company shall file an official document with the Company's Board of Directors, reporting the average prices of all related transactions for the previous quarter.
- (IV) The Financial Department shall track the changes in market prices and costs of the products of the Company's related transactions and report such changes to the Board of Directors for filing.
- (V) If the Board of Directors has any doubt about the price changes of a related transaction, it may engage an independent financial consultant to issue an opinion on the fairness of such price changes.

Chapter IV Approval of Related Transactions

Article 11 Transactions with an amount over RMB300,000 between the Company and related natural persons (excluding any amount provided for guarantees, the same below) shall be reviewed and approved by the Board of Directors, and those with an amount below RMB300,000 shall be approved by the General Manager; if the amount of related transactions between the Company and related legal persons is more than RMB3 million and accounts for over 0.1% of the audited total asset value or market value of the Company in the latest period, the transactions shall be reviewed and approved by the Board of Directors. Transactions below this standard shall be approved by the General Manager.

Article 12 If the transaction amount between the Company and its related person (excluding any amount provided for guarantees) accounts for over 1% of the audited total asset value or market value of the Company in the latest period and exceeds RMB30 million, the Company shall provide an assessment report or audit report and submit it to the Shareholders' General Meeting for deliberation. Transactions related to daily operations may be exempt from audit or assessment.

Where any of the circumstances mentioned in the preceding section occurs, the Company shall provide an audit report for the financial reports of the transaction object in the last year and the current fiscal year; if the transaction object is non-cash assets other than equity, an assessment report shall be provided. The deadline for the audited financial reports shall not exceed six months from the use date of the audit report, and the benchmark assessment date of the assessment report shall not exceed one year from the use date of the assessment report.

The audit report and assessment report mentioned in the preceding section shall be issued by securities institutions qualified to carry out securities and futures related business.

Article 13 Related transactions guaranteed by the Company for the shareholders, actual controllers and any related persons shall have reasonable commercial logic and shall be promptly disclosed after the approval of the Board of Directors, regardless of the amount, and submitted to the General Meeting of Shareholders for deliberation. Where the Company provides a guarantee for the controlling shareholder, the actual controller, and its affiliated parties, the said controlling shareholder, actual controller, and affiliated parties shall provide a counter guarantee.

Article 14 The Company shall prudently provide financial assistance or entrust financial management to related parties; if it is deemed necessary, the amount shall be taken as the calculation standard for disclosure and calculated cumulatively over a period of 12 consecutive months, and the provisions of Article 11 or Article 12 shall apply.

Those amounts for which the relevant obligations have been fulfilled in accordance with Article 11 or Article 12 shall no longer be included in the scope of relevant cumulative calculation.

Article 15 The Company shall apply the provisions of either Article 11 or Article 12 to the following transactions, based on the cumulative calculation over a period of 12 consecutive months:

- (I) Transactions with the same related person;
- (II) Transactions with different related persons based on the category of transaction object.

The same related person mentioned above includes a legal person or other organizations with which the related person is controlled by the same actual controller, or there is an equity control relationship, or that has the same natural person as the director or senior manager.

Those transactions for which the relevant obligations have been fulfilled in accordance with this Article shall no longer be included in the scope of cumulative calculation.

Article 16 When the Company conducts daily related transactions with its related person, it shall disclose and perform deliberation procedures in accordance with the following provisions:

- (I) The Company may reasonably estimate the annual amount of daily related transactions by category, perform review procedures and make disclosure; if the amount actually executed exceeds the estimated amount, the review procedures shall be carried out again based on the excess amount and disclosure shall be made;
- (II) The Company's annual report and semi-annual report shall summarize and disclose daily related transactions by category;
- (III) Where the term of the daily related transaction agreement signed between the Company and its related person exceeds three years, the Company shall perform the relevant review procedures and disclosure every three years.

Article 17 A material related transaction (means a related transaction the Company intends to reach with its related person with a total amount of more than RMB3 million or more than 5% of the Company's most recent audited net asset value) shall be approved in advance by the independent non-executive director; before making a judgment, the independent non-executive director may engage an intermediary to issue an independent financial consultant's report as the basis for his judgment. The prior approval opinion of an independent non-executive director shall be agreed upon by over half of all independent non-executive directors and shall be disclosed in the related transaction announcement.

An independent non-executive director shall express an independent opinion to the Board of Directors or at the General Meeting of Shareholders on whether the Company's shareholders, actual controllers and their related enterprises have any borrowing or other fund transactions with the Company that exceed a total of RMB3 million or 5% of the Company's most recent audited net asset value, and whether the Company has taken effective measures to recover any outstanding debts. If the relevant related transaction is a matter that needs to be disclosed, the Company shall announce the opinions of the independent non-executive director.

Article 18 When the Board of Directors of the Company deliberates related transaction matters, the related directors shall abstain from voting and shall not exercise voting rights on behalf of other directors. The meeting of the Board of Directors may be held when more than half of the non-related directors are present, and the resolutions adopted at the meeting shall be passed by more than half of non-related directors. If the number of non-related directors present at the meeting is less than three, the Company shall submit the transaction to the Shareholders' General Meeting for deliberation.

When the Shareholders' General Meeting deliberates related transaction matters, the related shareholders shall abstain from voting and shall not exercise voting rights on behalf of other shareholders.

Article 19 When a related person signs an agreement involving related transactions with the Company, it shall take necessary abstention measures:

- (I) Any individual may only sign the agreement on behalf of one party.
- (II) The related person shall not interfere with the Company's decisions in any way.

Article 20 The abstention and voting procedures of related directors are as follows:

- (I) The related director shall take the initiative to ask for abstention, otherwise, other directors have the right to request his/her abstention;
- (II) When there is a dispute over whether the director is a related director, more than half of all directors shall pass a resolution in the interim board meeting on whether the director is a related director and whether he/she shall abstain;
- (III) The related director shall not participate in the deliberation or attend the meeting to discuss related transaction matters;
- (IV) When the Board of Directors votes on related transaction matters, the non-related directors present at the board meeting shall vote in accordance with the provisions of the *Articles of Association* after deducting the number of votes represented by the related directors;

- (V) If it is indeed unavoidable for a related director to participate in a matter, he/she shall obtain the approval of the competent department.

The abstention and voting procedures of related shareholders are as follows:

- (I) The related shareholder shall take the initiative to ask for abstention, otherwise, other shareholders have the right to request his/her abstention at the General Meeting of Shareholders;
- (II) When there is a dispute over whether the shareholder is a related shareholder, more than half of all shareholders shall pass a resolution in the interim general meeting on whether the shareholder is a related shareholder and whether he/she shall abstain. This resolution is final;
- (III) When the General Meeting of Shareholders votes on related transaction matters, the non-related shareholders present at the meeting shall vote in accordance with the provisions of the *Articles of Association* and Rules of Procedure of the Shareholders' General Meeting after deducting the number of voting shares represented by the related shareholders.

When the Company holds a board meeting to consider related transaction matters, the chairperson of the meeting shall remind the related directors to abstain from voting in advance. If a related director does not voluntarily declare but abstain, the directors who are aware of the situation shall request the related director to abstain. When the Company's Shareholders' General Meeting deliberates on related transaction matters, the chairperson of the meeting and the witnessing lawyer shall remind the related shareholders to abstain before the shareholders' voting.

Article 21 When the Company and its related person increase or decrease the capital of a jointly invested enterprise, the amounts of investment, capital increase, and capital decrease of the Company shall be used as the calculation basis, and the relevant provisions of the *Rules for the Listing of Stocks* and the Measures shall be applied.

Where a related person of the Company unilaterally increases or reduces capital of an enterprise controlled by or in which the Company has shares, in case of any waiver of rights, the relevant provisions concerning the waiver of rights shall apply. If a matter does not involve a waiver of rights, but may have a significant impact on the Company's financial condition or operating results or cause changes in the association between the Company and the entity, the Company shall timely disclose the matter.

If the Company and its related person make cash contributions to a jointly invested enterprise controlled by the Company in the same proportion and at the same price, and the contributions reach the standard for submission to the Shareholders' General Meeting for deliberation, the audit or assessment requirements under the relevant provisions of the *Rules for the Listing of Stocks* may be waived.

Article 22 The following transactions between the Company and its related person may be exempted from review and disclosure in the manner of related transactions:

- (I) One party subscribes in cash for the other party's public offering of stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivative products;
- (II) One party acting as a member of the underwriting syndicate underwrites the other party's public offering of stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivative products;
- (III) One party receives dividends, bonuses, or compensation based on a resolution of the other party's Shareholders' General Meeting;
- (IV) One party participates in the other party's public bidding or auction, except in cases where it is difficult to determine a fair price through bidding or auction;
- (V) Transactions in which the Company gains benefits solely, including receipt of donated cash assets, debt relief, acceptance of guarantees and financial assistance;
- (VI) The pricing of related transactions is regulated by the state;
- (VII) A related person provides funds to the Company at an interest rate no higher than the benchmark lending rate set by the People's Bank of China for the same period, and the Company has no corresponding collateral for this financial assistance;
- (VIII) The Company provides products and services to directors, supervisors, and senior managers on trading terms equivalent to those offered to non-related persons;
- (IX) Other transactions recognized by the SSE.

Chapter V Supplementary Provisions

Article 23 The directors, supervisors, and senior managers of the Company have the obligation to, by ways including but not limited to inquiry and review, focus on whether there is any issue of related persons misappropriating the Company's funds or encroaching on the Company's interests.

Article 24 If a related person's occupation or transfer of the Company's funds, assets, or other resources causes or may cause losses to the Company, the Board of Directors shall take timely protective measures such as litigation and property preservation to avoid or reduce such losses and investigate the responsibilities of the relevant personnel.

Article 25 The term "over" in the Measures includes the stated number, while the terms "below", "less than", and "more than/exceed" do not include the stated number.

Article 26 These Measures shall be formulated by the Board of Directors and submitted to the Shareholders' General Meeting for deliberation and approval, and shall come into effect as of the date when the Company makes an initial public offering of A shares and is listed on SSE STAR MARKET. The amendment shall be formulated by the Board of Directors and shall take effect after being approved by the shareholders' general meeting.

Article 27 The Board of Directors of the Company is responsible for interpreting, revising, and supervising the implementation of the Measures. Matters not covered herein or in conflict with laws, regulations, normative documents, and the *Articles of Association* shall be subject to relevant laws, regulations, normative documents, and the *Articles of Association*.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

MEASURES FOR THE ADMINISTRATION OF EXTERNAL GUARANTEES

Chapter I General Provisions

Article 1 In order to regulate the administration of the external guarantees of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “Company”) and the guarantee behavior of the Company and control the operating risk of the Company, these Measures are formulated in accordance with the provisions in relevant laws, regulations, and normative documents, including 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 *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange* (hereinafter referred to as the “Rules Governing the Listing of Stocks”), the *Guidelines for Supervision of Listed Companies No. 8 – Regulatory Requirements for Financial Transactions & External Guarantees of Listed Companies*, the *Guidelines for Self-discipline Supervision of Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange No. 1 – Standardized Operation*, and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd.* as well as the Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “Articles of Association”).

Article 2 External guarantee for the purpose of the Measures refers to an act in which the Company provides a guarantee for the debts of the debtor owed to the creditor, and when the debtor fails to perform its debts, the Company shall perform the debts or assume other guarantee liabilities, as agreed. The forms of guarantee include warranty, mortgage, and pledge.

External guarantees include the guarantees provided by the Company for its holding subsidiaries.

The controlling shareholder, actual controller, directors, supervisors, and senior management personnel of the Company shall not take advantage of their control status or authorities to manipulate or instruct the Company to provide illegal guarantee behaviors.

Chapter II Procedures for Review of External Guarantees

Article 3 The Shareholders’ General Meeting and the Board of Directors of the Company are the decision-making bodies for external guarantees. All the external guarantees of the Company must be approved by the Shareholders’ General Meeting and the Board of Directors of the Company and timely disclosed pursuant to the procedures. The Company shall not provide external guarantees without the approval of the Shareholders’ General Meeting (or the Board of Directors) of the Company.

Article 4 The external guarantees of the Company are managed under a hierarchical review system, and relevant departments of the Company involved include:

The chief financial officer and his financial department, which is the department in charge of preliminary review and daily management of the external guarantees of the Company, shall be responsible for acceptance and preliminary review of the guarantee application submitted by the guaranteed person and the daily management and continuous risk control of the external guarantees;

The secretary of the Board of Directors shall review the compliance of the external guarantees of the Company, organize the performance of the review procedures of the Board of Directors or the Shareholders' General Meeting, and make relevant information disclosure.

Article 5 The external guarantees are under the unified management of the Company. No subsidiaries shall provide external guarantees or provide guarantees for each other without the approval of the Company.

Article 6 Where the Company provides a guarantee for an affiliated party, it shall be in compliance with reasonable business logic and shall be disclosed in time and submitted to the Shareholders' General Meeting for deliberation after being approved by the Board of Directors.

Where the Company provides a guarantee for the controlling shareholder, the actual controller, and its affiliated parties, the said controlling shareholder, actual controller, and affiliated parties shall provide a counter guarantee.

The controlling shareholder and the actual controller shall maintain the independent decisions of the Company in providing guarantees, shall support and cooperate with the Company in performing the internal decision-making procedures and information disclosure obligations for external guarantees in accordance with the laws and regulations, and shall not compel, instruct, or require the Company and relevant personnel to provide external guarantees in violation of the regulations.

If the controlling shareholder and the actual controller compel, instruct, or require the Company to engage in an illegal guarantee behavior, the Company and its directors, supervisors, and senior management personnel shall reject instead of giving assistance, cooperation, and acquiescence.

Article 7 The following external guarantees shall be submitted to the Shareholders' General Meeting for approval after being deliberated and approved by the Board of Directors of the Company:

- (1) A single guarantee whose amount exceeds 10% of the Company's latest audited net assets;

- (2) Any guarantee provided after the total amount of guarantees to third parties provided by the Company and its holding subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (3) A guarantee to be provided to a party that has an asset-liability ratio in excess of 70%;
- (4) A guarantee exceeding 30% of the Company's latest audited net assets in accordance with the principle of accumulative calculation of guarantee amount within 12 consecutive months;
- (5) Any guarantee provided after the total amount of guarantees to third parties provided by the Company has exceeded 30% of the Company's latest audited total assets;
- (6) A guarantee to be provided in favor of affiliated parties;
- (7) Other guarantees as stipulated in the laws, regulations, normative documents, regulatory rules of the place in which the stocks of the Company are listed, or the Articles of Association.

When the guarantee matters described in item (4) of the preceding paragraph are deliberated by the shareholders' general meeting, it shall be approved by the shareholders representing 2/3 or more of the voting rights present at the meeting.

Where the Company provides a guarantee for a wholly-owned subsidiary, or where the Company provides a guarantee for a holding subsidiary and other shareholders of the said holding subsidiary provide a guarantee in equal proportion to their respective rights and interests, if the interest of the Company is not harmed, the provisions set forth in items (1) to (3) of this Article may be exempted. The annual reports and semi-annual reports of the Company shall summarize and disclose the aforementioned guarantee.

Article 8 The external guarantees other than those set out in Article 7 hereof and requiring deliberation and approval from the Shareholders' General Meeting shall be approved by the Board of Directors.

Besides being passed by the majority of all directors, the external guarantees which shall be approved by the Board of Directors shall also be deliberated and agreed upon by more than two-thirds of the directors attending the board meeting.

Article 9 If the directors and the senior management personnel of the Company provide a guarantee for others in violation of the foregoing provisions, causing damage to the Company, they shall be liable for such damages.

Article 10 The external guarantee application of the Company shall be accepted by the chief financial officer and his financial department, and the guaranteed person shall submit the guarantee application and the annexes thereto to the chief financial officer and his financial department at least 30 working days in advance. Such guarantee application shall at least include the following contents:

- (1) Basic information of the guaranteed person;
- (2) Description of the principal debts guaranteed;
- (3) Type and period of guarantee;
- (4) Major terms of the guarantee agreement;
- (5) Description of the schedule and source of repayment of the guaranteed debts by the guaranteed person;
- (6) Counter guarantee scheme, if required.

Article 11 Along with the submission of the guarantee application, the guaranteed person shall also attach the materials related to the guarantee, including:

- (1) Copy of business license of the legal person of the guaranteed person;
- (2) The guaranteed person's latest financial statements of the previous year and the previous period;
- (3) Contract of the principal debt guaranteed;
- (4) Format text of the guarantee contract provided by the creditor;
- (5) Statement on the absence of major litigation, arbitration or administrative penalty;
- (6) Other materials which the chief financial officer and his financial department deem necessary to submit.

Article 12 The chief financial officer and his financial department shall timely investigate the credit status of the guaranteed person and assess the risks of the guarantee provided after accepting the application of the guaranteed person, for which a written report shall be formed and submitted to the secretary of the Board of Directors (along with the copies of the guarantee application and the annexes thereto).

Article 13 The secretary of the Board of Directors of the Company shall carry out a compliance review upon receipt of the written report and the guarantee application-related materials from the chief financial officer and his financial department.

Article 14 After the guarantee application is reviewed for compliance, the secretary of the Board of Directors of the Company shall organize the review of the Board of Directors or the Shareholders' General Meeting according to the provisions in the Articles of Association, the Measures, and other relevant normative documents.

Article 15 During the review of the guarantee application of the guaranteed person, the Board of Directors of the Company shall check the credit status of the guaranteed person, and decide whether to provide the guarantee on the basis of prudent judgment of the guaranteed person's debt repayment ability. They shall also be prudent and strictly control the debt risk arising from the external guarantee. The Board of Directors may engage an external professional agency to assess the risks in the external guarantees as the basis for decision-making by the Board of Directors or the Shareholders' General Meeting.

As set out in Section 1, the Board of Directors shall check the external guarantee by inquiring about the credit reports and guarantee registration records of the Company and the subsidiaries, or sending a letter to the controlling shareholders and the actual controllers for investigation and verification. The controlling shareholders and the actual controllers shall render cooperation in the investigation and verification of the Company, give a timely reply and warrant that the information or materials provided are true, accurate, and complete.

If the provision of guarantees is deliberated by the Board of Directors, the independent non-executive director shall issue independent opinions on whether the guarantees are legal and compliant, the impact on the Company, and the existing risks. When necessary, the independent non-executive director shall engage an accounting firm to check the accumulated and current guarantees of the Company. If something abnormal is found, the independent non-executive director shall timely make a report and an announcement to the Board of Directors and the stock exchange.

The audit committee shall pay sustained attention to the guarantees provided by the Company, supervise and assess the internal control of the Company in relation to the guarantees, and communicate with the accounting firm about relevant matters. If something abnormal is found, the Board of Directors of the Company shall be timely requested to take appropriate measures.

The Company shall perform the information disclosure obligation on the external guarantees according to the regulatory requirements of the place in which the stocks of the Company are listed. The external guarantees deliberated and approved by the Board of Directors or the Shareholders' General Meeting of the Company must be timely disclosed on the website of the stock exchange as well as the media that meet the conditions specified by the security regulatory authority of the place in which the stocks of the Company are listed, and

the contents of such disclosure include the resolutions of the Board of Directors or the Shareholders' General Meeting, the total external guarantee amount of the Company and its subsidiaries at the date of information disclosure, and the total guarantee amount provided by the Company to the holding subsidiary.

Article 16 The Board of Directors of the Company shall vote on each external guarantee when two or more external guarantee applications are reviewed at the same board meeting and such applications shall be deliberated and agreed upon by the majority of all the directors and more than two-thirds of the directors attending the board meeting.

Article 17 When the Board of Directors or the Shareholders' General Meeting of the Company makes a resolution on the guarantees, the director or shareholder who has an interest in such guarantees shall abstain from voting.

Article 18 The secretary of the Board of Directors of the Company shall make a detailed record of the discussion on the guarantees deliberated by the board meeting and the shareholders' general meeting and the voting thereof, and shall timely perform the information disclosure obligation.

Article 19 The independent non-executive director of the Company shall in the annual report give a special explanation and issue an independent opinion on the external guarantees unfulfilled at the end of the reporting period of the Company and incurred in the current period as well as the performance of these Measures.

Chapter III Daily Management and Continuous Risk Control of External Guarantees

Article 20 To provide an external guarantee, the Company shall enter into a written contract, which shall be consistent with relevant laws and regulations including the *Civil Code of the People's Republic of China* and the major terms of which shall be clear and unambiguous.

When handling a loan guarantee, the Company shall submit to the banking institutions the Articles of Association, the original of the resolution of the Board of Directors or the resolution of the Shareholders' General Meeting regarding such guarantee, the disclosure information of such guarantee, and other materials.

Article 21 The chief financial officer of the Company and his financial department is the daily management department of external guarantees of the Company and shall be responsible for the unified registration and filing management of the external guarantees of the Company and its holding subsidiary.

Article 22 The chief financial officer of the Company and his financial department shall properly keep and manage all the documents relating to the external guarantees of the Company, including but not limited to the guarantee application and the annexes thereto, the review opinions of the financial department, other departments and the Board of Directors/the Shareholders' General Meeting, and the signed guarantee contract, and shall complete and report the information about the external guarantees of the Company and copy the same to the general manager and the secretary of the Board of Directors of the Company on a quarterly basis.

Article 23 The chief financial officer of the Company and his financial department shall track and supervise the operation and financial position of the guaranteed person during the guarantee period to achieve continuous risk control.

If an external guarantee is provided by the Company, the financial department of the Company shall timely report to the Board of Directors any significant adverse changes to the debit repayment ability of the guaranteed person during the guarantee period.

If an external guarantee is provided by the Company, and the guaranteed person fails to fulfill the debt repayment obligation within 15 trading days after the debts become due or the guaranteed person becomes bankrupt, liquidated, or significantly affected in its debt repayment ability, the Company shall make a timely disclosure.

Article 24 The guaranteed debt which needs to be extended when becomes due and further guaranteed by the Company will be considered as a new external guarantee, and the guarantee application review and approval procedures shall be performed according to the specified procedures.

Article 25 The Company shall establish and complete the seal storage and use management system, designate a special person to store the seals and keep a record of their use, set out the seal use approval authority related to the guarantee, and record the seal use in connection with the guarantee.

The person who keeps the seals for the Company shall manage the seals according to the seal storage and use management system, and reject the requests to use the seals in violation of the system; in case of any abnormality in the seal storage or use of the Company, the seal person of the Company shall timely report the same to the Board of Directors.

Article 26 The Board of Directors shall establish a regular check system, check all the guarantees of the Company on a yearly basis to determine whether the Company has illegal guarantees and timely disclose the check result.

If it is discovered by the Board of Directors that the Company may have illegal guarantees or major reports and market rumors that the Company may have illegal guarantees appear in the public media, the Board of Directors shall check all the guarantees of the Company to confirm whether the Company has illegal guarantees and timely disclose the check result.

The check result disclosed by the Company according to the preceding paragraph shall contain whether the deliberation procedures and disclosure obligations have been performed for relevant guarantees, whether the guarantee contract or document has been sealed by the Company, and whether the use of the seals is consistent with the seal storage and use management system of the Company.

Article 27 In case of an illegal guarantee, the Company shall timely disclose the same and take reasonable and effective measures to lift or rectify such illegal guarantee, lower the losses of the Company, maintain the interests of the Company and the minority shareholders, and hold relevant personnel accountable.

Chapter IV Supplementary Provisions

Article 28 The Company adopts the unified management principles for external guarantees, and the external guarantees of the holding subsidiaries of the Company are governed by relevant provisions of the Measures. The holding subsidiaries of the Company shall timely inform the secretary of the Company of performing relevant approval procedures and information disclosure obligations after its Board of Directors or the Shareholders' General Meeting makes the resolution.

Article 29 The Measures shall be formulated by the Board of Directors and submitted to the Shareholders' General Meeting for deliberation and approval, and shall come into effect as of the date when the Company makes an initial public offering of A shares and is listed on the SSE STAR MARKET. The amendment shall be formulated by the Board of Directors and shall take effect after being approved by the shareholders' general meeting.

Article 30 Matters not covered herein or in conflict with laws, regulations, normative documents, and the *Articles of Association* shall be subject to relevant laws, regulations, normative documents, and the *Articles of Association*.

Article 31 The Rules shall be interpreted by the Board of Directors.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

MEASURES FOR THE ADMINISTRATION OF OUTBOUND INVESTMENT

Chapter I General Provisions

Article 1 In order to strengthen the management of outbound investment of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “Company”), regulate its investment behaviors, and improve the operating efficiency of the Company’s assets to maintain and increase its values, these Measures are formulated in accordance with relevant provisions of 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”), *Code of Corporate Governance of Listed Companies*, *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market* (hereinafter referred to as the “Rules for the Listing of Stocks”), *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, as well as the *Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (hereinafter referred to as the “Articles of Association”).

Article 2 The “outbound investment” mentioned in these Measures refers to the activities in which the Company invests a certain amount of monetary capital, equities, evaluated material objects, intangible assets, or other properties that can be used as capital contribution according to laws, regulations, and normative documents in various forms for the purpose of obtaining future benefits.

Article 3 Based on the duration of investment horizon, the Company’s outbound investment is classified into short-term investment and long-term investment.

- (I) Short-term investment mainly refers to those purchased by the Company that can be realized at any time and held for less than one year (including), covering various stocks, bonds, funds, entrusted financial products, etc.;
- (II) Long-term investment mainly refers to all kinds of investments held by the Company for more than one year that cannot be realized or are not ready to be realized at any time, including bond investment, equity investment and other investments. Such investments include, but are not limited to, the following types:
 1. An enterprise independently established by the Company or a business project independently funded by the Company;
 2. The Company investing in the establishment of joint ventures, cooperative corporations, or development projects with other domestic (foreign) independent legal entities or natural persons;
 3. Taking equity stakes in other domestic (foreign) independent legal entities;

4. Leasing, entrusted operation, or joint operation of the business assets;
5. Fixed assets investment and development projects to meet the needs of production and management;
6. An industrial investment fund initiated or established separately or jointly with other relevant parties.

Article 4 These Measures shall apply to the Company and its subsidiaries within the scope of consolidated statements.

Chapter II Principles for the Administration of Outbound Investment

Article 5 Basic principles to be followed in the management of outbound investment:

- (I) It must comply with national laws and regulations, and conform to the national industrial policies;
- (II) It must meet the requirements of the Company's medium and long-term development plan and major business development;
- (III) The Company must stick to the principle of pro-efficiency; the outbound investment should help accelerate the Company's sustainable and coordinated development, improve its core competitiveness and overall strength, and maximize shareholder value; it should be beneficial to promote the effective allocation of resources, improve asset quality, prevent business risks, increase investment returns, and safeguard shareholders' rights and interests. It should facilitate legal and standard operations, improve work efficiency, and fulfill management responsibilities.
- (IV) The Company must use its own funds as a source of venture capital and shall not use the raised funds for direct or indirect venture capital investment.

Chapter III Organizational & Administrative Structure for Outbound Investment

Article 6 The Strategy Committee established by the Board of Directors of the Company is responsible for conducting special research and evaluation on the feasibility, risk, return, and other matters of the Company's major investment projects, supervising the progress of such projects, and reporting to the Board of Directors in time if something abnormal is found in the investment projects.

Article 7 The General Manager of the Company is the main person in charge of the implementation of outbound investment, who needs to plan, organize, and monitor the people, money and materials involved in the implementation of new projects, and shall timely report the progress of the investment to the Board of Directors and put forward suggestions for adjustment, so as to facilitate the Board of Directors and the shareholders' General Meeting to make timely amendments to the investment.

Article 8 The Financial Department of the Company is responsible for the financial management and benefit assessment of outbound investment projects, as well as for cooperating with relevant parties to handle the capital contribution procedures, business registration, tax registration, bank account opening, etc.

Article 9 The Audit Committee established by the Board of Directors of the Company and the Supervision and Audit Department under its leadership are responsible for the periodic audit of outbound investment.

Article 10 The Company may employ a legal counsel to review the agreements, contracts, important correspondence, and articles of association of outbound investment projects.

Article 11 The Board of Directors of the Company shall keep abreast of the progress and benefits of major investment projects on a regular basis. In case of failure to invest as planned, failure to realize project benefits as expected, or significant investment losses, the Board of Directors of the Company shall find out the reasons, take effective measures in time, and investigate the responsibilities of the relevant personnel.

Chapter IV Approval Authority and Procedures for Outbound Investment

Article 12 In principle, the authority of conducting outbound investment is concentrated in the Company; its subsidiaries shall obtain such authority by means of authorization.

Article 13 The approval procedures of the Company's outbound investment shall be carried out in strict accordance with the authority and procedures stipulated in the *Company Law*, other relevant laws and regulations, the *Articles of Association*, the *Rules of Procedure for the Shareholders' General Meeting of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.*, and the *Rules of Procedure for the Board of Directors of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.*

Article 14 The Company shall implement professional management and an approval hierarchy for its outbound investment. It shall carry out a practical and careful verification study on the necessity, feasibility, and yield of the investment. The projects that are confirmed to be investable shall be approved level by level according to the Company's regulations on investment management.

Article 15 Where securities investment is involved, a strict joint control system must be implemented, that is, at least two or more people shall work together to carry it out. Securities investment operators shall be separated from the capital and financial management personnel for mutual restriction. No one shall have sole access to investment assets. The deposit or withdrawal of any investment asset must be jointly signed by two persons under mutual restriction.

Article 16 In principle, the decision on outbound investment shall go through three stages, i.e., project approval, feasibility study, and project establishment:

- (I) The project approval stage includes negotiations with foreign countries, preliminary evaluations of investment projects, and formation of the draft letter of investment intent.
- (II) The feasibility study stage involves the formation of outbound investment agreements or contracts and draft articles of association, feasibility analysis of investment projects, environmental impact assessment, investment decisions and approval procedures. For construction projects involving high-risk industries stipulated by the State, the special demonstration of production safety conditions shall be conducted and project safety evaluation reports shall be prepared when the project feasibility study is carried out;
- (III) The stage of project establishment includes signing of the investment agreement or contract, approval of the Company's articles of association, recommendation of managers, establishment of the organization, and contribution of capital by investors.

Article 17 The General Manager of the Company shall manage and organize relevant departments to provide preliminary preparations for the decisions of the Strategy Committee of the Board of Directors, and is responsible for finding and collecting information and relevant suggestions on outbound investment. Shareholders, directors, senior management personnel, relevant functional departments, related business departments, and subsidiaries of the Company may put forward investment proposals or provide information in writing.

Article 18 The General Manager of the Company shall be responsible for and organize relevant departments to evaluate the investment project in all aspects, including market prospects, the growth of the industry, whether the relevant policies and regulations already have or have potential restrictions on the project, whether the Company can acquire the key capabilities to ensure the success of the project, whether the Company can get the resources required for project investment, competitive frame of the project, and whether the project is consistent with the long-term strategy of the Company. The General Manager shall arrange the preparation of the project proposal if it is feasible.

Article 19 The General Manager of the Company shall, after prudent investigation of the project proposal, submit it to the Strategy Committee of the Board of Directors for prior review if he/she considers it feasible. After deliberation and approval by the Strategy Committee of the Board of Directors, the feasibility analysis report shall be prepared and submitted to the appropriate competent approval body according to the investment decision authority.

Article 20 The Strategy Committee of the Board of Directors of the Company shall organize the review of the project proposal, carefully analyze the investment prospects, and pay full attention to the investment risks and the countermeasures. Independent non-executive directors are entitled to express their views.

Article 21 The Company, when necessary, may hire external institutions and experts to consult and demonstrate investment projects.

Article 22 The project proposal and feasibility analysis report for outward investment shall include but not be limited to:

- (I) The project proposal shall cover the name of the investment project, the purpose of the investment, the basic information of the invested enterprise (such as company name, address, size, type of business, business scope, registered capital, business and tax registration, and other relevant information and the corresponding annexes shall be provided) and other issues that need clarification.
- (II) The feasibility analysis report shall include the project proposal, basic information of the funded enterprise (same as above), form and pattern of the investment, investment amount, source of funds, results from the investment, benefit estimation, development prospect of the invested enterprise, market demand for the product and business scope, supervision and management of the investment, and other matters that need clarification.

Article 23 Investment projects that need to be reviewed and approved by the shareholders' General Meeting shall be submitted to the meeting for deliberation after being approved by the Board of Directors.

Chapter V Administration of Outbound Investment

Article 24 The Financial Department of the Company shall keep a comprehensive and complete financial record of the Company's outbound investment activities, conduct detailed accounting, and establish a detailed ledger for each project to record relevant information. The accounting methods for outbound investment shall conform to the provisions of accounting standards and accounting systems.

Article 25 Earnings from outbound investment shall be recorded in time and shall not be transferred or withheld.

Article 26 The Audit Committee of the Board of Directors of the Company shall review the venture investment in advance and issue its opinion on the risks of the venture investment project, the procedures for its implementation, and the implementation of the internal control system.

Article 27 The accounting methods as well as the accounting policies, estimates and changes adopted in the financial management of the Company's subsidiaries shall comply with the Company's financial accounting system and relevant provisions.

Article 28 All investment assets of the Company shall be regularly counted by internal auditors or other personnel not involved in the investment business or checked with the entrusted custodian institution to confirm whether they are owned by the Company, and cross-check the inventory records with the book records to confirm the consistency of the accounts.

Article 29 The General Manager of the Company is responsible for the supervision, inspection, and evaluation of the whole process of the implementation and operation of all investment projects. The General Manager shall also organize relevant departments of the Company to timely report to the Board of Directors the progress of the investment projects, the implementation and use of the investment budget, the conditions of all parties involved in the cooperation, operation, existing problems, and suggestions. During the investment and construction of a project, the investment budget may be reasonably adjusted according to the changes in the implementation, and the adjustment of the investment budget shall be approved by the original investment approval body.

Article 30 When the invested enterprise goes bankrupt, dissolves or terminates its operation, it shall participate in liquidation in accordance with relevant national laws and regulations, the Company's agreements, and Articles of Association. The administrative department for outbound investment shall evaluate the assets and minimize the loss of such investment in the process of liquidation.

Article 31 A sound system for the management of investment project archives shall be established. The archival data from the pre-selection to the completion and handover of the project (including its suspension) shall be sorted out and filed by the department in charge of the investment business.

Article 32 The Company shall perform the information disclosure obligation for its outbound investment in strict accordance with the *Company Law*, the *Rules Governing the Listing of Stocks*, other relevant laws, regulations, normative documents, and regulatory rules of the place where the Company's shares are listed, the *Articles of Association*, and the *Measures for the Administration of Information Disclosure of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* The subsidiaries shall comply with the Company's measures for the administration of information disclosure, and shall submit true, accurate, and complete information to the Board of Directors immediately so that the secretary of the Board of Directors can make external disclosure in a timely manner.

Chapter VI Supervision and Assessment of Outbound Investment

Article 33 The Board of Supervisors shall have the right to supervise the execution of the Company's investment decision-making procedures, the implementation of investment projects (plans), the return on investment, and other matters related to investment. The project supervisor shall timely report to the Board of Supervisors the weak links found in the internal control of the outbound investment in the course of supervision and inspection, and the relevant departments of the Company shall find out the reasons and take measures to correct and improve them. The Supervision and Audit Department shall, in accordance with the internal management authority of the Company, regularly report the supervision and inspection results on the internal control of outbound investment business and the rectification of the relevant departments.

Article 34 The Board of Directors of the Company shall keep abreast of the progress and benefits of major investment projects on a regular basis. In case of failure to invest as planned, failure to realize project benefits as expected, or investment losses, the Board of Directors of the Company shall find out the reasons and investigate the responsibilities of the relevant personnel.

Article 35 In the event that the personnel responsible for the Company's outbound investment falsify the project proposal, feasibility study report, and other materials, resulting in the loss of such investment, or seek personal gains by taking advantage of their powers or neglect their duties, causing the loss of the Company's assets, they shall be investigated for economic and legal liabilities.

If the department responsible for reviewing the outbound investment does perfunctory work which causes a loss to the Company, or it neglects its duty and seeks personal gains, corresponding sanctions shall be imposed according to the seriousness of the circumstances.

Chapter VII Supplementary Provisions

Article 36 The term "above" in these Measures shall include the given figure, and the term "exceeding" shall not include the given figure.

Article 37 These Measures shall be formulated by the Board of Directors and submitted to the Shareholders' General Meeting for deliberation and approval, and shall come into effect as of the date when the Company makes initial public offering of A shares and is listed on Science and Technology Innovation Board of Shanghai Stock Exchange. The amendment shall be formulated by the Board of Directors and shall take effect after being approved by the shareholders' general meeting.

Article 38 Matters not covered herein or in conflict with laws, regulations, normative documents, and the *Articles of Association* shall be subject to relevant laws, regulations, normative documents, and the *Articles of Association*.

Article 39 These Measures shall be interpreted by the Board of Directors.

**APPENDIX XII PROPOSED FORMULATION OF MANAGEMENT SYSTEM
FOR STANDARDIZING FINANCIAL TRANSACTIONS WITH
AFFILIATES**

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

**MANAGEMENT SYSTEM FOR STANDARDIZING FINANCIAL TRANSACTIONS
WITH AFFILIATES**

Chapter I General Provisions

Article 1 In order to regulate the financial transactions between Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “Company”) and the controlling shareholder, the *de facto* controller, and other affiliates (hereinafter referred to as the “Company’s affiliates”), avoid the occupation of Company’s capitals by the Company’s affiliates, protect the legitimate rights and interests of the Company, its shareholders and other stakeholders, and establish a long-term mechanism to prevent any embezzlement by the affiliates, this System is formulated in combination with the Articles of Association of the Company, the actual conditions of the Company in accordance with relevant laws, regulations, normative documents, including 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 *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market* (hereinafter referred to as the “Rules for the Listing of Stocks”), *No. 8 Guidelines on the Bylaws of Listed Companies – Regulatory Requirements for Financial Transactions & External Guarantees of Listed Companies*, *No.1 Guidelines for Self-discipline Supervision of Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange – Standardized Operation*, and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd.*

Article 2 The “Affiliates” in this System refer to those recognized in the *Rules for the Listing of Stocks*.

Article 3 The “Occupation of Funds” in this System shall include the operational and non-operational occupation of funds.

Operational Occupation of Funds refers to the embezzlement of the Company’s capital by the Company’s Affiliates through the related transactions in production and operation procedures such as procurement and sales.

Non-operational Occupation of Funds refers to the embezzlement of such capital as wages, benefits, insurance, advertising and other costs and expenses prepaid by the Company for its Affiliates; those paid to repay debts on behalf of the Company’s Affiliates; those lent to the Company’s Affiliates with compensation or free of charge, directly or indirectly; the claims arising from the guarantee liability assumed by the Company for its Affiliates; other funds used by the Company’s Affiliates in the absence of provision of goods and services.

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Article 4 The Company's Affiliates shall not use its affiliation to harm the Company's interests or encroach on the Company's interests in any way. Those who violate these provisions and cause damage to the Company shall be liable for compensation.

The directors, supervisors, and senior executives of the Company shall be diligent and responsible in safeguarding the Company's funds and property, and preventing, discovering, and stopping Affiliates from occupying the Company's capital.

Chapter II Regulations on the Financial Transactions with the Company's Affiliates

Article 5 The Affiliates of the Company shall not occupy the Company's funds in their operational financial transactions with the Company.

Article 6 The Company's Affiliates shall not occupy the Company's capitals in the following ways:

- (I) requiring the Company to prepay or bear wages, benefits, insurance, advertising, and other fees, costs, and expenses for them;
- (II) requiring the Company to pay debts on their behalf;
- (III) requiring the Company to lend funds (including entrusted loans) for their use with compensation or free of charge, directly or indirectly;
- (IV) requiring the Company to provide entrusted loans to them through banks or financial institutions other than banks;
- (V) requiring the Company to entrust them with investment activities;
- (VI) requiring the Company to issue commercial acceptance bills for them without real transaction background;
- (VII) requiring the Company to provide funds to them by other means in the absence of consideration for goods and services or where such consideration is manifestly unfair;
- (VIII) failing to repay in time the debts arising from the guarantee liability assumed by the Company;
- (IX) requiring the Company to provide funds through current accounts without commercial substance;

**APPENDIX XII PROPOSED FORMULATION OF MANAGEMENT SYSTEM
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- (X) failing to settle the occupied capitals arising from the transaction within the prescribed or promised time limit;
- (XI) requiring the Company to deposit cash in a finance company controlled by them, and the interest rate and other terms are significantly lower than the market average, which substantially damages the Company's interests or transfers interests to them;
- (XII) requiring the Company to use bank deposits as collateral for financing for them;
- (XIII) other circumstances recognized by security regulators and stock exchanges.

The Company's Affiliates shall not occupy the Company's funds in the form of "using during the period and repaying at the end of the period" or "occupying a small amount in multiple batches".

Article 7 The operational financial transactions between the Company or its subsidiaries and its Affiliates, including the financial transactions generated by regular related transactions, shall be decided and implemented in strict accordance with the *Rules for the Listing of Stocks* and the *Administrative Measures for Connected Transactions* of the Company. The Company and its subsidiaries shall strictly perform the relevant review procedures and fulfill their obligations of information disclosure, specify the settlement period for operational financial transactions, and shall not provide funds or other financial support to the Company's affiliates in the form of operational financial transactions.

Chapter III Regulations on the Responsibilities and Measures of Financial Transactions with Affiliates

Article 8 The Board of Directors shall establish a verification system to regularly inspect the Company's limited monetary funds and assets, as well as the trades and financial transactions with its Affiliates, pay attention to any abnormality in the relevant accounting items in the financial report, and confirm whether the Company's capital, assets or other resources are occupied or transferred by its Affiliates. Any abnormal situation shall be disclosed immediately.

Article 9 The Audit Committee of the Company shall be responsible for instructing the internal audit department to carry out regular inspections; if necessary, an intermediary agency can be hired to provide professional advice.

If the Audit Committee inspects and discovers that the Company's Affiliates have occupied funds, it shall supervise and urge the Board of Directors of the Company to make immediate disclosure and take recovery measures in a timely manner; if the Company fails to make timely disclosure or the content disclosed is inconsistent with the actual situation, the relevant personnel shall immediately report to the stock exchange.

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During the audit of the annual report, the Audit Committee of the Company shall fully communicate with the accountant responsible for the annual audit, supervise and urge the accountant to be diligent and responsible, and issue a special statement on whether the Company has funds occupied by the Affiliates and truthfully disclose relevant information.

Article 10 The financial manager of the Company shall strengthen the control over the financial process of the Company and monitor the deals and financial transactions between the Company and its Affiliates.

The financial officer shall ensure the financial independence of the Company and not be affected by related parties of the company. If the financial manager receives an order from the Company's Affiliates to occupy or transfer funds, assets or other resources, constituting an encroachment on the interests of the Company, he/she shall clearly reject it and report to the Board of Directors in a timely manner.

Article 11 The directors, supervisors, and senior executives of the Company, as well as chairmen (or executive directors) and general managers of its subsidiaries shall have legal obligations and responsibilities to maintain the security of the Company's capital and property, and shall perform their duties diligently and responsibly in accordance with the *Articles of Association*, the *Rules of Procedure of the Board of Directors*, the *Rules of Procedure of the Board of Supervisors*, the *Working Rules of General Manager*, the *Administrative Measures for Connected Transactions*, and other provisions.

Article 12 The chairman of the Board of Directors of the Company is the first person responsible for preventing the occupation of funds and clearing up debts incurred by such occupation. The general manager of the Company is the person directly in charge. The person responsible for accounting and the director of the accounting institution are the business leaders in charge of this work.

Article 13 The financial department of the Company shall inspect the Company and its subsidiaries on a regular basis, report the review results of non-operational financial transactions with the Company's Affiliates, and prohibit Non-operational Occupation of Funds by the Company's Affiliates. The internal audit department shall conduct regular internal audits on the funds occupied by the Company's Affiliates every quarter, and supervise and inspect business activities and the implementation of internal control. It shall evaluate the object and content of each inspection, and put forward suggestions for improvement and treatment to ensure the implementation of internal control and the normal operation of production and business activities.

Article 14 When the certified public accountant hired by the Company audits its annual financial and accounting report, he/she shall conduct a special audit on the capital occupied by the Company's affiliates and issue a special instruction. The Company shall make an announcement thereon.

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Article 15 The shareholders' general meeting, the Board of Directors and the general manager of the Company shall, in accordance with their respective powers and duties as stipulated in the *Articles of Association* and the *Administrative Measures for Connected Transactions*, examine and approve related transactions conducted by the Company and its affiliates through procurement, sales and other production and operation procedures. When the Company finances its Affiliates for related transactions, it shall strictly implement agreements on connected transactions and relevant provisions on fund management in accordance with the procedures of fund approval and payment without causing abnormal Operational Occupation of Funds.

Article 16 When Affiliates embezzle the assets of the Company and damage the interests of the Company and public shareholders, the Board of Directors of the Company shall take effective measures to require such Affiliates to stop the infringement and compensate for the loss. If the Company's Affiliates refuse to take corrective actions, the Board of Directors of the Company shall report to the security regulator, and take protective measures such as litigation and property preservation in a timely manner to avoid or reduce losses, protect the legitimate rights and interests of the Company and public shareholders, and investigate the responsibilities of persons involved. The Board of Supervisors shall supervise the performance of the above-mentioned duties by the Board of Directors of the Company. If the Board of Directors fails to do it, the Board of Supervisors may perform on its behalf according to relevant provisions.

Article 17 In the event of embezzlement of capital by the Company's Affiliates, the Company shall formulate a debt settlement plan according to law, and timely report and make public announcements to security regulators and stock exchanges as required.

Funds occupied by the Company's Affiliates shall, in principle, be repaid in cash. The Company shall strictly control the capital occupied by its Affiliates for repayment with non-cash assets. The Company's Affiliates shall comply with the following provisions when intending to pay off the Company's funds occupied by them with non-cash assets:

- (I) The assets used for compensation must belong to the same business system of the Company, be conducive to enhancing the independence and core competitiveness of the Company and reducing related transactions, and shall not be those that have not been put into use or have no objective and clear net book value;
- (II) The Company shall engage an intermediary agency conforming to the provisions of the Securities Law to evaluate the assets qualified for repaying debts with non-cash assets, and take the assessed value of the assets or the audited net book value as the pricing basis for such repayment, provided that the final pricing shall not harm the interests of the Company, and give a discount with full consideration of the present value of the occupied funds. Audit reports and evaluation reports shall be made public;

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- (III) The independent non-executive director shall give an independent opinion on the Affiliates' plan for repaying debts with non-cash assets, or employ an intermediary in accordance with the provisions of the Securities Law to issue an independent financial consultation report;
- (IV) The scheme for repaying debts with non-cash assets shall be examined and approved by the shareholders' general meeting, and the shareholders of the Affiliates shall cast abstention votes.

Chapter IV Responsibility investigation and punishment

Article 18 Directors, supervisors and senior executives shall have the obligation to protect the Company's capital from being occupied by its Affiliates. If it is found that the directors or senior executives of the Company assist in or connive at the encroachment of the Company's assets by the Company's Affiliates, the Board of Directors of the Company shall, depending on the seriousness of the circumstances, give the senior executives who are directly responsible punishments such as warning or dismissal, and investigate their criminal responsibilities if the circumstances are serious violations of the criminal law; give warning to directors who are directly in charge, and shall request the shareholders' general meeting of the Company to initiate the procedure of dismissal or even investigation of criminal liability for directors with serious liabilities. The Board of Supervisors of the Company shall effectively perform its function of supervision.

Article 19 In the event of Non-operational Occupation of Funds by the Company, its subsidiaries, and Affiliates, causing adverse effects to the Company, the Company shall give punishments to persons in charge; where losses are caused to investors due to the above actions, the Company shall not only impose sanctions on the relevant responsible persons, but also have the right to investigate the legal liabilities of such persons depending on the circumstances.

Article 20 The Company shall standardize and reduce related transactions as much as possible, and strictly limit the occupation of the Company's funds by its Affiliates when dealing with operational financial transactions with them.

Chapter V Supplementary Provisions

Article 21 The System shall be formulated by the Board of Directors and submitted to the shareholders' general meeting for review and approval, and shall come into effect as of the date when the Company makes its first public offering of A shares and is listed on the SSE STAR MARKET. The amendment shall be formulated by the Board of Directors and shall take effect after being approved by the shareholders' general meeting.

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Article 22 Matters not covered herein or in conflict with laws, regulations, normative documents, and the *Articles of Association* shall be subject to relevant laws, regulations, normative documents, and the *Articles of Association*.

Article 23 The System shall be interpreted by the Board of Directors.

BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

ADMINISTRATIVE MEASURES FOR THE USE OF RAISED FUNDS

Chapter I General Provisions

Article 1 For the purposes of regulating the use and management of the Raised Funds of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (hereinafter referred to as the “Company”), improving the use efficiency of the Raised Funds and effectively protect the interests of investors, these Measures are formulated in combination with the actual conditions of the Company, 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”), *Measures for the Administration of the Registration of IPO Stocks, Measures for the Continuous Supervision of Companies Listed on the Science and Technology Innovation Board (for Trial Implementation), Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market, No. 1 Guidelines for Self-discipline Supervision of Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange – Standardized Operation*, as well as the *Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (hereinafter referred to as the “Articles of Association”).

Article 2 The term “Raised Funds” as mentioned herein refers to the funds raised by the Company through issuing securities to unspecified objects (including an initial public offering of shares, allotment of shares, additional issuance, issuance of convertible corporate bonds, issuance of convertible corporate bonds in separate transactions, etc.) and the funds raised by issuing securities to specific objects, but excluding the funds raised by the Company’s implementation of equity incentive plan.

Article 3 These Measures will apply to the Raised Funds of the Company in the domestic public issuance of securities and the management of non-public issuance of securities. The management of the Company’s Raised Funds in the H-share market will be implemented in accordance with the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd* and other relevant provisions of the Company’s internal management system.

Article 4 The directors, supervisors, and senior executives of the Company shall be diligent and responsible, supervise, urge the Company to use the Raised Funds in a standardized manner, consciously maintain the safety of the Raised Funds of the Company, and shall not participate in, assist, or connive at the Company’s unauthorized or disguised change of the purpose of the Raised Funds.

The Board of Directors of the Company shall fully demonstrate the feasibility of the project invested with the Raised Funds (hereinafter referred to as the “raised investment project”) to make sure that the investment project has a good market prospect and profitability, effectively preventing investment risks and improving the utilization efficiency of the Raised Funds.

The controlling shareholders and the *de facto* controllers of the Company shall not directly or indirectly occupy or misappropriate the Raised Funds of the Company, and shall not exploit the Raised Funds of the Company and the investment projects to procure illegitimate interests.

Article 5 The Raised Funds shall be restricted to the investment purposes of the Raised Funds disclosed by the Company. The Board of Directors of the Company shall formulate a detailed plan for the use of funds, so as to ensure that the use of funds is standardized, open, and transparent.

Article 6 The Board of Directors shall, in the principle of maximizing the interests of shareholders, improve the use efficiency of the Raised Funds as much as possible in accordance with the relevant provisions hereof when the Raised Funds are idle or surplus.

Chapter II Deposit of Raised Funds

Article 7 The Raised Funds of the Company shall be deposited into a special account approved by the Board of Directors (hereinafter referred to as the “Special Account for Raised Funds”) for centralized management.

Article 8 The Special Account for Raised Funds shall not be used for depositing non-raised Funds or for other purposes.

Article 9 Upon receipt of the Raised Funds, the Company shall go through the capital verification formalities in a timely manner, and the report on capital verification shall be issued by an accounting firm conforming to the provisions of the Securities Law.

Article 10 The Company shall, within one month after the receipt of the Raised Funds, enter into a tripartite supervision agreement on the special deposit of Raised Funds with the sponsor institution or the independent financial consultant and the commercial bank deposited with the Raised Funds (hereinafter referred to as the “Commercial Bank”). The agreement shall at least include the following contents:

- (I) The Company shall deposit the Raised Funds in the Special Account for Raised Funds;
- (II) The Commercial Bank shall provide the Company with the bank statement of the Special Account for Raised Funds on a monthly basis, and send a copy to the sponsor institution or the independent financial consultant;
- (III) The sponsor institution or the independent financial consultant may inquire about the information of the Special Account for Raised Funds at any time with the Commercial Bank;

- (IV) Liabilities for breach of contract of the Company, the Commercial Bank, the sponsor institution, or the independent financial consultant.

Where the Company implements a fund-raising and investment project through a holding subsidiary or other entity, a tripartite supervision agreement shall be jointly signed by the Company, the company implementing the fund-raising and investment project, the Commercial Bank, and the sponsor institution or the independent financial consultant. The Company and the company implementing the fund-raising and investment project shall be regarded as a co-party.

Where the above agreement is terminated in advance due to the change of Commercial Bank, sponsor institution, or independent financial consultant before the expiration of the validity period, the Company shall sign a new agreement with relevant parties within one month as of the date of termination of the agreement.

Chapter III Use of Raised Funds

Article 11 The Company shall use the Raised Funds in accordance with the following requirements:

- (I) The Company shall use the Raised Funds in accordance with the use plan for the Raised Funds as promised in the issuance application documents; the application for using the Raised Funds within the scope of the plan shall be submitted by the department or unit intending to use the Raised Funds, and shall be examined and approved in accordance with the procedures specified by the Company for fund management.
- (II) Information disclosure on the use of Raised Funds shall be made in strict accordance with relevant regulations.
- (III) In case of any circumstance that seriously affects the normal implementation of the plan for the use of the Raised Funds, the Company shall make a timely announcement.
- (IV) In case of any of the following circumstances, the Company shall re-demonstrate the feasibility and expected income of the raised investment project, decide whether to continue the implementation of the project, and disclose the progress of the project, the reasons for the abnormality and the adjusted fund-raising and investment project (if any) in the latest regular report:
- 1 The market environment involved in the fund-raising and investment project has undergone major changes;

- 2 The fund-raising and investment project has been put on hold for more than 1 year;
- 3 The deadline for completion of the investment plan of the Raised Funds is exceeded (including each time node of investment by stages) and the investment amount of the Raised Funds does not reach 50% of the relevant planned amount;
- 4 Other abnormal circumstances occur in the fund-raising and investment projects.

Article 12 In principle, the funds raised by the Company will be used for the main business and invested in the field of scientific and technological innovation. The Company shall not use the Raised Funds in the following ways:

- (I) Using the Raised Funds to carry out financial investments such as entrusted wealth management (except cash management) and entrusted loans, high-risk investments such as securities investment and derivative investment, and directly or indirectly investing in companies whose main business is buying and selling securities;
- (II) Changing the purpose of the Raised Funds in disguised form through a pledge, entrusted loan, or other means;
- (III) Providing the Raised Funds directly or indirectly to the controlling shareholders, the *de facto* controllers and other related parties for use, so as to provide convenience for the related parties to procure illegitimate interests by using the fund-raising and investment projects;
- (IV) Other acts in violation of the provisions on the administration of the Raised Funds.

Article 13 Where the Company invests the self-raised Funds into the fund-raising and investment project in advance, it may replace the self-raised Funds with the Raised Funds within 6 months after the Raised Funds are deposited into the account.

The replacement matters shall be reviewed and approved by the Board of Directors of the Company, the accounting firm shall issue the verification report, and the replacement shall be subject to the explicit consent of the independent non-executive directors, the Board of Supervisors, the sponsor institution or the independent financial consultant. The Company shall make an announcement within 2 trading days after the meeting of the Board of Directors.

Article 14 The temporarily idle Raised Funds shall be under the Company's cash management in accordance with the Company's requirements, and the products invested by the Company shall meet the following conditions:

- (I) Capital-protected products with high security such as structured deposits and large certificates of deposit;
- (II) It possesses good liquidity and will not affect the normal implementation of the investment plan of the Raised Funds.

The investment products shall not be pledged, and the special settlement account for the products (if applicable) shall not be deposited with non-raised Funds or be used for other purposes. Where the special settlement account for the products is opened or canceled, the Company shall report to the Shanghai Stock Exchange (hereinafter referred to as "SSE") for filing and announcing within 2 trading days.

Article 15 The use of idle Raised Funds for investment in products shall be reviewed and approved by the Board of Directors of the Company, and the use shall be subject to the explicit consent of the independent non-executive directors, the Board of Supervisors, the sponsor institution, or the independent financial consultant. The Company shall make an announcement within 2 trading days after the meeting of the Board of Directors:

- (I) The basic information of the Raised Funds, including the time of raising, the amount of Raised Funds, the net amount of Raised Funds, and the investment plan;
- (II) The use of the Raised Funds;
- (III) The amount and term of investment products of idle Raised Funds, and whether there is any act of changing the purpose of Raised Funds in disguised form and the measures to ensure that the normal operation of the fund-raising project will not be affected;
- (IV) The earning distribution method, investment scope, and safety of the investment products;
- (V) Opinions issued by the independent non-executive directors, the Board of Supervisors, the sponsor institution, or the independent financial consultant.

Article 16 Where the Company uses the idle Raised Funds to supplement the working capital temporarily, the following requirements shall be met:

- (I) The purposes of the Raised Funds shall not be changed in a disguised form, and the normal implementation of the investment plan for the Raised Funds shall not be affected;

- (II) The Raised Funds shall be used for the production and operation related to its main business only, and shall not be used for the allotment and subscription of new shares, or for the trading of shares and their derivatives, convertible company bonds, etc. through direct or indirect arrangement;
- (III) The time for a single replenishment of working capital shall not exceed 12 months;
- (IV) The Raised Funds which were previously used to temporarily supplement the working capital and have become due have been repaid (if applicable).

The Company's temporary use of idle Raised Funds to supplement working capital shall be subject to review and approval from the Board of Directors of the Company, and subject to the explicit consent of the independent non-executive directors, the sponsor institution, and the Board of Supervisors. Such use shall be reported to SSE and announced within 2 trading days after the meeting of the Board of Directors.

Prior to the maturity date of the supplementary working capital, the Company shall return such part of the capital to the Special Account for Raised Funds, report to SSE and make an announcement within 2 trading days after the capital is fully returned.

Article 17 The part of the net amount of the Company's actually Raised Funds that exceeds the planned amount of the Raised Funds (hereinafter referred to as the "over-raised Funds") may be used to permanently supplement the working capital or repay the bank loans, provided that the accumulative amount used within every 12 months shall not exceed 30% of the total amount of the over-raised Funds, and the Company shall not make a high-risk investment or provide financial assistance to beneficiaries other than the holding subsidiaries within 12 months after the replenishment of the working capital.

The provisions of the preceding paragraph shall not apply to investment funds related to the main business jointly invested by the Company and the professional investment institutions, or investment funds such as industrial investment funds in poverty-stricken areas and public welfare funds for poverty alleviation operated in a market-oriented manner.

Article 18 Use of over-raised funds to permanently supplement the working capital or repay the bank loans shall be reviewed and approved by the Board of Directors and the Shareholders' General Meeting of the Company and the shareholders shall be provided an online voting method, and the independent non-executive directors, the Board of Supervisors, the sponsor institution, or the independent financial consultant shall give explicit consent in this regard. The Company shall make an announcement within 2 trading days after the meeting of the Board of Directors:

- (1) Basic information of this raised funds, including the time of raising, the amount of raised funds, the net amount of raised funds and the over-raised plan;

- (2) Commitments not to make high-risk investment or provide financial assistance to others within 12 months after the replenishment of working capital;
- (3) Opinions issued by the independent non-executive directors, the Board of Supervisors, the sponsor institution or the independent financial consultant.

Article 19 Where the Company uses the over-raised funds for projects under construction and new projects (including acquisition of assets, etc.), the Company shall invest in the main business, scientifically and prudently conduct feasibility analysis on the investment project, submit it to the Board of Directors for deliberation and approval, and the independent non-executive directors, the Board of Supervisors, the sponsor institution or the independent financial consultant shall give explicit consent and timely perform the obligation of information disclosure.

Where the Company intends to use the over-raised funds up to RMB50 million and more than 10% of the total amount of the over-raised funds at a time, it shall also be submitted to the Shareholders' General Meeting for deliberation and approval.

Article 20 After the completion of a single or all raised investment projects, the use of the surplus raised funds (including interest income) of such projects for other purposes shall be reviewed and approved by the Board of Directors of the Company, and can only be conducted after the independent non-executive directors, the Board of Supervisors, the sponsor institution or the independent financial consultant give explicit consent. The Company shall make an announcement within 2 trading days after the board meeting.

The remaining raised funds (including interest income) less than RMB10 million may be exempted from the procedure in the preceding paragraph, and the use of the relevant raised funds shall be disclosed in the annual report.

Chapter IV Change of Investment Purposes of Raised Funds

Article 21 The Company shall be deemed to change the purpose of the raised funds under any of the following circumstances:

- (1) Cancellation or termination of the original raised investment project, and implementation of new projects or replenishment of working capital;
- (2) Change of the implementing entity of the raised investment project, except for change between the Company and its wholly-owned or holding subsidiaries;
- (3) Change of the way the raised investment project is implemented;
- (4) Other circumstances recognized by SSE.

Article 22 The Company's raised funds shall be used in accordance with the purposes set out in the prospectus.

In case of any change to the Company's raised investment project, it shall be reviewed and approved by the Board of Directors and the Shareholders' General Meeting, and shall not be changed until the independent non-executive directors, the sponsor institution or the independent financial consultant and the Board of Supervisors give their explicit consent.

Only change of implementation place of the raised investment project may be exempted from the performance of the procedures in the preceding paragraph, but it shall be deliberated and approved by the Board of Directors of the Company, and the reasons for the change and the opinions of the sponsor institution or independent financial consultant shall be announced within 2 trading days.

Article 23 The raised investment project after change shall be invested in the main business and invested in the field of scientific and technological innovation.

The Company shall carry out the feasibility analysis of the newly raised investment project in a scientific and prudent manner to make sure that the investment project has a good market prospect and profitability, effectively preventing investment risks and improving the utilization efficiency of the raised funds.

Article 24 Where the Company intends to change the raised investment project, it shall announce the following contents within 2 trading days after submitting it to the Board of Directors for deliberation:

- (1) Basic information of the original raised investment project and the specific reasons for change;
- (2) Basic information and risk warning of the newly raised investment project;
- (3) The investment plan of the newly raised investment project;
- (4) The statement that the newly raised investment project has been obtained or is yet to be approved by the relevant department (if applicable);
- (5) Opinions issued by the independent non-executive directors, the Board of Supervisors, the sponsor institution or the independent financial consultant on the change of the investment project;
- (6) The explanation that the change of the investment project shall be submitted to the shareholders' General Meeting for deliberation;
- (7) Other contents required by SSE.

The newly raised investment project involves related transactions, purchase of assets or outbound investment shall also be disclosed with reference to the provisions of relevant rules.

Article 25 The Company's intends to transfer or replace the raised investment project (except for the raised investment project that has been completely transferred or replaced in material assets reorganization of the Company) shall be announced with the following contents within 2 trading days after submitted to the Board of Directors for deliberation:

- (1) Specific reasons for the transfer or replacement of the raised investment project;
- (2) The amount of the project invested with the raised funds;
- (3) The degree of completion and the realized earning of the project;
- (4) Basic information and risk warning of the replacing project (if applicable);
- (5) The pricing basis of the transfer or replacement and the relevant proceeds;
- (6) Opinions issued by the independent non-executive directors, the Board of Supervisors, the sponsor institution or the independent financial consultant on the transfer or replacement of the raised investment project;
- (7) The explanation for the transfer or replacement of the raised investment project shall be submitted to the Shareholders' General Meeting for deliberation;
- (8) Other contents required by SSE.

The Company shall pay full attention to the collection and use of the transfer price, the ownership change and the continuous operation of the replacing assets, and timely perform the necessary information disclosure obligations.

Chapter V Administration and Supervision of the Use of Raised Funds

Article 26 The Company shall truthfully, accurately and completely disclose the actual use of the raised funds.

In case of any of the following circumstances, the Company shall timely disclose the causes, impacts and subsequent arrangements of relevant matters, and fully disclose the risks:

- (1) Necessity and feasibility of the raised investment project have changed significantly;
- (2) Suspension, termination or failure of research and development of the raised investment project;

- (3) Other circumstances that seriously affect the normal operation of the plan for the use of the raised funds.

Article 27 The Board of Directors of the Company shall comprehensively check the progress of the raised investment projects every half-year, and issue the *Special Report on the Deposit and Use of the Raised Funds of the Company* (hereinafter referred to as the “Special Report on Raised Funds”) with respect to the deposit and use of the raised funds.

Where there is any difference between the actual investment progress of the raised investment project and the investment plan, the Company shall explain the specific reasons in the Special Report on Raised Funds. In case of investment in products using idle raised funds in the current period, the Company shall disclose the earning of the reporting period and the investment shares, signatories, product names, term and other information at the end of the reporting period in the Special Report on Raised Funds.

The Special Report on Raised Funds shall be deliberated and approved by the Board of Directors and the Board of Supervisors, and shall be announced within 2 trading days after being submitted to the Board of Directors for deliberation. During the annual audit, the Company shall employ an accounting firm to issue a verification report on the deposit and use of the raised funds, and disclose when the annual report is disclosed.

Article 28 The sponsor institution or independent financial consultant shall conduct on-site verification on the deposit and use of the raised funds of the Company at least once every half year. After the end of each fiscal year, the sponsor institution or independent financial consultant shall issue a special verification report on the deposit and use of the annual raised funds of the Company, submit it report to SSE when the Company discloses the annual report, and disclose it on the website of SSE at the same time. The verification report shall include the following contents:

- (1) The deposit and use of the raised funds and the balance of the special account;
- (2) The progress of the raised funds project, including the difference between the progress of the project and the raised funds investment plan;
- (3) Details of the self-raised funds that replace the raised funds project invested in advance (if applicable);
- (4) Details and effect of the idle raised funds to supplement the working capital (if applicable);
- (5) Change of the investment of the raised funds (if applicable);
- (6) Use of the over-raised funds (if applicable);

- (7) Conclusive opinions on whether the deposit and use of the raised funds of the Company are in compliance with regulations;
- (8) Other contents required by SSE.

At the end of each fiscal year, the Board of Directors of the Company shall disclose the conclusive opinions on the special verification report of the sponsor institution and the verification report of the accounting firm in the Special Report on Raised Funds.

Article 29 The independent non-executive directors shall pay continuous attention to the actual management and use of the Company's raised funds. More than half of the independent non-executive directors may engage an accounting firm to issue a verification report on the deposit and use of the raised funds. The Company shall actively cooperate and bear necessary expenses.

The Board of Directors shall make a public announcement within 2 trading days after receiving the verification report as prescribed in the preceding paragraph. Where the verification report confirms that the management and use of the raised funds of the Company are in violation of regulations, the Board of Directors shall also announce the violation of the deposit and use of the raised funds, the consequences that have been or may be caused and the measures that have been or will be taken.

Chapter VI Supplementary Provisions

Article 30 These Measures shall apply to the raised investment projects implemented through the subsidiaries or other enterprises controlled by the Company.

Article 31 These Measures will be amended or supplemented in time with the changes of policies and regulations on the management of raised funds.

Article 32 The term "above" in these Measures shall include the given figure, and the term "exceeding" shall not include the given figure.

Article 33 These Measures shall be formulated by the Board of Directors and submitted to the Shareholders' General Meeting for deliberation and approval, and shall come into effect as of the date when the Company makes initial public offering of A shares and is listed on Science and Technology Innovation Board of Shanghai Stock Exchange. The amendment shall be formulated by the Board of Directors and shall take effect after being approved by the shareholders' general meeting.

Article 34 Matters not covered herein or in conflict with laws, regulations, normative documents and the *Articles of Association* shall be subject to relevant laws, regulations, normative documents and the *Articles of Association*.

Article 35 These Measures shall be interpreted by the Board of Directors.

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING



BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

百奥赛图(北京)医药科技股份有限公司

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

(Stock Code: 2315)

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 first extraordinary general meeting (the “**EGM**”) of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “**Company**”) will be held with the combination of a physical meeting at the conference room of 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC and a virtual meeting online at 10:00 a.m. on Thursday, April 20, 2023 for the following purposes of considering and, if deemed appropriate, approving the following resolutions.

SPECIAL RESOLUTIONS

1. To consider and approve the proposed issue of A shares (the “**Issue of A Shares**”) as follows (each and every items as a separate resolution):
 - i. Class of new Shares to be issued: RMB Ordinary Shares (A Shares).
 - ii. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board of the Shanghai Stock Exchange.
 - iii. Nominal value of new Shares to be issued: RMB1.00 each.
 - iv. Issue size: a maximum of 99,849,605 A Shares, but no less than 44,377,603 A Shares.
 - v. Target subscribers: Investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the China Securities Regulatory Commission (“**CSRC**”) (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
 - vi. Method of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants, offering by way of on-line subscription by public investors at a fixed price and offering by way of placement to strategic investors or other methods of issuance approved by the CSRC and the Shanghai Stock Exchange.

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

- vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter by way of standby commitment.
 - viii. Pricing methodology: The issue price for the A Shares will be determined by the Company and the lead underwriter(s) in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
 - ix. Schedule of issuance: The Company will proceed with the Issue of A Shares within 12 months after the Shanghai Stock Exchange issues the approval opinion and the CSRC approves the Issue of A Shares. The Board and the lead underwriter(s) will determine the listing date for the A Shares after the CSRC agrees to the registration of the A Shares and after completion of the Issue of A Shares.
 - x. Use of proceeds: The proceeds from the Issue of A Shares will be intended to be used for the drug early development service platform construction project, the antibody drug development and evaluation project, preclinical and clinical development project and supplementary working capital.
 - xi. Validity period of the resolutions: The resolutions in respect of the Issue of A Shares will be valid for a period of 12 months from the date of its adoption at the EGM and the Class Meetings.
2. To consider and approve the authorization the Board of Directors and persons authorized by it to fully handle relevant matters in connection with Issue of A Shares and listing on the Sci-Tech Board.
- i. The formulation, implementation, and adjust the specific plan 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. Implementation all procedure and affairs in connection with the Issue, including the filing of application for the Issue of A Shares to the Shanghai Stock Exchange, the response to comments from the Shanghai Stock Exchange, and the application for listing on the Shanghai Stock Exchange after the approval of registration by the CSRC.

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

- 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. Making, amending, signing, approving, submitting, disclosing, executing, suspending or terminating agreements, announcements, undertakings, statements, confirmations, proposals, programs, plans, measures or other documents, including but not limited to prospectuses, sponsorship agreements, underwriting agreements, intermediary service agreements, in connection with the offering and listing.
- v. Within the scope of the resolution of the shareholders' meeting, to make adjustments to the specific arrangements of the investment projects to be funded by the proceeds, including but not limited to the adjustment of the investment schedule of the project; to sign major contracts and other relevant documents in the course of the operation of the investment projects to be funded by the proceeds.
- vi. Determining the special account for proceeds as needed before the issue and authorizing the opening of the special storage account for proceeds.
- vii. 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.
- viii. According to 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.
- ix. The amendment and submission of listing application materials as required by a change of policies or market circumstances within the effective period for the Issue of A Shares.
- x. 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 12 months from the date of approval at the EGM and the Class Meetings.

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

3. To consider and approve the investment 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)
i.	Drug early development service platform construction project	597,970,000
i.1.	Model animal base in China	390,320,000
i.2.	Model animal-based drug early development service platform project	207,650,000
ii.	Antibody drug development and evaluation project	395,130,000
iii.	Preclinical and clinical development project	400,000,000
iv.	Supplementary working capital	500,000,000
Total		1,893,100,000

Note: The official description and/or name(s) of the Projects remain subject to the filing and/or approval (as applicable) with the relevant government authorities

If the net proceeds actually raised cannot satisfy the funding needs for the Projects, the Company will obtain funds from other financing channels. If the time of availability of the issue and listing proceeds does not coincide with the time requirement of capital needs, the company will invest with its own funds or bank loans first according to the actual situation, and then replace them when the proceeds are available. If the proceeds raised from this issuance exceeds the capital requirements of the Projects, the surplus amount will be used for projects related to the main business and working capital required for the development of the main business in strict accordance with the management system of the funds raised.

4. To consider and approve the proposal for the plan for undertaking accumulated unrecovered losses prior to the Issue of A Shares.
5. To consider and approve the share price stabilization plan within three years after the Company's initial public offering of A Shares and listing on the Sci-Tech Board.
6. 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.
7. To consider and approve the impact of dilution on immediate return by the initial public offering of A Share and recovery measures for the immediate return.

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

8. To consider and approve the undertakings and restraining measures relating to Issue of A Shares and listing on the Sci-Tech Board.
9. To consider and approve the proposed amendments to the Articles in respect of Issue of A Shares.
10. To consider and approve the amendments to and/or adoption of each of the following:
 - i. the “Rules of Procedures of Shareholders’ General Meeting”;
 - ii. the “Rules of Procedures for the Board of Directors”; and
 - iii. the “Rules of Procedures for the Board of Supervisors”.

ORDINARY RESOLUTIONS

11. To consider and approve the proposed engagement of intermediaries, including but not limited to China International Capital Corporation Limited (中國國際金融股份有限公司) 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 KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合伙)) as the auditor, for the Issue of A Shares and listing on the Sci-Tech Board.
12. To consider and approve the amendments to and/or adoption of each of the following:
 - i. the “Working System for Independent Non-Executive Directors”;
 - ii. the “Measures for the Administration of Related Transactions”;
 - iii. the “Measures for the Administration of External Guarantees”;
 - iv. the “Measures for the Administration of Outbound Investment”;
 - v. the “Management System for Standardizing Financial Transactions with Affiliates”; and
 - vi. the “Administration Measures for the Use of Raised Funds” and implement a Special Account Storage System for the Proceeds.
13. To consider and approve the confirmation of the Company’s related party transactions from 2020 to 2022 and the Company’s expected daily related party transaction in 2023.

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

14. To consider and approve the proposed guarantee for bank credit facilities for a wholly owned subsidiary.

Details of the above resolutions proposed at the EGM are contained in the Circular, which is available on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.biocytogen.com.cn).

By Order of the Board
Biocytogen Pharmaceuticals (Beijing) Co., Ltd.
Shen Yuele
*Chairman of the Board, Chief Executive Officer and
Executive Director*

Hong Kong, March 31, 2023

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

1. Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated March 31, 2023.

Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the EGM) for the proxy to receive the login access code to participate online in the e-Meeting System.

Registered Shareholders will be able to attend the EGM, vote and submit questions online via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company.

Non-registered holders whose H Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the EGM, vote and submit questions online. In this regard, they should consult directly with their banks, brokers custodians, nominees or HKSCC Nominees Limited through which their shares are held (as the case may be) (collectively the “Intermediary”) and instruct the Intermediary to appoint them as proxy or corporate representative to attend and vote at the EGM electronically and in doing so, they will be asked to provide their email address, before the time limit required by the relevant Intermediary. Details regarding the e-Meeting System including the login details will be emailed to them by the Company’s Share Registrar, Tricor Investor Services Limited.

2. For the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, April 17 2023 to Thursday, April 20, 2023 (both days inclusive), during which period no transfer of shares will be registered. In order for H Shareholders to be eligible to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s H Share Registrars, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, or to the Company’s registered office at 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC (for the Domestic and Unlisted Shareholders), for registration not later than 4:30 p.m. on Friday, April 14, 2023.
3. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
5. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company’s H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), or to the Company’s registered office at 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC (for the Domestic and Unlisted Shareholders), or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letters sent by the Company (for all Shareholders) as soon as possible and in any event no later than 10:00 a.m. on Wednesday, April 19, 2023 (Hong Kong time) or no less than 24 hours before the time appointed for holding the above mentioned meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting at the EGM or any adjournment thereof, should they so wish.
7. 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 Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
8. References to time and dates in this notice are to Hong Kong time and dates.



BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

百奥赛图(北京)医药科技股份有限公司

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

(Stock Code: 2315)

NOTICE OF THE 2023 FIRST CLASS MEETING OF H SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2023 first class meeting of H shareholders (the “**Class Meeting of H Shareholders**”) of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “**Company**”) will be held with the combination of a physical meeting at the conference room of 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC and a virtual meeting online immediately after the conclusion of the EGM on Thursday, April 20, 2023 for the following purposes of considering and, if deemed appropriate, approving the following resolutions.

SPECIAL RESOLUTIONS

1. To consider and approve the proposed issue of A shares (the “**Issue of A Shares**”) as follows (each and every items as a separate resolution):
 - i. Class of new Shares to be issued: RMB Ordinary Shares (A Shares).
 - ii. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board of the Shanghai Stock Exchange.
 - iii. Nominal value of new Shares to be issued: RMB1.00 each.
 - iv. Issue size: a maximum of 99,849,605 A Shares, but no less than 44,377,603 A Shares.
 - v. Target subscribers: Investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the China Securities Regulatory Commission (“**CSRC**”) (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
 - vi. Method of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants, offering by way of on-line subscription by public investors at a fixed price and offering by way of placement to strategic investors or other methods of issuance approved by the CSRC and the Shanghai Stock Exchange.

NOTICE OF THE 2023 FIRST CLASS MEETING OF H SHAREHOLDERS

- vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter by way of standby commitment.
 - viii. Pricing methodology: The issue price for the A Shares will be determined by the Company and the lead underwriter(s) in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
 - ix. Schedule of issuance: The Company will proceed with the Issue of A Shares within 12 months after the Shanghai Stock Exchange issues the approval opinion and the CSRC approves the Issue of A Shares. The Board and the lead underwriter(s) will determine the listing date for the A Shares after the CSRC agrees to the registration of the A Shares and after completion of the Issue of A Shares.
 - x. Use of proceeds: The proceeds from the Issue of A Shares will be intended to be used for the drug early development service platform construction project, the antibody drug development and evaluation project, preclinical and clinical development project and supplementary working capital.
 - xi. Validity period of the resolutions: The resolutions in respect of the Issue of A Shares will be valid for a period of 12 months from the date of its adoption at the EGM and the Class Meetings.
2. To consider and approve the authorization the Board of Directors and persons authorized by it to fully handle relevant matters in connection with Issue of A Shares and listing on the Sci-Tech Board.
- i. The formulation, implementation, and adjust the specific plan 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. Implementation all procedure and affairs in connection with the Issue, including the filing of application for the Issue of A Shares to the Shanghai Stock Exchange, the response to comments from the Shanghai Stock Exchange, and the application for listing on the Shanghai Stock Exchange after the approval of registration by the CSRC.

NOTICE OF THE 2023 FIRST CLASS MEETING OF H SHAREHOLDERS

- 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. Making, amending, signing, approving, submitting, disclosing, executing, suspending or terminating agreements, announcements, undertakings, statements, confirmations, proposals, programs, plans, measures or other documents, including but not limited to prospectuses, sponsorship agreements, underwriting agreements, intermediary service agreements, in connection with the offering and listing.
- v. Within the scope of the resolution of the shareholders' meeting, to make adjustments to the specific arrangements of the investment projects to be funded by the proceeds, including but not limited to the adjustment of the investment schedule of the project; to sign major contracts and other relevant documents in the course of the operation of the investment projects to be funded by the proceeds.
- vi. Determining the special account for proceeds as needed before the issue and authorizing the opening of the special storage account for proceeds.
- vii. 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.
- viii. According to 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.
- ix. The amendment and submission of listing application materials as required by a change of policies or market circumstances within the effective period for the Issue of A Shares.
- x. 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 12 months from the date of approval at the EGM and the Class Meetings.

NOTICE OF THE 2023 FIRST CLASS MEETING OF H SHAREHOLDERS

3. To consider and approve the investment 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)
i.	Drug early development service platform construction project	597,970,000
i.1.	Model animal base in China	390,320,000
i.2.	Model animal-based drug early development service platform project	207,650,000
ii.	Antibody drug development and evaluation project	395,130,000
iii.	Preclinical and clinical development project	400,000,000
iv.	Supplementary working capital	500,000,000
Total		1,893,100,000

Note: The official description and/or name(s) of the Projects remain subject to the filing and/or approval (as applicable) with the relevant government authorities

If the net proceeds actually raised cannot satisfy the funding needs for the Projects, the Company will obtain funds from other financing channels. If the time of availability of the issue and listing proceeds does not coincide with the time requirement of capital needs, the company will invest with its own funds or bank loans first according to the actual situation, and then replace them when the proceeds are available. If the proceeds raised from this issuance exceeds the capital requirements of the Projects, the surplus amount will be used for projects related to the main business and working capital required for the development of the main business in strict accordance with the management system of the funds raised.

4. To consider and approve the proposal for the plan for undertaking accumulated unrecovered losses prior to the Issue of A Shares.
5. To consider and approve the share price stabilization plan within three years after the Company's initial public offering of A Shares and listing on the Sci-Tech Board.
6. 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.
7. To consider and approve the impact of dilution on immediate return by the initial public offering of A Share and recovery measures for the immediate return.

NOTICE OF THE 2023 FIRST CLASS MEETING OF H SHAREHOLDERS

8. To consider and approve the undertakings and restraining measures relating to Issue of A Shares and listing on the Sci-Tech Board.
9. To consider and approve the proposed amendments to the Articles in respect of Issue of A Shares.

Details of the above resolutions proposed at the Class Meeting of H Shareholders are contained in the Circular, which is available on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.biocytogen.com.cn).

By Order of the Board
Biocytogen Pharmaceuticals (Beijing) Co., Ltd.
Shen Yuele
*Chairman of the Board, Chief Executive Officer and
Executive Director*

Hong Kong, March 31, 2023

NOTICE OF THE 2023 FIRST CLASS MEETING OF H SHAREHOLDERS

Notes:

1. Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated March 31, 2023.
2. Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the Class meeting of H Shareholders) for the proxy to receive the login access code to participate online in the e-Meeting System. Registered Shareholders will be able to attend the Class meeting of H Shareholders, vote and submit questions online via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company. Non-registered holders whose H Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (as the case may be) (collectively the “Intermediary”) and instruct the Intermediary to appoint them as proxy or corporate representative to attend and vote at the EGM electronically and in doing so, they will be asked to provide their email address, before the time limit required by the relevant Intermediary. Details regarding the e-Meeting System including the login details will be emailed to them by the Company’s Share Registrar, Tricor Investor Services Limited.
3. For the purpose of determining the entitlement to attend and vote at the Class Meeting of H Shareholders, the register of members of the Company will be closed from Monday, April 17, 2023 to Thursday, April 20, 2023 (both days inclusive), during which period no transfer of shares will be registered. In order for H Shareholders to be eligible to attend and vote at the Class Meeting of H Shareholders, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, April 14, 2023.
4. Shareholders who are entitled to attend and vote at the Class Meeting of H Shareholders may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
5. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
6. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company’s H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event no later than 10:00 a.m. on Wednesday, April 19, 2023 (Hong Kong time) or no less than 24 hours before the time appointed for holding the above mentioned meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting at the Class Meeting of H Shareholders or any adjournment thereof, should they so wish.
7. 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 Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
8. References to time and dates in this notice are to Hong Kong time and dates.

**NOTICE OF THE 2023 FIRST CLASS MEETING OF DOMESTIC AND
UNLISTED SHAREHOLDERS**



BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

百奥赛图(北京)医药科技股份有限公司

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

(Stock Code: 2315)

**NOTICE OF THE 2023 FIRST CLASS MEETING OF DOMESTIC AND
UNLISTED SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the 2023 first class meeting of Domestic and Unlisted Shareholders (the “**Class Meeting of Domestic and Unlisted Shareholders**”) of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “**Company**”) will be held with the combination of a physical meeting at the conference room of 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC and a virtual meeting online immediately after the conclusion of the Class Meeting of H Shareholders on Thursday, April 20, 2023 for the following purposes of considering and, if deemed appropriate, approving the following resolutions.

SPECIAL RESOLUTIONS

1. To consider and approve the proposed issue of A shares (the “**Issue of A Shares**”) as follows (each and every items as a separate resolution):
 - i. Class of new Shares to be issued: RMB Ordinary Shares (A Shares).
 - ii. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board of the Shanghai Stock Exchange.
 - iii. Nominal value of new Shares to be issued: RMB1.00 each.
 - iv. Issue size: a maximum of 99,849,605 A Shares, but no less than 44,377,603 A Shares.
 - v. Target subscribers: Investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the China Securities Regulatory Commission (“**CSRC**”) (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
 - vi. Method of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants, offering by way of on-line subscription by public investors at a fixed price and offering by way of placement to strategic investors or other methods of issuance approved by the CSRC and the Shanghai Stock Exchange.

NOTICE OF THE 2023 FIRST CLASS MEETING OF DOMESTIC AND UNLISTED SHAREHOLDERS

- vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter by way of standby commitment.
 - viii. Pricing methodology: The issue price for the A Shares will be determined by the Company and the lead underwriter(s) in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
 - ix. Schedule of issuance: The Company will proceed with the Issue of A Shares within 12 months after the Shanghai Stock Exchange issues the approval opinion and the CSRC approves the Issue of A Shares. The Board and the lead underwriter(s) will determine the listing date for the A Shares after the CSRC agrees to the registration of the A Shares and after completion of the Issue of A Shares.
 - x. Use of proceeds: The proceeds from the Issue of A Shares will be intended to be used for the drug early development service platform construction project, the antibody drug development and evaluation project, preclinical and clinical development project and supplementary working capital.
 - xi. Validity period of the resolutions: The resolutions in respect of the Issue of A Shares will be valid for a period of 12 months from the date of its adoption at the EGM and the Class Meetings.
2. To consider and approve the authorization the Board of Directors and persons authorized by it to fully handle relevant matters in connection with Issue of A Shares and listing on the Sci-Tech Board.
- i. The formulation, implementation, and adjust the specific plan 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. Implementation all procedure and affairs in connection with the Issue, including the filing of application for the Issue of A Shares to the Shanghai Stock Exchange, the response to comments from the Shanghai Stock Exchange, and the application for listing on the Shanghai Stock Exchange after the approval of registration by the CSRC.

**NOTICE OF THE 2023 FIRST CLASS MEETING OF DOMESTIC AND
UNLISTED SHAREHOLDERS**

- 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. Making, amending, signing, approving, submitting, disclosing, executing, suspending or terminating agreements, announcements, undertakings, statements, confirmations, proposals, programs, plans, measures or other documents, including but not limited to prospectuses, sponsorship agreements, underwriting agreements, intermediary service agreements, in connection with the offering and listing.
- v. Within the scope of the resolution of the shareholders' meeting, to make adjustments to the specific arrangements of the investment projects to be funded by the proceeds, including but not limited to the adjustment of the investment schedule of the project; to sign major contracts and other relevant documents in the course of the operation of the investment projects to be funded by the proceeds.
- vi. Determining the special account for proceeds as needed before the issue and authorizing the opening of the special storage account for proceeds.
- vii. 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.
- viii. According to 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.
- ix. The amendment and submission of listing application materials as required by a change of policies or market circumstances within the effective period for the Issue of A Shares.
- x. 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 12 months from the date of approval at the EGM and the Class Meetings.

NOTICE OF THE 2023 FIRST CLASS MEETING OF DOMESTIC AND UNLISTED SHAREHOLDERS

3. To consider and approve the investment 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)
i.	Drug early development service platform construction project	597,970,000
i.1.	Model animal base in China	390,320,000
i.2.	Model animal-based drug early development service platform project	207,650,000
ii.	Antibody drug development and evaluation project	395,130,000
iii.	Preclinical and clinical development project	400,000,000
iv.	Supplementary working capital	500,000,000
Total		1,893,100,000

Note: The official description and/or name(s) of the Projects remain subject to the filing and/or approval (as applicable) with the relevant government authorities.

If the net proceeds actually raised cannot satisfy the funding needs for the Projects, the Company will obtain funds from other financing channels. If the time of availability of the issue and listing proceeds does not coincide with the time requirement of capital needs, the company will invest with its own funds or bank loans first according to the actual situation, and then replace them when the proceeds are available. If the proceeds raised from this issuance exceeds the capital requirements of the Projects, the surplus amount will be used for projects related to the main business and working capital required for the development of the main business in strict accordance with the management system of the funds raised.

4. To consider and approve the proposal for the plan for undertaking accumulated unrecovered losses prior to the Issue of A Shares.
5. To consider and approve the share price stabilization plan within three years after the Company's initial public offering of A Shares and listing on the Sci-Tech Board.
6. 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.
7. To consider and approve the impact of dilution on immediate return by the initial public offering of A Share and recovery measures for the immediate return.

**NOTICE OF THE 2023 FIRST CLASS MEETING OF DOMESTIC AND
UNLISTED SHAREHOLDERS**

8. To consider and approve the undertakings and restraining measures relating to Issue of A Shares and listing on the Sci-Tech Board.

9. To consider and approve the proposed amendments to the Articles in respect of Issue of A Shares.

Details of the above resolutions proposed at the Class Meeting of Domestic and Unlisted Shareholders are contained in the Circular, which is available on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.biocytogen.com.cn).

By Order of the Board
Biocytogen Pharmaceuticals (Beijing) Co., Ltd.
Shen Yuele
*Chairman of the Board, Chief Executive Officer and
Executive Director*

Hong Kong, March 31, 2023

NOTICE OF THE 2023 FIRST CLASS MEETING OF DOMESTIC AND UNLISTED SHAREHOLDERS

Notes:

1. Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated March 31, 2023.
2. Domestic and Unlisted Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the class meeting of Domestic and Unlisted Shareholders) for the proxy to receive the login access code to participate online in the e-Meeting System.

Domestic and Unlisted Shareholders will be able to attend the class meeting of Domestic and Unlisted Shareholders, vote and submit questions online via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company.
3. Shareholders who are entitled to attend and vote at the Class Meeting of Domestic and Unlisted Shareholders may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
5. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited to the Company's registered office at 12 Baoshen South Street, Daxing Bio-Medicine Industry Park, Daxing District, Beijing, PRC (for the Domestic and Unlisted Shareholders), or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event no later than 10:00 a.m. on Wednesday, April 19, 2023 (Hong Kong time) or no less than 24 hours before the time appointed for holding the above mentioned meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting at the Class Meeting of Domestic and Unlisted Shareholders or any adjournment thereof, should they so wish.
6. All resolutions at the Class Meeting of Domestic and Unlisted 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 Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
7. References to time and dates in this notice are to Hong Kong time and dates.