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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司).

**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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# Pharmaron Beijing Co., Ltd.
# 康龍化成(北京)新藥技術股份有限公司

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

**(Stock Code: 3759)**

## (1) PROPOSED BY-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE THIRD SESSION OF THE BOARD;
## (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
## (3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETINGS;
## (4) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD MEETINGS;
## (5) PROPOSED AMENDMENTS TO THE RELATED PARTY/CONNECTED TRANSACTIONS MANAGEMENT POLICY;
## (6) PROPOSED AMENDMENTS TO THE EXTERNAL GUARANTEE MANAGEMENT POLICY;
## (7) PROPOSED AMENDMENTS TO THE INDEPENDENT NON-EXECUTIVE DIRECTORS WORKING POLICY;
## (8) PROPOSED AMENDMENTS TO THE EXTERNAL INVESTMENT MANAGEMENT POLICY;
## (9) PROPOSED AMENDMENTS TO THE SPECIAL STORAGE AND USE OF PROCEEDS MANAGEMENT POLICY;
## (10) PROPOSED AMENDMENTS TO THE RULES FOR IMPLEMENTING THE CUMULATIVE VOTING MECHANISM;
## (11) PROPOSED AMENDMENTS TO THE PROCEDURE FOR A SHAREHOLDER TO NOMINATE A PERSON FOR ELECTION AS A DIRECTOR;
## AND
## (12) NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2025

A letter from the Board is set out on pages 3 to 10 of this circular. Notice convening the EGM on Thursday, December 18, 2025 at 2:30 p.m. to be held at 6 Tai-He Road, Economic Technological Development Area, Beijing, the PRC are set out in this circular. This circular will be despatched with the form(s) of proxy by the Company on Thursday, November 27, 2025 and also published and be available for downloading on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and of the Company (www.pharmaron.com).

Whether or not you are able to attend the EGM, please complete and sign the form(s) of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's H Shares Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if you so wish.

Reference to times and dates in this circular are to Hong Kong local times and dates.

November 27, 2025

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

| | |
|---|---|
| "A Share(s)" | ordinary share(s) of the Company with nominal value of RMB1.00 each which are listed on the Shenzhen Stock Exchange |
| "Articles of Association" | the articles of association of the Company, as amended, modified or otherwise supplemented from time to time |
| "Board" or "Board of Directors" | the board of Directors of the Company |
| "Company" | Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司), a joint stock company incorporated in the People's Republic of China with limited liability, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300759) and the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 3759) |
| "Director(s)" | directors of the Company |
| "Extraordinary General Meeting" or "EGM" | the extraordinary general meeting of the Company to be held on Thursday, December 18, 2025 at 2:30 p.m. or any adjournment thereof, the notice of which is set out on pages 189 to 191 in this circular |
| "H Share(s)" | overseas-listed foreign share(s) in the share capital of the Company, with nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange |
| "H Shareholder(s)" | holder(s) of H Shares |
| "H Shares Registrar" | Tricor Investor Services Limited, the H Shares registrar of the Company |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Latest Practicable Date" | November 21, 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |

| | |
|---|---|
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "PRC" | the People's Republic of China |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Share(s)" | share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including both A Share(s) and H Share(s) |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |




# Pharmaron Beijing Co., Ltd.
# 康龍化成(北京)新藥技術股份有限公司

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

**(Stock Code: 3759)**

*Executive Directors:*
Dr. Lou Boliang *(Chairman)*
Mr. Lou Xiaoqiang
Ms. Zheng Bei

*Non-executive Directors:*
Mr. Li Jiaqing
Ms. Wan Xuan

*Independent non-executive Directors:*
Ms. Li Lihua
Mr. Tsang Kwan Hung Benson
Mr. Yu Jian

*Registered office, Headquarters and principal place of business in the PRC:*
8th Floor, Block 1
6 Tai-He Road
Beijing Economic Technological
Development Area
Beijing
China

*Place of business in Hong Kong:*
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

November 27, 2025

*To the Shareholders:*

Dear Sir/Madam,

**(1) PROPOSED BY-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE THIRD SESSION OF THE BOARD;**
**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
**(3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETINGS;**
**(4) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD MEETINGS;**
**(5) PROPOSED AMENDMENTS TO THE RELATED PARTY/CONNECTED TRANSACTIONS MANAGEMENT POLICY;**
**(6) PROPOSED AMENDMENTS TO THE EXTERNAL GUARANTEE MANAGEMENT POLICY;**
**(7) PROPOSED AMENDMENTS TO THE INDEPENDENT NON-EXECUTIVE DIRECTORS WORKING POLICY;**
**(8) PROPOSED AMENDMENTS TO THE EXTERNAL INVESTMENT MANAGEMENT POLICY;**
**(9) PROPOSED AMENDMENTS TO THE SPECIAL STORAGE AND USE OF PROCEEDS MANAGEMENT POLICY;**
**(10) PROPOSED AMENDMENTS TO THE RULES FOR IMPLEMENTING THE CUMULATIVE VOTING MECHANISM;**
**(11) PROPOSED AMENDMENTS TO THE PROCEDURE FOR A SHAREHOLDER TO NOMINATE A PERSON FOR ELECTION AS A DIRECTOR;**
**AND**
**(12) NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2025**

## 1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the EGM to be held on Thursday, December 18, 2025 at 2:30 p.m. to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM. For the details of the proposed resolutions at the EGM, please also refer to the notice of the EGM despatched by the Company on Thursday, November 27, 2025 and published and available for downloading on the websites of the Stock Exchange at www.hkex.com.hk and that of the Company at www.pharmaron.com.

## 2. PROPOSED BY-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE THIRD SESSION OF THE BOARD

Reference is made to the announcement of the Company dated October 28, 2025 in relation to, among other things, the voluntary resignation of Mr. Tsang Kwan Hung Benson from his position as an independent non-executive Director of the third session of the Board and a member of the audit committee, the remuneration and appraisal committee and the nomination committee of the Board.

Pursuant to Article 13 of the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the China Securities Regulatory Commission, the consecutive terms of office of an independent director shall generally not exceed six years. Mr. Tsang Kwan Hung Benson has served as an independent non-executive Director of the Company since November 28, 2019. As his tenure is approaching six years, Mr. Tsang Kwan Hung Benson has tendered his resignation to the Board.

The resignation of Mr. Tsang Kwan Hung Benson will result in the number of independent non-executive Directors falling below one-third of the Board. In accordance with relevant provisions under the Listing Rules, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines of the Shenzhen Stock Exchange No. 2 for the Application of Self-Regulation Rules for Listed Companies for the Standardized Operation of Companies Listed on the ChiNext Board (《上市公司自律監管指引第2號—創業板上市公司規範運作》) and the Articles of Association, Mr. Tsang Kwan Hung Benson has voluntarily agreed to continue to perform his duties as an independent non-executive Director and as a member of the relevant Board committees until the proposed by-election of a new independent non-executive Director is resolved by the Shareholders at the upcoming EGM. The resignation of Mr. Tsang Kwan Hung Benson will become effective upon the passing of the proposed by-election of a new independent non-executive Director at the EGM.

On October 28, 2025, the Board reviewed and passed a resolution in relation to nominating Prof. Tsang King Fung ("**Prof. Tsang**") as a candidate to stand for by-election as an independent non-executive Director of the third session of the Board. Subject to being appointed at the EGM, the Board has approved to elect Prof. Tsang as a member of the audit committee, the remuneration and appraisal committee and the nomination committee of the Board. The term for Prof. Tsang's appointment as an independent non-executive Director and as a member of the audit committee, the remuneration and appraisal committee and the

nomination committee of the Board shall commence upon the passing of his by-election at the EGM and shall end on the expiry of the term of the current session of the Board. The Company will enter into a service agreement with Prof. Tsang upon his appointment at the EGM. Pursuant to resolution No. 6 that was duly passed at the 2024 annual general meeting of the Company, Prof. Tsang will be entitled to an annual remuneration of RMB300,000 (before tax) upon his appointment at the EGM.

Save as disclosed above and in Appendix I to this circular, Prof. Tsang has not held any directorship in any other listed companies in the past three years. Prof. Tsang has not held any positions with the Company or its subsidiaries, and has no relationship with any Directors, supervisors, senior management or substantial Shareholders of the Company. As at the Latest Practicable Date, Prof. Tsang does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Prof. Tsang has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person (as defined in the Listing Rules) of the Company; and (iii) that there are no other factors that may affect his independence at the time of his appointment.

Save as disclosed above and in Appendix I to this circular, as at the Latest Practicable Date, there is no other information relating to the proposed by-election of Prof. Tsang that shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. The Company is not aware of any other matter which needs to be brought to the attention of the Shareholders.

An ordinary resolution will be proposed at the EGM to consider and approve the proposed by-election of Prof. Tsang as an independent non-executive Director. The biographical details of Prof. Tsang are set out in Appendix I to this circular.

## 3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated October 28, 2025 in relation to, among other things, the proposed amendments to the Articles of Association (the "**Amendments to the Articles of Association**").

The Amendments to the Articles of Association primarily include:

(1) Uniformly changing all references to "Shareholders' general meetings" (股東大會) to "Shareholders' general meetings" (股東會) in accordance with the corresponding amendments to the Company Law;

(2) Dissolving the supervisory committee of the Company (the "**Supervisory Committee**"), following which the functions and powers of the Supervisory Committee will be delegated to and exercised by the audit committee of the Board in compliance with the requirements of the aforementioned laws, regulations and regulatory rules (the "**Delegation**");

(3) Repealing the Rules of Procedure of the Supervisory Committee and amending other relevant rules and policies of the Company accordingly to reflect the dissolution of the Supervisory Committee and the Delegation;

(4) Stipulating the special meeting mechanism of independent non-executive Directors;

(5) Clarifying the duties and composition of respective Board committees;

(6) Incorporating provisions in relation to employee representative Directors;

(7) Improving the management mechanism for internal audits; and

(8) Making corresponding amendments to certain provisions that are no longer applicable due to statutory and/or regulatory updates.

Save for the above, there are no material amendments to other provisions of the Articles of Association. Non-material amendments include adjustments to the numbering of provisions in the Articles of Association, cross-references to other provisions in the main text and the table of contents.

**Proposed authorization for registration of Amendments to the Articles of Association**

In light of the proposed Amendments to the Articles of Association, it is hereby proposed at the EGM to authorize the Company's legal representative and their authorized persons to handle the registration matters and filing procedures in relation to the Amendments to the Articles of Association, and to make appropriate modifications to the filing documents in accordance with any comments and requirements raised by relevant regulatory authorities. The proposed Amendments to the Articles of Association are ultimately subject to the results approved by relevant regulatory authorities. Prior to the proposed Amendments to the Articles of Association becoming effective by being approved by the Shareholders at the EGM, the existing Articles of Association shall remain valid.

Save for the proposed Amendments to the Articles of Association, other provisions of the Articles of Association shall remain unchanged. The proposed Amendments to the Articles of Association are prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

The Board is of the view that the proposed Amendments to the Articles of Association will not compromise the Board's ability to perform its usual duties and responsibilities. The Board remains committed to maintaining high standards of corporate governance and will continue to comply with the requirements set out in the Listing Rules.

A special resolution will be proposed at the EGM to consider and approve the proposed Amendments to the Articles of Association, the details of which are set out in Appendix II to this circular.

## 4. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETINGS

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the Rules of Procedure for the General Meetings of the Company. A special resolution is being proposed at the EGM to consider and approve the proposed amendments to the Rules of Procedure for the General Meetings, the full text of which is set out in Appendix III to this circular.

## 5. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD MEETINGS

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the Rules of Procedure for the Board Meetings of the Company. A special resolution is being proposed at the EGM to consider and approve the proposed amendments to the Rules of Procedure for the Board Meetings, the full text of which is set out in Appendix IV to this circular.

## 6. PROPOSED AMENDMENTS TO THE RELATED PARTY/CONNECTED TRANSACTIONS MANAGEMENT POLICY

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the Related Party/Connected Transactions Management Policy of the Company. An ordinary resolution is being proposed at the EGM to consider and approve the proposed amendments to the Related Party/Connected Transactions Management Policy, the full text of which is set out in Appendix V to this circular.

## 7. PROPOSED AMENDMENTS TO THE EXTERNAL GUARANTEE MANAGEMENT POLICY

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the External Guarantee Management Policy of the Company. An ordinary resolution is being proposed at the EGM to consider and approve the proposed amendments to the External Guarantee Management Policy, the full text of which is set out in Appendix VI to this circular.

## 8. PROPOSED AMENDMENTS TO THE INDEPENDENT NON-EXECUTIVE DIRECTORS WORKING POLICY

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the Independent Non-executive Directors Working Policy of the Company. An ordinary resolution is being proposed at the EGM to consider and approve the proposed amendments to the Independent Non-executive Directors Working Policy, the full text of which is set out in Appendix VII to this circular.

## 9. PROPOSED AMENDMENTS TO THE EXTERNAL INVESTMENT MANAGEMENT POLICY

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the External Investment Management Policy of the Company. An ordinary resolution is being proposed at the EGM to consider and approve the proposed amendments to the External Investment Management Policy, the full text of which is set out in Appendix VIII to this circular.

## 10. PROPOSED AMENDMENTS TO THE SPECIAL STORAGE AND USE OF PROCEEDS MANAGEMENT POLICY

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the Special Storage and Use of Proceeds Management Policy of the Company. An ordinary resolution is being proposed at the EGM to consider and approve the proposed amendments to the Special Storage and Use of Proceeds Management Policy, the full text of which is set out in Appendix IX to this circular.

## 11. PROPOSED AMENDMENTS TO THE RULES FOR IMPLEMENTING THE CUMULATIVE VOTING MECHANISM

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the Rules for Implementing the Cumulative Voting Mechanism of the Company. An ordinary resolution is being proposed at the EGM to consider and approve the proposed amendments to the Rules for Implementing the Cumulative Voting Mechanism, the full text of which is set out in Appendix X to this circular.

## 12. PROPOSED AMENDMENTS TO THE PROCEDURE FOR A SHAREHOLDER TO NOMINATE A PERSON FOR ELECTION AS A DIRECTOR

In order to implement the latest requirements of the relevant laws, regulations and normative documents, and in light of the proposed Amendments to the Articles of Association, the Board proposed to amend the Procedure for a Shareholder to Nominate a Person for Election as a Director of the Company. An ordinary resolution is being proposed at the EGM to consider and approve the proposed amendments to the Procedure for a Shareholder to Nominate a Person for Election as a Director, the full text of which is set out in Appendix XI to this circular.

## 13. EGM AND PROXY ARRANGEMENT

Notice convening the EGM of the Company to be held on Thursday, December 18, 2025 at 2:30 p.m. to be held at 6 Tai-He Road, Economic Technological Development Area, Beijing, the PRC and form of proxy for use at the EGM of the Company was despatched by the Company on Thursday, November 27, 2025 and published and is available for downloading on the websites of Hong Kong Stock Exchange at www.hkex.com.hk and of the Company at www.pharmaron.com. To be valid, the forms of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's H Shares Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for the EGM (i.e., not later than 2:30 p.m. on Wednesday, December 17, 2025 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM of the Company if you so wish.

## 14. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the H Shareholders entitled to attend and vote at the EGM, the register of members of the H Shares of the Company has been scheduled to close from Monday, December 15, 2025 to Thursday, December 18, 2025 (both days inclusive), during which period no transfer of H Shares will be registered. H Shareholders whose names appear on the register of members of the Company on Monday, December 15, 2025 shall be entitled to attend and vote at the EGM. H Shareholders who intend to attend the EGM are required to deposit the share certificates accompanied by relevant transfer documents at the Company's H Shares Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, December 12, 2025.

## 15. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at a general meeting must be taken by poll.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she has in the same manner.

An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder was required to abstain from voting on the resolutions to be proposed at the EGM.

## 16. RECOMMENDATION

The Board considers that all resolutions set out in the Notice of EGM are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favor of the resolutions set out in the Notice of EGM.

## ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the "Notice of the First Extraordinary General Meeting of 2025" to this circular.

Yours faithfully,
For and on behalf of the Board
**Dr. Lou Boliang**
*Chairman*

November 27, 2025

**Prof. Tsang King Fung (曾勁峰)**, aged 47. Since 2019 he has worked for the Faculty of Law of The Chinese University of Hong Kong as an Associate Professor. From 2013 to 2019, he worked for the same institution as an Assistant Professor. From June 2011 to July 2013, he worked for the City University of Hong Kong. In 2011, he worked for The Stock Exchange of Hong Kong Limited. From 2006 to 2008, and in 2010, he practiced law at Shearman & Sterling LLP. From 2002 to 2005, he practiced law at Linklaters.

Prof. Tsang obtained his bachelor of laws (LL.B.) and postgraduate certificate in laws (PCLL) from the University of Hong Kong. He also obtained his doctor of juridical science (S.J.D.) from Georgetown University, his master of laws (LL.M.) and juris doctor (J.D.) from Columbia University, and his master of laws (LL.M.) from University College London.

| Before Revision | After Revision |
|---|---|
| Article 1 These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (中華人民共和國公司法) (the "Company Law"), the Securities Law of the People's Republic of China (中華人民共和國證券法) (the "Securities Law"), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises 《(境內企業境外發行證券和上市管理試行辦法》), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), Shenzhen Stock Exchange ChiNext Listing Rules 《(深圳證券交易所創業板股票上市規則》), and other relevant provisions of other laws, regulations and normative documents to safeguard the legitimate rights and interests of Pharmaron Beijing Co., Ltd. (the "Company"), its shareholders and creditors, and to regulate the organization and activities of the Company. | Article 1 Article 1 These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (中華人民共和國公司法) (the "Company Law"), the Securities Law of the People's Republic of China (中華人民共和國證券法) (the "Securities Law"), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises 《(境內企業境外發行證券和上市管理試行辦法》), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), Shenzhen Stock Exchange ChiNext Listing Rules 《(深圳證券交易所創業板股票上市規則》), and other relevant provisions of other laws, regulations and normative documents to safeguard the legitimate rights and interests of Pharmaron Beijing Co., Ltd. (the "Company"), its shareholders, **staff** and creditors, and to regulate the organization and activities of the Company. |
| Article 8 The chairman of the board of directors shall be the legal representative of the Company. | Article 8 The chairman of the board of directors **of the Company shall act on behalf of the Company in performing the Company's affairs and** shall be the legal representative of the Company. **If the director who holds the position of the legal representative resigns from his/her position, he/she shall be deemed to have simultaneously resigned from the position of the legal representative. Upon the resignation of the legal representative, the Company shall determine a new legal representative within thirty (30) days from the date of the resignation of the legal representative.** |
| / | **(Addition)**<br><br>**Article 9 The legal representative's civil activities conducted in the name of the Company shall have their legal consequences borne by the Company. Any restrictions on the powers of the legal representative imposed by these Articles of Association or the shareholders' general meeting shall not be asserted against a bona fide counterparty. If the legal representative causes damage to others while performing his/her duties, the Company shall bear civil liability therefor. After the Company bears the civil liability, it may recover compensation from the legal representative at fault in accordance with the provisions of laws or these Articles of Association.** |

| Before Revision | After Revision |
|---|---|
| Article 9 ~~**Total assets of the Company are divided into shares with same par value per share.**~~ Shareholders shall assume their liabilities to the extent of their respective subscribed shares in the Company, and the Company shall be liable to the extent of its total assets for its debts. ~~**The Company may invest in other limited liability companies and joint stock limited companies. It shall be liable to the extent of the amount of its investments in such invested companies.**~~ | Article 10 Shareholders shall assume their liabilities to the extent of their respective subscribed shares in the Company, and the Company shall be liable to the extent of its total **properties** for its debts. |
| Article 16 The Company shall issue shares under the principles of fairness and equality and shares of the same class **shall** carry same rights.<br><br>The issue conditions and price per share of the same class in the same issue **shall be** the same; the same price **shall be** paid for each share subscribed for by any entities or individuals. | Article 17 The Company shall issue shares under the principles of fairness and equality and shares of the same class carry same rights.<br><br>The issue conditions and price per share of the same class in the same issue **are** the same; the same price **is** paid for each share subscribed for by any entities or individuals. |
| Article 17 All the shares issued by the Company shall be denominated in RMB. | Article 18 All the **denominated** shares issued by the Company shall be denominated in RMB. |
| Article 21 The Company and subsidiaries of the Company (including affiliates of the Company) may not provide **any** assistance to a person **who is acquiring or is proposing to acquire shares of the Company** by way of gift, advancement, guarantee, **indemnity or** loans or other means. | Article 22 The Company and subsidiaries of the Company (including affiliates of the Company) may not provide **financial** assistance to a person **for the acquisition of shares of the Company** or its parent company by way of gift, advancement, guarantee, loans or other means, **except where the Company implements its employee shareholding plan.**<br><br>**In the interest of the Company, the Company may provide financial assistance to a person for the acquisition of shares of the Company or its parent company, subject to a resolution adopted by the shareholders' general meeting or a resolution made by the board of directors pursuant to the authorization of these Articles of Association or the shareholders' general meeting; provided that the aggregate total amount of such financial assistance shall not exceed ten percent (10%) of the total issued share capital of the Company. A resolution made by the board of directors shall be adopted by more than two-thirds of all directors.** |

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| Article 22 Based on its operation and development requirements, in accordance with the relevant laws and regulations, and subject to the resolution at the general meeting, the Company may increase its registered capital by any of the following methods:<br><br>(I) **Public offering of shares;**<br><br>(II) **Non-public offering of shares;**<br><br>(III) Placing new shares to its existing shareholders;<br><br>(IV) Issuing bonus shares to its existing shareholders;<br><br>(V) Capitalizing its capital common reserve;<br><br>(VI) Any other means permitted by laws, administrative regulations and the relevant regulatory authorities.<br><br>~~**The Company's increase of registered capital by issuing new shares in the aforesaid manner shall be approved in accordance with the provisions of the Articles of Association and the listing rules of the place where the Company's shares are listed, be conducted in accordance with the procedures stipulated in the relevant laws, administrative regulations and departmental regulations of the PRC and the listing rules of the place where the Company's shares are listed. If the Company increases its registered capital in accordance with the provisions of item (I) of this Article, it shall not issue preferred shares convertible into ordinary shares.**~~ | Article 23 Based on its operation and development requirements, in accordance with the relevant laws and regulations, and subject to the resolution at the general meeting, the Company may increase its registered capital by any of the following methods:<br><br>**(I) Issue shares to unspecified persons;**<br><br>**(II) Issue shares to specific persons;**<br><br>(III) Placing new shares to its existing shareholders;<br><br>(IV) Issuing bonus shares to its existing shareholders;<br><br>(V) Capitalizing its capital common reserve;<br><br>(VI) Any other means permitted by laws, administrative regulations and the relevant regulatory authorities. |

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| Article 24 The Company may not purchase its own shares. However, under one of the following circumstances, the Company may buy back its outstanding shares in accordance with laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association:<br><br>(I) Reducing the registered capital of the Company;<br><br>...<br><br>(VII) Other circumstances as permitted by laws, administrative regulations and listing rules of the place where the Company's shares are listed. The Company shall not accept its share certificates as the subject matter of a pledge.<br><br>~~**The Company shall not engage in trading of its shares save for the circumstances specified above.**~~ | Article 25 The Company may not purchase its own shares. However, under one of the following circumstances, the Company may buy back its outstanding shares in accordance with laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association:<br><br>(I) Reducing the registered capital of the Company;<br><br>...<br><br>(VII) Other circumstances as permitted by laws, administrative regulations and listing rules of the place where the Company's shares are listed. The Company shall not accept its share certificates as the subject matter of a pledge. |
| Article 27 Unless otherwise provided in laws, regulations and the listing rules in the place where the Company's shares are listed, **fully-paid up shares of the Company are legally transferable** free of lien.<br><br>Transfer of H Shares requires registration by the share registrar in Hong Kong appointed by the Company. | Article 28 Unless otherwise provided in laws, regulations and the listing rules in the place where the Company's shares are listed, **the Company's shares shall be transferred in accordance with the law and shall be** free of lien.<br><br>Transfer of H Shares requires registration by the share registrar in Hong Kong appointed by the Company. |
| Article 30 ~~**Shares issued by the Company before the A share offering shall not be transferred within one year from the date on which the A shares of the Company are listed on a stock exchange.**~~<br><br>Directors~~**, supervisors**~~ and senior management of the Company shall report their shareholdings in the Company and the respective changes. During his/her tenure as determined at the time of assuming office, no shares exceeding 25% of his/her total shareholding of the same class in the Company shall be transferred within one (1) year; and no transfer of shares held by him/her shall be allowed within one year since the date when the shares in the Company are listed. The aforesaid personnel shall not transfer the shares held by him/her within half a year after leaving his/her office. | Article 31 Directors and senior management of the Company shall report their shareholdings in the Company and the respective changes. During his/her tenure **as determined at the time of assuming office**, no shares exceeding 25% of his/her total shareholding **of the same class** in the Company shall be transferred within one (1) year; and no transfer of shares held by him/her shall be allowed within one year since the date when the shares in the Company are listed. The aforesaid personnel shall not transfer the shares held by him/her within half a year after leaving his/her office. |

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| Article 32 Shareholders shall enjoy rights and have obligations in accordance with the class of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations. | Article 33 **The Company establishes its share register on the basis of the certificates provided by the securities settlement and registration institution, and the share register shall be conclusive evidence of a shareholder's ownership of the Company's shares.** Shareholders shall enjoy rights and have obligations in accordance with the class of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.<br><br>**When the Company holds a shareholders' general meeting, distributes dividends, liquidates, or engages in other acts that require confirmation of shareholder identity, the record date for shareholding shall be determined by the board of directors or the convener of the shareholders' general meeting; shareholders registered in the register after the close of trading on the record date for shareholding shall be the shareholders entitled to the relevant rights and interests.** |
| Article 34 **Where shareholders request for inspection of the relevant information or demand for materials as mentioned in the presiding Article,** they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder. | Article 35 **Where shareholders request to inspect and copy the Company's relevant materials, they shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations,** they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder. |

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| Article 35 If a resolution passed at the shareholders' general meeting or meeting of the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the rights to submit a petition to the People's Court to render the same invalid.<br><br>If the procedures for convening, or the method of voting at, a shareholders' general meeting or meeting of the board of directors violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the rights to submit a petition to the People's Court to revoke such resolution within sixty (60) days from the date on which such resolution is adopted. | Article 36 If a resolution passed at the shareholders' general meeting or meeting of the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the rights to submit a petition to the People's Court to render the same invalid.<br><br>If the procedures for convening, or the method of voting at, a shareholders' general meeting or meeting of the board of directors violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the rights to submit a petition to the People's Court to revoke such resolution within sixty (60) days from the date on which such resolution is adopted. **However, this shall not apply if there are only minor defects in the procedures for convening or the method of voting at the shareholders' general meeting or meeting of the board of directors, and such defects have no material impact on the resolution.**<br><br>**Where there is a dispute among the board of directors, shareholders and other relevant parties regarding the validity of the resolutions of the shareholders' general meeting, the relevant parties shall promptly initiate legal proceedings in the People's Court. Prior to the People's Court rendering a judgment or ruling such as revoking the resolution, the relevant parties shall implement the resolutions of the shareholders' general meeting. The Company, directors and senior management shall faithfully perform their duties to ensure the normal operation of the Company.**<br><br>**Where the People's Court renders a judgment or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and stock exchanges, fully explain the impact, and actively cooperate in the enforcement after the judgment or ruling becomes effective. If the matter involves the correction of prior matters, the Company shall handle such matters promptly and fulfill the corresponding information disclosure obligations.** |

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| / | **(Addition)**<br><br>**Article 37 Where any of the following circumstances occurs, the resolutions of the Company's shareholders' general meeting or board of directors shall not be established:**<br><br>**(I) Resolutions are made without convening a shareholders' general meeting or a meeting of the board of directors;**<br><br>**(II) No voting is conducted on the matters to be resolved at a shareholders' general meeting or a meeting of the board of directors;**<br><br>**(III) The number of attendees at the meeting or the number of voting rights held by them fails to meet the number of attendees or the number of voting rights required by the Company Law or the Articles of Association;**<br><br>**(IV) The number of attendees who approve the matters to be resolved or the number of voting rights held by them fails to meet the number of approvers or the number of voting rights required by the Company Law or the Articles of Association.** |

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| Article 36 Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by directors and senior management in the course of performing their duties, shareholders individually or jointly holding 1% or more of the shares of the Company for one hundred and eighty (180) consecutive days or more shall have the rights to request in writing the **supervisory** committee to initiate legal proceedings in the People's Court. Where the Company incurs loss as a result of violation of laws, administrative regulations or the Articles of Association by the **supervisory** committee in the course of performing its duties, the shareholders shall have the rights to request in writing to the board of directors to initiate legal proceedings in the People's Court.<br><br>If the **supervisory** committee or the board of directors refuses to initiate legal proceedings upon receipt of the written request of shareholders stated in the preceding paragraph, or fails to initiate such legal proceedings within thirty (30) days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the rights to initiate legal proceedings in the People's Court directly in their own names in the interest of the Company.<br><br>If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders as mentioned in the first paragraph of this Article may initiate legal proceedings in the People's Court in accordance with the provisions of the preceding paragraphs. | Article 38 Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by directors **(other than members of the audit committee)** and senior management in the course of performing their duties, shareholders individually or jointly holding 1% or more of the shares of the Company for one hundred and eighty (180) consecutive days or more shall have the rights to request in writing the **audit** committee to initiate legal proceedings in the People's Court. Where the Company incurs loss as a result of violation of laws, administrative regulations or the Articles of Association by the **audit** committee in the course of performing its duties, the **aforesaid** shareholders shall have the rights to request in writing to the board of directors to initiate legal proceedings in the People's Court.<br><br>If the **audit** committee or the board of directors refuses to initiate legal proceedings upon receipt of the written request of shareholders stated in the preceding paragraph, or fails to initiate such legal proceedings within thirty (30) days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the rights to initiate legal proceedings in the People's Court directly in their own names in the interest of the Company.<br><br>If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders as mentioned in the first paragraph of this Article may initiate legal proceedings in the People's Court in accordance with the provisions of the preceding paragraphs. |

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| | **Where directors, supervisors and senior management of the Company's wholly-owned subsidiaries, in the course of performing their duties, violate the laws, administrative regulations or the Articles of Association, thus causing losses to the Company, or where any other person infringes the lawful rights and interests of the Company's wholly-owned subsidiaries thus causing losses to such subsidiaries, shareholders individually or jointly holding 1% or more of the shares of the Company for one hundred and eighty (180) consecutive days or more may, in accordance with the provisions of Paragraphs 1 to 3 of Article 189 of the Company Law, request in writing the supervisors/the supervisory committee, directors/the board of directors of the wholly-owned subsidiaries to initiate legal proceedings in the People's Court, or initiate legal proceedings directly in their own names in the People's Court. Where a wholly-owned subsidiary of the Company does not have a supervisory committee or supervisors but has an audit committee, this Article shall apply.** |
| Article 38 Shareholders of the Company shall have the following obligations:<br><br>(I) To abide by the laws, administrative regulations, departmental rules, normative documents, listing rules of stock exchange of the place where the shares of the Company are listed and the Articles of Association;<br><br>(II) To pay for the **share** based on the shares subscribed for and the manners in which they became shareholder;<br><br>(III) Not to **surrender the shares** unless required by law and regulations;<br><br>... | Article 40 Shareholders of the Company shall have the following obligations:<br><br>(I) To abide by the laws, administrative regulations, departmental rules, normative documents, listing rules of stock exchange of the place where the shares of the Company are listed and the Articles of Association;<br><br>(II) To pay for the **shares capital** based on the shares subscribed for and the manners in which they became shareholder;<br><br>(III) Not to **withdraw their share capital** unless required by law and regulations;<br><br>... |

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| ~~Article 39 If a shareholder holding more 5% or more of the voting shares of the Company disposes of the shares held by him by ways of transfer, investment, pledge, entrusted management or otherwise such that the ownership or substantive control of such shares is transferred or restricted, such shareholder shall notify the Company in writing within the next working day on which such facts occur.~~<br><br>~~Article 40 The controlling shareholders and actual controller of the Company shall not use their affiliation to jeopardize the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.~~<br><br>~~The controlling shareholders and actual controller of the Company shall have fiduciary duties towards the Company and shareholders of public shares of the Company. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws, and the controlling shareholders shall not infringe the legitimate rights and interests of the Company and shareholders of public shares of the Company through profit distribution, asset restructuring, foreign investment, appropriation of capital, offering loans, security, and shall not make use of their controlling status to jeopardize the interests of the Company and shareholders of public shares of the Company.~~ | Deleted |

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| ~~The Company shall not provide any funds, goods, services or other assets to shareholders or actual controller at no cost or on obviously unfair conditions; shall not provide any funds, goods, services or other assets to shareholders or actual controller who obviously do not have the ability of repayment; shall not provide guarantee for shareholders or actual controller who obviously do not have the ability of repayment, or provide guarantee to shareholders or actual controller without justifiable reasons; shall not waive any creditor's right to shareholders or actual controller or assume any debt of shareholders or actual controller without justifiable reasons. For the transactions regarding the provision of funds, goods, services or other assets between the Company and the shareholders or actual controller, the proceedings of the meetings of the board of directors and the shareholders' general meetings shall be performed in strict accordance with the decision-making system of connected transactions in the Articles of Association.~~<br><br>~~The controlling shareholders and actual controller of the Company shall regulate their behaviors in accordance with the relevant normative documents issued from time to time by the listing rules of the place where the Company's shares are listed, abide by their commitments and exercise their control over the Company in good faith, regulate the trading of the Company's shares, and strictly perform the relevant information disclosure management obligations and responsibilities.~~<br><br>~~Article 41 The board of directors shall set up a system of "moratorium upon misappropriation" on the Company's shares held by the controlling shareholders. Pursuant to which, upon discovery of any misappropriation of the Company's assets by any controlling shareholder, the Company shall apply for freezing the Company's shares held by the controlling shareholder by judicial order immediately. Where it is impossible to restore the misappropriated Company's assets within the prescribed period, or repay in cash or other ways approved by the Company's general meeting, the Company shall, within thirty (30) days after the expiry of the prescribed period, apply to the relevant judicial department to realize the frozen shares to compensate for the Company's assets misappropriated by the controlling shareholder.~~ | |

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| ~~The chairman of the board of directors of the Company is the first person in charge of the system of "moratorium upon misappropriation", and the financial director and the secretary to the board of directors shall assist him in the work regarding "moratorium upon misappropriation". Specifically, the following procedures shall be followed:~~<br><br>~~(I) The financial director shall report in writing to the chairman of the board of directors on the day when he finds that the controlling shareholder misappropriates the Company's assets; if the chairman of the board of directors is the controlling shareholder, the financial director shall report in writing to the secretary to the board of directors on the day when the controlling shareholder is found to have misappropriated the Company's assets, and a copy shall be sent to the board of directors;~~<br><br>~~(II) The chairman of the board of directors or the secretary to the board of directors shall send the notice of convening the interim meeting of the board of directors on the day of receiving the written report of the financial director;~~<br><br>~~(III) The secretary to the board of directors shall, in accordance with the resolution of the board of directors, send a notice for repayment within a prescribed period to the controlling shareholder, apply to the relevant judicial departments for handling the freezing of the shares held by the controlling shareholder and other related matters, and make proper disclosure of the relevant information;~~<br><br>~~(IV) If the controlling shareholder is unable to make repayment within a prescribed period, the Company shall make application to the relevant judicial departments within thirty (30) days after the expiration of such prescribed period for the realization of the frozen shares to compensate for the misappropriated assets. Secretary to the board of directors shall be responsible for making proper disclosure of such information.~~ | |

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| ~~The directors, supervisors and senior management of the Company shall have the legal obligation to maintain the safety of the Company's assets. For the directors, supervisors and senior management who connive and help the controlling shareholders, actual controller and their affiliated enterprises to misappropriate the Company's funds, the Company shall, depending on the seriousness of the case, give a notice and disciplinary warning to the person directly responsible, and dismiss the directors, supervisors or senior management who are seriously responsible.~~ | |
| / | **(Addition)**<br><br>**Section 2 Controlling Shareholders and Actual Controllers**<br><br>**Article 41 The controlling shareholders and actual controller of the Company shall exercise their rights and perform their obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the listing rules of the stock exchanges where the Company's shares are listed, so as to safeguard the Company's interests.**<br><br>**Article 42 The controlling shareholders and actual controller of the Company shall comply with the following provisions:**<br><br>**(I) Exercise their shareholder rights in accordance with the law, and shall not abuse their controlling power or use connected relationships to harm the legitimate rights and interests of the Company or other shareholders;**<br><br>**(II) Strictly perform their public statements and various commitments, and shall not unilaterally modify or exempt themselves from such commitments;**<br><br>**(III) Strictly fulfill their information disclosure obligations in accordance with relevant provisions, actively cooperate with the Company in information disclosure work, and promptly inform the Company of material events that have occurred or are proposed to occur;** |

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| | **(IV) Shall not misappropriate the Company's funds in any manner;**<br><br>**(V) Shall not coerce, instigate or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;**<br><br>**(VI) Shall not use the Company's unpublished material information to seek benefits, shall not disclose unpublished material information related to the Company in any manner, and shall not engage in illegal or non-compliant acts such as insider trading, short-term trading or market manipulation;**<br><br>**(VII) Shall not harm the legitimate rights and interests of the Company and other shareholders through any means such as unfair related transactions, profit distribution, asset restructuring or external investment;**<br><br>**(VIII) Ensure the Company's integrity of assets, independence of personnel, financial independence, organizational independence and business independence, and shall not affect the Company's independence in any manner;**<br><br>**(IX) Other provisions of laws, administrative regulations, the CSRC, the business rules of stock exchanges and the Articles of Association.**<br><br>**Where a controlling shareholder or actual controller of the Company does not hold the position of a director of the Company but actually performs the Company's affairs, the provisions of the Articles of Association regarding the fiduciary duties and duties of diligence of directors shall apply.**<br><br>**Where a controlling shareholder or actual controller of the Company instructs a director or senior management to engage in acts that harm the interests of the Company or shareholders, such controlling shareholder or actual controller shall bear joint and several liability with such director or senior management.**<br><br>**Article 43 Where a controlling shareholder or actual controller pledges the Company's shares held or actually controlled by them, they shall maintain the stability of the Company's control and production operations.** |

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| | **Article 44 Where a controlling shareholder or actual controller transfers the shares of the Company held by them, they shall comply with the restrictive provisions on share transfer stipulated in laws, administrative regulations, the CSRC and the Shenzhen Stock Exchange, as well as the commitments made by them regarding restricted share transfers.** |
| Article 42 The shareholders' general meeting is the body exercising the authority of the Company and shall exercise the following duties and powers in accordance with the law:<br><br>~~**(I) To determine the business policies and investment plans of the Company;**~~<br><br>(II) To elect and replace directors ~~**and supervisors**~~ who are not staff representatives, and to determine matters relating to the remuneration of the relevant directors ~~**and supervisors**~~;<br><br>(III) To consider and approve the reports of the board of directors;<br><br>(IV) To consider and approve the reports of the supervisory committee;<br><br>~~**(V) To consider and approve the proposed annual preliminary financial budgets, final account proposals and annual reports of the Company;**~~<br><br>(VI) To consider and approve the profit distribution plans and plans for loss recovery of the Company;<br><br>(VII) To determine increases or reductions in the registered capital of the Company;<br><br>(VIII) To determine the issuance of corporate bonds by the Company;<br><br>(IX) To determine matters such as merger, division, dissolution and liquidation of the Company or alteration of corporate form; | Article 45 The shareholders' general meeting, **consisting of all shareholders,** is the body exercising the authority of the Company and shall exercise the following duties and powers in accordance with the law:<br><br>(I) To elect and replace directors who are not staff representatives, and to determine matters relating to the remuneration of the relevant directors;<br><br>(II) To consider and approve the reports of the board of directors;<br><br>(III) To consider and approve the profit distribution plans and plans for loss recovery of the Company;<br><br>(IV) To determine increases or reductions in the registered capital of the Company;<br><br>(V) To determine the issuance of corporate bonds by the Company;<br><br>(VI) To determine matters such as merger, division, dissolution and liquidation of the Company or alteration of corporate form;<br><br>(VII) To amend the Articles of Association;<br><br>(VIII) To determine the appointment **or** dismissal of accounting firms **undertaking the Company's audit services;**<br><br>(IX) To consider and approve the guarantee issues as prescribed in Article **46** of the Articles of Association; |

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| (X) To amend the Articles of Association;<br><br>(XI) To determine the appointment, dismissal **or non-renewal** of accounting firms **by the Company**;<br><br>(XII) To consider and approve the guarantee issues as prescribed in Article **67** of the Articles of Association;<br><br>(XIII) To consider matters relating to the purchases and disposals of material assets **(the amount shall be calculated based on the higher of the total assets and the transaction amount)**, which are more than 30% of the latest audited total assets of the Company, within one year;<br><br>(XIV) To consider and approve matters relating to changes in the use of proceeds;<br><br>(XV) To consider share incentive plans and employee shareholding plans;<br><br>~~**(XVI) To consider the proposals raised by the shareholders who, individually or jointly, hold 3% or more of the voting shares of the Company;**~~<br><br>(XVII) The annual shareholders' general meeting of the Company is entitled to authorize the board of directors to decide the issuance of shares with a total financing amount of no more than RMB300 million and no more than 20% of the net assets as at the end of the latest year to specific subscriber(s), and such authorization will expire on the convention date of the annual shareholders' general meeting for the next year. For the avoidance of doubt, any issuance of shares by the Company shall be subject to and conducted in compliance with the listing rules of the place where the Company's shares are listed. The General Meeting shall have the power to authorize the Board to issue new H Shares in the manner permitted under the applicable Listing Rules and such resolution shall be without limitation to the foregoing provisions;<br><br>(XVIII) To consider other matters required to be resolved by the shareholders' general meeting pursuant to laws, administrative regulations, departmental rules and regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.<br><br>**Save for item (XVII) of this Article, the aforesaid functions and powers of shareholders' general meetings shall not be delegated through authorization to the board of directors or any other institution or individual.** | (X) To consider matters relating to the purchases and disposals of material assets (**including but not limited to the definition of major assets as specified in the listing rules of the stock exchange where the Company's shares are listed**), which are more than 30% of the latest audited total assets of the Company, within one year;<br><br>(XI) To consider and approve matters relating to changes in the use of proceeds;<br><br>(XII) To consider share incentive plans and employee shareholding plans;<br><br>(XIII) The annual shareholders' general meeting of the Company is entitled to authorize the board of directors to decide the issuance of shares with a total financing amount of no more than RMB300 million and no more than 20% of the net assets as at the end of the latest year to specific subscriber(s), and such authorization will expire on the convention date of the annual shareholders' general meeting for the next year. For the avoidance of doubt, any issuance of shares by the Company shall be subject to and conducted in compliance with the listing rules of the place where the Company's shares are listed. The General Meeting shall have the power to authorize the Board to issue new H Shares in the manner permitted under the applicable Listing Rules and such resolution shall be without limitation to the foregoing provisions;<br><br>(XIV) To consider other matters required to be resolved by the shareholders' general meeting pursuant to laws, administrative regulations, departmental rules and regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.<br><br>**The shareholders' general meeting may authorize the board of directors to make resolutions on the issuance of the Company's corporate bonds. Except as otherwise provided by laws, administrative regulations, the provisions of the CSRC or the listing rules of the stock exchange where the Company's shares are listed, the aforesaid powers of the shareholders' general meeting shall not be exercised on its behalf by the board of directors, other institutions or individuals through authorization.** |

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| Article 43<br><br>...<br><br>The target of financial assistance is a controlling subsidiary included in the consolidated financial statements of the Company and owned as to over 50% by the Company and the shareholders of such controlling subsidiary are not the controlling shareholders or the actual controller and its connected parties of the Company, thereby such financial assistance shall be exempted from the provisions mentioned above.<br><br>~~**The Company shall not provide financial assistance such as funds to its connected parties including directors, supervisors, senior management, controlling shareholders, actual controllers and their controlling subsidiaries. Where other shareholders of the affiliated joint-stock company (the affiliated corporation with the participation of the Company and in compliance with the provisions of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange ChiNext Market, excluding the subjects controlled by the controlling shareholders, actual controllers and affiliates of the Company) provide the similar financial assistance in proportion to capital distribution, the financial assistance provided for such affiliated joint-stock company by the Company shall, in addition to the approval of more than half of the uninterested directors, be considered and approved by more than two thirds of the uninterested directors present at the board meeting and submit to the shareholders' general meeting for consideration.**~~<br><br>~~**Save as specified above, other shareholders of the Company shall, in principle, provide the similar financial assistance in proportion to capital distribution if the Company provides financial assistance for the controlling subsidiaries and joint-stock companies. In case of failure to provide such assistance, such shareholders shall state the reasons, the excuse for the interests of the Company being free from damage, and whether the Company has required other shareholders mentioned above to provide corresponding guarantees.**~~ | Article 46<br><br>...<br><br>The target of financial assistance is a controlling subsidiary included in the consolidated financial statements of the Company and owned as to over 50% by the Company and the shareholders of such controlling subsidiary are not the controlling shareholders or the actual controller and its connected parties of the Company, thereby such financial assistance shall be exempted from the provisions mentioned above.<br><br>**The Company shall not provide financial assistance to related parties, except in the case where it provides financial assistance to affiliated companies (excluding entities controlled by the controlling shareholders or actual controller of the Company) and other shareholders of such affiliated joint-stock company provide financial assistance on the same terms in proportion to their capital contributions. Where the Company provides financial assistance to the aforesaid related affiliated joint-stock company, such matter shall not only be deliberated and approved by a majority of all non-related directors, but also be deliberated and approved by more than two-thirds of the non-related directors present at the board meeting, and shall be submitted to the shareholders' general meeting for deliberation.** |

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| Article 45 The Company shall convene an extraordinary shareholders' general meeting within 2 months upon the occurrence of the following events: | Article 48 The Company shall convene an extraordinary shareholders' general meeting within 2 months upon the occurrence of the following events: |
| (I) The number of directors is less than the number as stipulated in the Company Law or less than two-thirds of the number as prescribed in the Articles of Association; | (I) The number of directors is less than the number as stipulated in the Company Law or less than two-thirds of the number as prescribed in the Articles of Association; |
| (II) The uncovered losses of the Company amount to one-third of the total ~~**paid up**~~ share capital; | (II) The uncovered losses of the Company amount to one-third of the total share capital; |
| (III) Shareholders individually or jointly holding 10% or more of the shares of the Company request to convene an extraordinary shareholders' general meeting on a one vote per share basis; | (III) Shareholders individually or jointly holding 10% or more of the shares of the Company request to convene an extraordinary shareholders' general meeting on a one vote per share basis; |
| (IV) Whenever the board of directors considers it necessary; | (IV) Whenever the board of directors considers it necessary; |
| (V) When the **supervisory** audit committee proposes so proposes; | (V) When the **audit** committee proposes so proposes; |
| (VI) Other circumstances as provided by laws, administrative regulations, departmental rules and regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association. | (VI) Other circumstances as provided by laws, administrative regulations, departmental rules and regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association. |
| The shareholdings referred to in item (III) above shall be calculated as at the date of written request of the shareholders. | The shareholdings referred to in item (III) above shall be calculated as at the date of written request of the shareholders. |

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| Article 48 Independent non-executive directors are entitled to propose to the board of directors to convene an extraordinary general meeting, provided that the proposal shall be made to the board of directors in writing. The board of directors shall, pursuant to laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receiving such proposal.<br><br>In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the board of directors. In the event that the board of directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given. | Article 51 **The board of directors shall convene the shareholders' general meeting on time within the prescribed time limit. With the consent of a majority of all independent non-executive directors,** independent non-executive directors are entitled to propose to the board of directors to convene an extraordinary general meeting, provided that the proposal shall be made to the board of directors in writing. The board of directors shall, pursuant to laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receiving such proposal.<br><br>In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the board of directors. In the event that the board of directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given **and disclosed.** |
| Article 55 When a general meeting is convened by the Company, the board of directors, the **supervisory** committee or shareholders individually or jointly holding **3%** or more of the shares of the Company shall be entitled to raise proposals to the Company. The shareholders who raise the ad hoc proposed resolutions shall provide the convener with supporting documents (including but not limited to electronic certificates issued by China Securities Depository and Clearing Corporation Limited, or account statements issued by custodian securities firms bearing the firm's official seal) certifying that they hold more than **3%** of the Company's shares. Where shareholders make a joint proposal through entrustment, the entrusting shareholder shall issue a written authorization document to the entrusted shareholder. | Article 58 When a general meeting is convened by the Company, the board of directors, the **audit** committee or shareholders individually or jointly holding 1% or more of the shares of the Company shall be entitled to raise proposals to the Company. The shareholders who raise the ad hoc proposed resolutions shall provide the convener with supporting documents (including but not limited to electronic certificates issued by China Securities Depository and Clearing Corporation Limited, or account statements issued by custodian securities firms bearing the firm's official seal) certifying that they hold more than **1%** of the Company's shares. Where shareholders make a joint proposal through entrustment, the entrusting shareholder shall issue a written authorization document to the entrusted shareholder. |

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| On a one vote per share basis, shareholders individually or jointly holding **3%** or more of the shares of the Company may submit ad hoc proposed resolutions in writing to the convener of the general meeting 10 days before the convening of the general meeting. The letter of ad hoc proposal shall include the name and particulars of proposal, the statement made by the proposer that the proposal conforms to the provisions of the Rules for General Meeting of Listed Companies and the listing rules of the stock exchange where the Company's shares are listed and the statement made by the proposer guaranteeing the authenticity of the shareholding proof documents and power of attorney provided by the proposer. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt of the proposals **and announce the contents thereof.** ~~**If the notice period of the supplemental notice fails to meet the relevant provisions of the listing rules of the stock exchange where the Company's shares are listed, the convener shall postpone the convening of the general meeting and issue the notice of extension in accordance with the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.**~~<br><br>... | On a one vote per share basis, shareholders individually or jointly holding 1% or more of the shares of the Company may submit ad hoc proposed resolutions in writing to the convener of the general meeting 10 days before the convening of the general meeting. The letter of ad hoc proposal shall include the name and particulars of proposal, the statement made by the proposer that the proposal conforms to the provisions of the Rules for General Meeting of Listed Companies and the listing rules of the stock exchange where the Company's shares are listed and the statement made by the proposer guaranteeing the authenticity of the shareholding proof documents and power of attorney provided by the proposer. The convener shall issue a supplemental notice **or a supplementary circular** of the general meeting within 2 days upon receipt of the proposals, **inform of the contents of the ad hoc proposal, and submit the ad hoc proposal to the shareholders' general meeting for deliberation, except where the ad hoc proposal violates the provisions of laws, administrative regulations or the Articles of Association, or does not fall within the scope of the shareholders' general meeting's powers.**<br><br>... |
| Article 56 The convener shall inform each shareholder the annual shareholders' general meeting by way of announcement **20** days before the meeting, and shall inform each shareholder the extraordinary shareholders' general meeting by way of announcement 15 days before the meeting. In determining the commencement date and the period, the Company shall not include the date on which the meeting is held, but shall include the date on which the notice is given. | Article 59 The convener shall inform each shareholder the annual shareholders' general meeting by way of announcement **21** days before the meeting, and shall inform each shareholder the extraordinary shareholders' general meeting by way of announcement 15 days before the meeting. In determining the commencement date and the period, the Company shall not include the date on which the meeting is held, but shall include the date on which the notice is given. |

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| ~~**Article 57 After the notice of the shareholders' general meeting is given and before the meeting is held, the convener may, in accordance with the Company Law and relevant provisions, issue a second notice of the shareholders' general meeting.**~~ | **Deleted** |
| Article 58 A notice of shareholders' general meeting shall:<br><br>…<br><br>The notice and the supplementary notice of the general meeting shall fully and completely disclose all the specific content of all proposals. ~~**If any matter to be discussed requires the opinions of the independent non-executive directors, the opinions and reasons of the independent non-executive directors shall be disclosed together with the issuance of such notice.**~~<br><br>The starting time for voting through the online voting system at a general meeting is 9:15 am on the day the general meeting is held, and the voting shall conclude at 3:00 pm on the day on which the on-site general meeting held is adjourned. The time for online voting through the trading system of the Shenzhen Stock Exchange shall be the trading hours on the day the general meeting is convened. If there are any special requirements under the listing rules of the stock exchange in the place where the shares of the Company are listed, such requirements shall prevail.<br><br>The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall be ~~**not less than 2 working days and**~~ no more than 7 working days. The shareholding record date shall not be changed once confirmed. | Article 60 A notice of shareholders' general meeting shall:<br><br>…<br><br>The notice and the supplementary notice of the general meeting shall fully and completely disclose all the specific content of all proposals.<br><br>The starting time for voting through the online voting system at a general meeting is 9:15 am on the day the general meeting is held, and the voting shall conclude at 3:00 pm on the day on which the on-site general meeting held is adjourned. The time for online voting through the trading system of the Shenzhen Stock Exchange shall be the trading hours on the day the general meeting is convened. If there are any special requirements under the listing rules of the stock exchange in the place where the shares of the Company are listed, such requirements shall prevail.<br><br>The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall be no more than 7 working days. The shareholding record date shall not be changed once confirmed. |

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| Article 65 The appointment of a proxy shall be in writing and signed by the appointing shareholder or his/her attorney duly authorized in writing; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its director or attorney duly authorized. The proxy form to appoint a proxy to attend any shareholders' general meeting by a shareholder shall contain the following:<br><br>**(I) Name of the proxy;**<br><br>**(II) The number of shares of the principal represented by the proxy;**<br><br>**(III) Whether the proxy has voting rights;**<br><br>**(IV) Indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;**<br><br>(V) Date of signing of the instrument and term of validity;<br><br>(VI) The signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed. | Article 67 The appointment of a proxy shall be in writing and signed by the appointing shareholder or his/her attorney duly authorized in writing; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its director or attorney duly authorized. The proxy form to appoint a proxy to attend any shareholders' general meeting by a shareholder shall contain the following:<br><br>**(I) the name of the appointing shareholder and the class and number of the Company's shares held by him/her/it;**<br><br>**(II) the name of the proxy and indicate whether the appointing shareholder has the authority to appoint the proxy;**<br><br>**(III) the specific instructions from the appointing shareholder, including of for, against or abstain concerning each proposal to be resolved on the agenda of general meeting; If the form returned does not indicate how the proxy should vote on the agenda, the proxy may decide whether or not to vote; if so, how to vote;**<br><br>(IV) Date of signing of the instrument and term of validity;<br><br>(V) The signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed. |
| ~~**Article 66 The proxy forms shall contain a statement that in the absence of specific instructions by the shareholder, the proxy may vote as he/she thinks fit.**~~ | **Deleted** |
| Article 68 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of the attendees (or names of organizations), identity card numbers, ~~**residential addresses,**~~ the number of shares held or voting rights represented and names of the proxies (or name of organizations). | Article 69 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of the attendees (or names of organizations), identity card numbers, the number of shares held or voting rights represented and names of the proxies (or name of organizations). |
| Article 70 When a shareholders' general meeting is convened, all the directors, **supervisors and the secretary to the board of directors** of the Company shall attend the meeting, and managers and other senior management shall be present at such meeting. | Article 71 When a shareholders' general meeting is convened, all the directors, **senior management** of the Company shall be present at such meeting, **and accept shareholders' inquiries at the request of the shareholders' general meeting.** |

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| Article 71 **A shareholders' general meeting shall be convened and presided over by the chairman of the board of directors. If the chairman is unable to attend the meeting for any reason,** a director jointly recommended by more than half of the directors shall preside over the meeting. | Article 72 **A shareholders' general meeting shall be presided over by the chairman of the board of directors. If the chairman is unable or fails to discharge his/her duties,** a director jointly recommended by more than half of the directors shall preside over the meeting. |
| If a shareholders' general meeting is convened by **the supervisory committee, the chairman of the supervisory committee** shall preside over the meeting. If **the chairman of the supervisory committee** is unable or fails to discharge his/her duties, half or more of the **supervisors** shall designate a **supervisor** to preside over the meeting. | If a shareholders' general meeting is convened by the **audit committee**, the convener of the **audit committee** shall preside over the meeting. If the convener of the **audit committee** is unable or fails to discharge his/her duties, half or more of **the members of the audit committee shall designate a member** to preside over the meeting. |
| If a shareholders' general meeting is convened by the shareholders themselves, the convener will nominate a representative to preside over the meeting. If for any reason, the convener is unable to elect a representative as a presider to preside over the meeting, the shareholder holding the most voting shares among the conveners (including shareholder proxy) shall act as the presider to preside over the meeting. | If a shareholders' general meeting is convened by the shareholders themselves, the convener or the convener nominate a representative to preside over the meeting. If for any reason, the convener is unable to elect a representative as a presider to preside over the meeting, the shareholder holding the most voting shares among the conveners (including shareholder proxy) shall act as the presider to preside over the meeting. |
| When a shareholders' general meeting is convened, if the chairman of the meeting contravenes the Rules of Procedures for Shareholders' General Meetings, rendering the meeting impossible to proceed, with the consent from half or more of the attending shareholders with voting rights, one person may be nominated at the shareholders' general meeting to serve as the chairman and the meeting may proceed. | When a shareholders' general meeting is convened, if the chairman of the meeting contravenes the Rules of Procedures for Shareholders' General Meetings, rendering the meeting impossible to proceed, with the consent from half or more of the attending shareholders with voting rights, one person may be nominated at the shareholders' general meeting to serve as the chairman and the meeting may proceed. |

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| Article 80 The following matters shall be passed by way of an ordinary resolution at a shareholders' general meeting:<br><br>(I) Work reports of the board of directors **and the supervisory committee**;<br><br>(II) Profit distribution plan and loss recovery plan formulated by the board of directors;<br><br>(III) Appointment and removal of members of the board of directors **and members of the supervisory committee**, their remuneration and method of payment thereof;<br><br>(IV) Proposed annual preliminary financial budgets, final account proposals, balance sheets, statement of income and other financial statements of the Company;<br><br>(V) Annual reports of the Company;<br><br>(VI) **Appointment, removal** and remuneration of accounting firms;<br><br>(VII) Matters other than those requiring the approval by way of special resolutions in accordance with the provisions of the laws, administrative regulations, listing rules of the place where the shares of the Company are listed or the Articles of Association. | Article 81 The following matters shall be passed by way of an ordinary resolution at a shareholders' general meeting:<br><br>(I) Work reports of the board of directors;<br><br>(II) Profit distribution plan and loss recovery plan formulated by the board of directors;<br><br>(III) Appointment and removal of members of the board of directors, their remuneration and method of payment thereof;<br><br>(IV) **Appointment, dismissal** and remuneration of accounting firms;<br><br>(V) Matters other than those requiring the approval by way of special resolutions in accordance with the provisions of the laws, administrative regulations, listing rules of the place where the shares of the Company are listed or the Articles of Association. |

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| Article 81 The following matters shall be passed by way of a special resolution at a shareholders' general meeting:<br><br>(I) Amendment of the Articles of Association and its appendixes (including the rules of procedure for general meetings, the rules of procedure for meetings of the Board **and the rules of procedure for meetings of the Supervisory Committee) (regardless of the form)**;<br><br>(II) Amendment or abolition of all or any right appended to any class shares;<br><br>(III) Increase or reduction of the registered capital;<br><br>(IV) The Merger, division, dissolution, liquidation (including voluntary liquidation) or changes in the organizational form of the Company;<br><br>(V) Spin-off of subsidiaries for listing;<br><br>(VI) Purchases or disposals of material assets or the guarantees within twelve consecutive months which are more than 30% of the latest audited total assets of the Company;<br><br>(VII) Issuance by the Company of shares, convertible bonds and other securities as recognized by CSRC;<br><br>(VIII) Repurchase of shares for the purpose of reducing the registered capital;<br><br>(IX) Restructuring of major assets;<br><br>(X) Share incentive plan;<br><br>(XI) Resolution of the shareholders' general meeting of the listed company to voluntarily withdraw its shares from the stock exchange in the place where the shares of the Company are listed and traded, and the decision to cease the trading on any stock exchange or to apply for trading or transfer on other trading venues; | Article 82 The following matters shall be passed by way of a special resolution at a shareholders' general meeting:<br><br>(I) Amendment of the Articles of Association and its appendixes (including the rules of procedure for general meetings, the rules of procedure for meetings of the Board);<br><br>(II) Amendment or abolition of all or any right appended to any class shares;<br><br>(III) Increase or reduction of the registered capital;<br><br>(IV) The Merger, division, dissolution, liquidation (including voluntary liquidation) or changes in the organizational form of the Company;<br><br>(V) Spin-off of subsidiaries for listing;<br><br>(VI) Purchases or disposals of material assets or the amount guarantees **provided to others** within twelve consecutive months which are more than 30% of the latest audited total assets of the Company;<br><br>(VII) Issuance by the Company of shares, convertible bonds and other securities as recognized by CSRC;<br><br>(VIII) Repurchase of shares for the purpose of reducing the registered capital;<br><br>(IX) Restructuring of major assets;<br><br>(X) Share incentive plan;<br><br>(XI) Resolution of the shareholders' general meeting to voluntarily withdraw its shares from the stock exchange in the place where the shares of the Company are listed and traded, and the decision to cease the trading on any stock exchange or to apply for trading or transfer on other trading venues; |

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| (XII) Other matters required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association and those that the shareholders' general meeting by way of an ordinary resolution concluded that may have a material impact on the Company and require adoption by way of a special resolution.<br><br>The resolutions mentioned in items (V) and (XI) above, in addition to being required to be passed by more than two thirds of voting rights held by shareholders present at the shareholders' general meeting, requires also the approval of more than two thirds of voting rights held by other shareholders present at the meeting excluding the Company's directors, **supervisors,** senior management and shareholders who individually or collectively hold more than 5% of the listed company's shares. | (XII) Other matters required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association and those that the shareholders' general meeting by way of an ordinary resolution concluded that may have a material impact on the Company and require adoption by way of a special resolution.<br><br>The resolutions mentioned in items (V) and (XI) above, in addition to being required to be passed by more than two thirds of voting rights held by shareholders present at the shareholders' general meeting, requires also the approval of more than two thirds of voting rights held by other shareholders present at the meeting excluding the Company's directors, senior management and shareholders who individually or collectively hold more than 5% of the listed company's shares. |
| Article 85 The list of candidates for director ~~**and supervisor**~~ shall be proposed to the shareholders' general meeting for voting.<br><br>The ways and procedures for nominating directors **and supervisors** of the Company are:<br><br>(I) When a re-election of the board of directors or an additional or replacement of director made by the board of directors takes place, incumbent board of directors and shareholders individually or collectively holding over **3%** of the Company's shares may nominate candidates, without exceeding the number of persons to be elected, for the position of director for the next session of the board of directors or additional candidates for the position of director who are not staff representatives; | Article 86 The list of candidates for director shall be proposed to the shareholders' general meeting for voting.<br><br>The ways and procedures for nominating directors of the Company are:<br><br>(I) When a re-election of the board of directors or an additional or replacement of director made by the board of directors takes place, incumbent board of directors and shareholders individually or collectively holding over **1%** of the Company's shares may nominate candidates, without exceeding the number of persons to be elected, for the position of director for the next session of the board of directors or additional candidates for the position of director who are not staff representatives; |

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| **(II) When a re-election of the supervisory committee or an additional or replacement of supervisor made by the supervisory committee takes place, incumbent supervisory committee and shareholders individually or collectively holding over 3% of the Company's shares may nominate candidates, without exceeding the number of persons to be elected, for the position of supervisor for the next session of the supervisory committee or additional candidates for the position of supervisor who are not staff representatives;**<br><br>(III) The shareholders shall provide the board of directors **and the supervisory committee** with the resumes and basic particulars of the nominated candidates for the position of director **or supervisor**. The incumbent board of directors **and supervisory committee** shall conduct a review on qualifications. The qualified directors **or supervisors** shall be submitted to the shareholders' general meeting for election;<br><br>(IV) At request of the Company, the candidates for the position of director **or supervisor** shall undertake to the Company in written form the followings, including but not limited to, agreeing to accept the nomination, undertaking that the information submitted about themselves are true and complete, and warranting that they will duly perform the duties upon successful election.<br><br>..... | **(II) Candidates for directors who are employee representatives shall be democratically elected by the company's employees through employee representative's meeting, employee's meeting, or other means, and do not need to be submitted to the company's shareholders' general meeting for resolution;**<br><br>(III) The shareholders shall provide the board of directors with the resumes and basic particulars of the nominated candidates for the position of director. The incumbent board of directors shall conduct a review on qualifications. The qualified directors or supervisors shall be submitted to the shareholders' general meeting for election;<br><br>(IV) At request of the Company, the candidates for the position of director shall undertake to the Company in written form the followings, including but not limited to, agreeing to accept the nomination, undertaking that the information submitted about themselves are true and complete, and warranting that they will duly perform the duties upon successful election.<br><br>..... |

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| Article 90 Before voting on a proposal at the shareholders' general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. If any shareholder is connected with the matters to be considered, such shareholder and its proxy shall not participate in the counting or scrutinizing of votes.<br><br>When resolutions are to be voted at the shareholders' general meeting, the counting of votes and scrutinizing of the vote counting shall be conducted by lawyers, shareholder representatives **and supervisor representatives**. The voting results are to be announced immediately. The voting results on resolutions shall be recorded in the minutes of the meeting.<br><br>The shareholders of the Company or their proxies who cast votes by online voting or other means shall be entitled to check their respective voting results through corresponding voting systems. | Article 91 Before voting on a proposal at the shareholders' general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. If any shareholder is connected with the matters to be considered, such shareholder and its proxy shall not participate in the counting or scrutinizing of votes.<br><br>When resolutions are to be voted at the shareholders' general meeting, the counting of votes and scrutinizing of the vote counting shall be conducted by lawyers, shareholder representatives and **other vote counting representatives**. The voting results are to be announced immediately. The voting results on resolutions shall be recorded in the minutes of the meeting.<br><br>The shareholders of the Company or their proxies who cast votes by online voting or other means shall be entitled to check their respective voting results through corresponding voting systems. |
| Article 91 The on-site voting shall not end earlier than the network voting or any other method of voting at the shareholders' general meeting. The chairman of the meeting shall announce details of voting in connection with each proposal and the voting result. The chairman of the meeting shall be held responsible for announcing whether or not a resolution has been passed based on voting result, and such result shall be announced at the meeting and be recorded in the minutes of meeting. The minutes of meeting, the attendance register and proxy forms shall be kept at the Company's domicile.<br><br>The Company, counting and monitoring parties, **significant shareholders** and others involved in on-site, online or other kinds of voting at the shareholders' general meeting shall not disclose the voting results to any other party before such results are officially announced. | Article 92 The on-site voting shall not end earlier than the network voting or any other method of voting at the shareholders' general meeting. The chairman of the meeting shall announce details of voting in connection with each proposal and the voting result. The chairman of the meeting shall be held responsible for announcing whether or not a resolution has been passed based on voting result, and such result shall be announced at the meeting and be recorded in the minutes of meeting. The minutes of meeting, the attendance register and proxy forms shall be kept at the Company's domicile.<br><br>The Company, counting and monitoring parties, **shareholders, network service** provider and others involved in on-site, online or other kinds of voting at the shareholders' general meeting shall not disclose the voting results to any other party before such results are officially announced. |

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| Article 106 A director of the Company is a natural person **and needs not hold the shares of the Company.** The directors shall include executive directors, non-executive directors and independent non-executive directors. The executive directors shall be the directors participating in the production and operation of the Company; the non-executive directors shall be the directors other than independent non-executive directors who do not participate in the production and operation of the Company; the independent non-executive directors shall be the directors who, pursuant to the Listing Rules of the Stock Exchange where the Company's shares are listed and the provisions of these Articles, are not holding any other positions in the Company other than the director and have no direct or indirect interests with the Company, its substantial shareholders or actual controller, or other relationships that may affect him/her from making an independent and objective judgment. | Article 107 A director of the Company is a natural person. The directors shall include executive directors, non-executive directors and independent non-executive directors. The executive directors shall be the directors participating in the production and operation of the Company; the non-executive directors shall be the directors other than independent non-executive directors who do not participate in the production and operation of the Company; the independent non-executive directors shall be the directors who, pursuant to the Listing Rules of the Stock Exchange where the Company's shares are listed and the provisions of these Articles, are not holding any other positions in the Company other than the director and have no direct or indirect interests with the Company, its substantial shareholders or actual controller, or other relationships that may affect him/her from making an independent and objective judgment.<br><br>**The following persons shall not serve as directors of the Company:**<br><br>**(I) persons without capacity for or with limited capacity for civil conduct;**<br><br>**(II) persons who have committed offences relating to corruption, bribery, embezzlement of property, misappropriation of property or disruption of socialist economic order and have been sentenced to criminal punishment, or who have been deprived of their political rights due to the commission of a criminal offense, where less than five (5) years has elapsed since the date of completion of the imprisonment, For those who have been given a suspended sentence, the period of less than two (2) years has elapsed since the expiration of the probation period;**<br><br>**(III) persons who were former directors, factory managers or manager of a company or enterprise which was declared bankrupt and was liquidated due to mismanagement and who were personally liable for the bankruptcy of such company or enterprise, where less than three (3) years has elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;** |

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| | **(IV) persons who were legal representatives of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who were personally liable, where less than three (3) years has elapsed since the date of the revocation;**<br><br>**(V) persons who have a substantial amount of debts due and outstanding and are listed as dishonest debtors by the People's Court;**<br><br>**(VI) persons who have been punished by the CSRC through taking measures to ban them from the securities market for a period which has not yet expired;**<br><br>**(VII) persons who have been publicly recognized by the stock exchange where the Company's shares are listed or relevant regulatory authorities as unsuitable for serving as a director (including but not limited to the determination of the independence of independent non-executive directors) and senior management of the Company for a period that has not yet expired;**<br><br>**(VIII) other circumstances that prohibit a person as stipulated in laws, administrative regulations, departmental rules or listing rules of stock exchange of the place where the shares of the Company are listed.**<br><br>**If a director is elected or appointed in violation of the provisions of this Article, the election, appointment or employment shall be invalid. Any director fulfilling the circumstances in this Article during his/her tenure shall be removed by the Company, and cease to perform his or her duties.** |

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| Article 107 Directors shall be elected or changed by the shareholders' general meeting and serve a term of 3 years. A director may serve consecutive terms if re-elected upon the expiry of his/her term. Prior to the expiration of a director's term, his appointment shall not be terminated by the shareholders' general meeting without reasons. The shareholders' general meeting shall remove a director before expiration of his/her term by an ordinary resolution in accordance with the relevant laws and administrative regulations and the applicable provisions provided by the securities regulatory authorities where the shares of the Company are listed (however, any claim for damages which may be raised by such director in accordance with any contract will not be affected).<br><br>A director's term of service commences from the date he takes office, until the current term of service of the board of directors ends. If a director's term of service expires but a new director is not elected in a timely manner, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and the Articles of Association until the newly elected director takes office.<br><br>A director's post may be assumed by a **manager or other** senior management, but the sum of the total number of directors who also assume the duties of the manager or other senior management and the number of staff representative directors, shall not exceed one half of the total number of directors of the Company. | Article 108 Directors shall be elected or changed by the shareholders' general meeting and serve a term of 3 years. A director may serve consecutive terms if re-elected upon the expiry of his/her term, **but the term of office of an independent non-executive director shall not exceed 6 years.** Prior to the expiration of a director's term, his appointment shall not be terminated by the shareholders' general meeting without reasons. The shareholders' general meeting shall remove a director before expiration of his/her term by an ordinary resolution in accordance with the relevant laws and administrative regulations and the applicable provisions provided by the securities regulatory authorities where the shares of the Company are listed (however, any claim for damages which may be raised by such director in accordance with any contract will not be affected).<br><br>A director's term of service commences from the date he takes office, until the current term of service of the board of directors ends. If a director's term of service expires but a new director is not elected in a timely manner, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and the Articles of Association until the newly elected director takes office.<br><br>A director's post may be assumed by the senior management, but the sum of the total number of directors who also assume the duties of the senior management and the number of staff representative directors, shall not exceed one half of the total number of directors of the Company. |

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| Article 108 The directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:<br><br>**(I) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company;**<br><br>~~**(II) not to misappropriate the money of the Company;**~~<br><br>(III) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;<br><br>**(IV) not to violate the Articles of Association and lend the money of the Company to others or provide guarantee to others by charging the Company's assets without approval of the shareholders' general meetings or the board of directors;**<br><br>**(V) not to enter into contracts or transactions with the Company in violation of the Articles of Association or without approval of the shareholders' general meeting;**<br><br>**(VI) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, or to run his/her own or others' business which is similar to the Company's business without approval of the shareholders' general meeting;**<br><br>(VII) not to accept commissions in relation to transactions between any third party and the Company;<br><br>(VIII) not to disclose the secrets of the Company without consent;<br><br>(IX) not to use their connections to harm the interests of the Company;<br><br>(X) to be bound by other obligations stipulated by the laws, administrative regulations, departmental rules and the Articles of Association. | Article 109 The directors shall comply with the laws, administrative regulations and the Articles of Association **and should be taken to avoid conflicts between one's own interests and the interests of the Company, and power should not be used to seek improper benefits.** The directors shall faithfully perform their following obligations to the Company:<br><br>**(I) not to misappropriate the properties of the Company and not to misappropriate the fund of the Company;**<br><br>(II) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;<br><br>**(III) not to abuse their rights to accept bribes or other illegal income;**<br><br>**(IV) not to enter into a contract or conduct a transaction with the Company directly or indirectly without reporting to the executive office of managers, the board of directors or the shareholders' general meeting and obtaining approval of the executive office of managers, the board of directors or the shareholders' general meeting in accordance with the provisions of these Articles of Association;**<br><br>**(V) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, unless they report this to the board of directors or shareholders' general meeting and the resolution is approved by the shareholders' general meeting, or the company is prohibited from taking advantage of the business opportunity in accordance with the law, administrative regulations or these Articles of Association;**<br><br>**(VI) not to operate his/her own or others' business which is similar to the Company's business without reporting to the board of directors or the shareholders' general meeting and obtaining approval by the shareholders' general meeting;**<br><br>(VII) not to accept commissions in relation to transactions between any third party and the Company; |

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| The Company shall be entitled to the income gained by the directors in violation of this Article; the director shall be liable for compensation if any loss is caused to the Company. | (VIII) not to disclose the secrets of the Company without consent;<br><br>(IX) not to use their connections to harm the interests of the Company;<br><br>(X) to be bound by other obligations stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.<br><br>The Company shall be entitled to the income gained by the directors in violation of this Article; the director shall be liable for compensation if any loss is caused to the Company.<br><br>**The provisions of paragraph 2, Item (IV) of this article shall apply to contracts or transactions between the company and the close relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or their close relatives, and related persons with other affiliated relationships with directors and senior management.** |
| Article 109 The directors shall comply with the laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association and shall diligently perform their following obligations to the Company:<br><br>(I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;<br><br>(II) to treat all shareholders equally and fairly;<br><br>(III) to understand the operation and management of the Company in a timely manner; | Article 110 The directors shall comply with the laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, **and must be performed with the reasonable care normally expected of an officer in the best interests of the Company. The directors** shall diligently perform their following obligations to the Company:<br><br>(I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;<br><br>(II) to treat all shareholders equally and fairly;<br><br>(III) to understand the operation and management of the Company in a timely manner; |

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| (IV) to approve regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;<br><br>(V) to provide all relevant information required by the **Supervisory Committee** and shall not intervene the performance of the **Supervisory Committee or supervisors** of their duties;<br><br>(VI) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association. | (IV) to approve regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;<br><br>(V) to provide all relevant information required by the **audit Committee** and shall not intervene the performance of the **audit Committee** of their duties;<br><br>(VI) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association. |
| ~~**Article 110 The methods and procedures to nominate directors are as follows:**~~<br><br>~~**(I) the candidates for directors (excluding independent non-executive directors) of the board of directors shall be nominated by the board of directors or shareholder(s) severally or jointly holding more than 3% of the total number of the voting shares of the Company, and shall be elected at a general meeting of the Company.**~~<br><br>~~**(II) the candidates for independent non-executive directors shall be nominated in the way and procedure as specified by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.**~~<br><br>~~**(III) the candidates for directors who accept the nominations shall promise that the information publicly disclosed about them is true and complete, and that they will diligently fulfill the duties as directors if elected.**~~ | **Deleted** |

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| Article 112 A director may resign before expiry of his/her term of service. When a director resigns, **he shall submit a written resignation notice to the board of directors. The board of directors shall make relevant disclosure within two (2) days.**<br><br>If the member of directors falls below the minimum statutory requirement due to a director's resignation, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected directors.<br><br>~~**Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the board of directors.**~~<br><br>~~**Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, any director appointed to fill a casual vacancy to the board of directors shall accept shareholders' election at the first general meeting after acceptance of the appointment.**~~<br><br>~~**Any director appointed to fill a casual vacancy or as an addition to the board of directors shall hold office only until the first general meeting after his/her appointment of the Company and shall be eligible for re-election at the meeting.**~~ | Article 112 A director may resign before expiry of his/her term of service. When a director resigns, **he shall submit a written resignation notice to the Company and the resignation will take effect on the date the Company receives the resignation notice or on the date specified in the resignation notice. The Company shall make relevant disclosure within two (2) trading days.**<br><br>If the member of directors falls below the minimum statutory requirement due to a director's resignation, **or independent non-executive director resigns resulting in the proportion of independent non-executive directors on the board of directors or its specialized committees not complying with the provisions of the Listing Rules of the place where the Company's shares are listed or the Articles of Association, or if there is a shortage of accounting professionals among the independent non-executive directors, the resignation notice shall only take effect after the next director or independent non-executive director fills the vacancy created by his resignation.** The former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected directors.<br><br>**If a director resigns, the Company shall complete the re-election within sixty days from the date of their resignation to ensure that the composition of the board of directors and its special committees complies with the provisions of laws, regulations and these Articles of Association.** |

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| Article 113 When a director's **resignation** takes effect or his/her term of service expires, the director shall complete all transfer procedures with the board of directors. His/her fiduciary duties towards the Company and the shareholders do not necessarily cease after the end of his/her term of service and remain valid for three years after the end of his/her term of service. The duty of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such trade secrets become publicly available information. Other duties of the director may continue for such period as the principle of fairness may require. | Article 113 **The Company has established a director departure management system, which clearly defines the safeguards for accountability and compensation for unfulfilled public commitments and other uncompleted matters.** When a director's resignation takes effect or his/her term of service expires, the director shall complete all transfer procedures with the board of directors. His/her fiduciary duties towards the Company and the shareholders do not necessarily cease after the end of his/her term of service and remain valid for three years after the end of his/her term of service. The duty of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such trade secrets become publicly available information. Other duties of the director may continue for such period as the principle of fairness may require. **The responsibilities that a director should bear for performing his duties during his term of office shall not be exempted or terminated due to his resignation.** |
| / | **(Addition)**<br><br>**Article 114 The shareholders' general meeting shall remove a director by an ordinary resolution and the removal takes effect on the date the resolution is passed. If a director is removed before the expiration of his term without justifiable reasons, the director may seek compensation from the Company.** |
| Article 115 A director shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules in the place where the Company's shares are listed or the Articles of Association in the course of performing his/her duties. | Article 116 **If the director causes damage to others while performing his/her duties in the company, the Company shall bear the liability for compensation; if the director acts with intent or gross negligence, he/she shall also bear the liability for compensation.** The director shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules in the place where the Company's shares are listed or the Articles of Association in the course of performing his/her duties. |
| ~~**Article 116 Independent non-executive directors shall be executed in accordance with the relevant provisions of any laws, administrative regulations, departmental rules and rules in the place where the Company's shares are listed.**~~ | **Deleted** |

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| Article 118 The board of directors shall consist of **eight (8)** directors, including three (3) executive directors, **two (2)** non-executive directors and three (3) independent non- executive directors, and board of directors shall have a chairman. | Article 118 The board of directors shall consist of **nine (9)** directors, including three (3) executive directors, **one (1) director who is the employee representative,** two (2) non-executive directors and three (3) independent non- executive directors, and board of directors shall have a chairman. |
| Article 119 The board of directors shall perform the following duties:<br><br>(I) to convene general meetings and to report to general meetings;<br><br>(II) to implement the resolutions of general meetings;<br><br>(III) to determine business operation plans and investment plans of the Company;<br><br>**(IV) to formulate annual preliminary and final financial budgets of the Company;**<br><br>(V) to formulate the profit distribution plans and plans for recovery of losses of the Company;<br><br>..... | Article 119 The board of directors shall perform the following duties:<br><br>(I) to convene general meetings and to report to general meetings;<br><br>(II) to implement the resolutions of general meetings;<br><br>(III) to determine business operation plans and investment plans of the Company;<br><br>(IV) to formulate the profit distribution plans and plans for recovery of losses of the Company;<br><br>..... |
| Article 135 The board of directors shall file resolutions as minutes, which shall be signed by the attending directors. Any attending director shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting. | Article 135 The board of directors shall file resolutions as minutes, which shall be signed by the attending directors. Any attending director, **the secretary to the board and recorder** shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting. |

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| ~~Article 138 The Company shall establish an independent non-executive director system. At least one-third of the members of the board of directors shall be independent non- executive directors, which shall include at least one accountant. The composition and qualification of independent non-executive directors shall also comply with the listing rules of the stock exchange in the place where the stocks of the Company are listed and/or the provision of the Articles of Association. An independent non-executive director shall have more than five years' experience in legal, economic, managerial, accounting or financial work or other work required for fulfilling duties as independent director, and have the basic knowledge about operations of companies. He/she shall be familiar with the rules of the place where the stocks of the Company are listed, excels in virtue, has no bad records such as major breach of trust and ensures that he/she can give sufficient time and attention to perform his/her duties.~~<br><br>~~Article 139 The Board of Directors, the Supervisory Committee, and shareholders who severally or jointly with other persons hold more than 1% of the issued shares of the Company shall have the right to nominate candidates as independent non-executive directors, and the nominated candidates shall become independent non-executive directors by election at a general meeting.~~<br><br>~~An investor protection agency established according to law may publicly request shareholders to entrust it with the exercise of the right to nominate independent non- executive directors on their behalf.~~<br><br>~~The nominee as referred to in paragraph 1 of this Article shall not nominate any person with whom he or she has a material interest or is otherwise closely related to which may affect the independent performance of his or her duties as an independent non-executive director candidate.~~ | Deleted |

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| ~~Article 142 The Company shall procure that all necessary requirements be fulfilled for the effective performance of duties by the independent non-executive directors:~~<br><br>~~(I) The Company shall ensure that the independent non-executive directors rank pari passu with other directors in respect of access to information. For any major matter subject to the approval of the Board, the Company shall give prior notice and sufficient details to independent non-executive directors within the statutory time frame. If independent non-executive directors consider such information insufficient, they may request for additional information. When more than two independent non-executive directors consider the information insufficient or any evidence unclear, they may jointly issue a written notice requesting to postpone the meeting of the Board or the discussion about any part of such matters, which request shall be approved by the Board. If two or more independent non-executive directors are of the view that any information is insufficient or any evidence unclear, they may submit written request to the Board for postponement of the relevant meeting of the Board or the consideration of the relevant matter and the Board must accept such request. The independent non-executive directors shall keep all information provided to by the Company for at least five years;~~<br><br>~~(II) The Company shall facilitate the performance of the duties of independent non-executive directors. The secretary to the Board shall assist the independent non-executive directors by introducing background information and relevant materials;~~<br><br>~~(III) The responsible officers of the Company shall cooperate with the independent non-executive directors in performing their duties. They shall not refuse, interfere with or withhold any information for the performance of the duties of the independent non-executive directors;~~<br><br>~~(IV) The expense of engaging an intermediary by independent non-executive directors and other expenses incurred during their performance of duties shall be borne by the Company;~~ | |

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| ~~(V) Appropriate subsidies to the independent non-executive directors shall be granted by the Company;~~<br><br>~~Except the above subsidies, the independent non-executive directors shall not receive from the Company or its substantial shareholders or other interested entities and persons any additional and non-disclosed benefits.~~<br><br>~~(VI) The Company may maintain an insurance policy against the liability of the independent non-executive directors to minimize the loss arising from the performance of their normal duties.~~<br><br>~~Article 143 A work report shall be submitted to the annual general meeting of the Company by the independent non-executive directors. Such report shall set forth the following content:~~<br><br>~~(I) His attendance at meetings of the Board in terms of number and ways and his voting thereat, and the number of attendance at general meetings;~~<br><br>~~(II) Participation in the work of special committees of the board of directors and special meetings of independent non-executive directors;~~<br><br>~~(III) Review of relevant matters and exercise of special functions and powers of independent non-executive directors;~~<br><br>~~(IV) Major matters, methods and results of communication with internal audit institutions and accounting firms undertaking audit services of the Company on the Company's financial and business conditions;~~<br><br>~~(V) Communication with minority shareholders;~~<br><br>~~(VI) The time and content of work in the Company;~~<br><br>~~(VII) Other situations concerning the performance of duties.~~<br><br>~~The annual work report of the independent non-executive director shall be disclosed at the latest when the Company issues the notice of the annual general meeting of shareholders.~~ | |

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| ~~Article 144 The term of office for independent non-executive directors shall be the same as other directors of the Company, and they may offer themselves for reelection upon expiry of their term, but their re-appointment shall not exceed six (6) years.~~<br><br>~~Independent non-executive directors shall attend meetings of the Board in person. Where the independent non-executive director is unable to attend the meeting in person for any reason, such director shall review the meeting materials in advance, form a clear opinion, and entrust other independent non-executive directors to attend on his/her behalf in writing. If an independent non-executive director fails to attend the board meeting in person for two (2) consecutive instances, nor does he/she entrust another independent non-executive director to attend on his/her behalf, the Board of Directors shall, within thirty (30) days as of the date of such occurrence, propose to convene a general meeting of shareholders to remove such independent director.~~<br><br>~~Article 145 If an independent non-executive director fails to comply with the provisions of Article 138 of the Articles of Association, he or she shall immediately cease to perform his or her duties and resign from his or her office. If he fails to tender his resignation, the Board of Directors shall remove him from office in accordance with the provisions as soon as the Board of Directors knows or should have known of the occurrence of such fact.~~<br><br>~~If an independent non-executive director resigns or is relieved of his/her duties as a result of the circumstances set forth in the preceding paragraph, resulting in the proportion of independent non-executive directors on the Board of Directors or its specialized committees not complying with the provisions of the Listing Rules of the place where the Company's shares are listed or the Articles of Association, or if there is a shortage of accounting professionals among the independent non-executive directors, the Company shall complete the election of a replacement director within sixty (60) days from the date of the occurrence of the foregoing facts.~~ | |

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| ~~Prior to the expiration of the term of office of an independent non-executive director, the Company may remove him or her from office in accordance with statutory procedures. If an independent non-executive director is dismissed in advance, the Company shall promptly disclose the specific reasons and justifications. If an independent non-executive director has any objections, the Company shall disclose them in a timely manner.~~<br><br>~~Article 146 An independent non-executive director may resign before his/her term of office expires. In resigning his/her duties, an independent non-executive director shall tender a resignation to the Board, specifying any matter which is related to his resignation or which he considers necessary to bring to the attention of the Company's shareholders and creditors. The Company shall disclose the reasons and concerns for the resignation of the independent non-executive director. If the resignation of an independent non-executive director causes the number of independent non-executive directors in the Board of the Company or specialized committees does not comply with the requirements of the Listing Rules of the place where the Company's shares are listed or the Articles of Association, or if there is a lack of accounting professionals among the independent non-executive directors, the independent non-executive director who intends to resign shall continue to perform his or her duties until the date on which a new independent non-executive director is created. The Company shall complete the re-election of the independent non- executive directors within sixty days from the date of their resignation.~~ | |

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| / | **(Addition)**<br><br>**Article 138 Independent non-executive directors should conscientiously perform their duties in accordance with the laws, administrative regulations, the China Securities Regulatory Commission, the stock exchange where the Company's shares are listed and the provisions of these Articles of Association, play a role in participating in decision-making, supervising and balancing, and providing professional advice on the board of directors, protecting the Company's interests as a whole, and protect the legitimate rights and interests minority shareholders.**<br><br>**Article 140 A person acting as an independent non-executive director of the Company shall meet the following qualifications:**<br><br>**(I) Possess the qualifications to serve as a director of a listed company in accordance with the provisions of laws, administrative regulations and other relevant regulations;**<br><br>**(II) Meet the independence requirements stipulated in these Articles of Association;**<br><br>**(III) Have basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations and rules;**<br><br>**(IV) Have more than five years of work experience in law, accounting, economics or other fields necessary for performing the duties of an independent non-executive director;**<br><br>**(V) Have good personal morality and no major bad negative records such as serious dishonesty;**<br><br>**(VI) Other qualifications stipulated by laws, administrative regulations, CSRC, the business rules of the stock exchange where the Company's shares are listed, and these Articles of Association (including but not limited to the restrictions on the term of re-election of independent non-executive directors as specified in the listing rules of the stock exchange where the Company's shares are listed).** |

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| | **Article 141 As members of the board of directors, independent non-executive directors shall owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following responsibilities:**<br><br>**(I) Participate in the decision-making of the board of directors and express clear opinions on the matters under discussion;**<br><br>**(II) Supervise matters involving potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors or senior management, so as to protect the legitimate rights and interests of minority shareholders;**<br><br>**(III) Provide professional and objective suggestions for the Company's business development to improve the decision-making level of the board of directors;**<br><br>**(IV) Other responsibilities as prescribed by laws, administrative regulations, the CSRC and these Articles of Association.**<br><br>**Article 144 The Company shall establish a special meeting mechanism attended exclusively by independent non-executive directors. Where the Board deliberates on matters such as related transactions, such matters shall first be approved by the special meeting of independent non-executive directors.**<br><br>**The Company shall convene special meetings of independent non-executive directors on a regular or ad hoc basis. Matters listed in Items (I) to (III) of the first paragraph of Article 142 and Article 143 of these Articles of Association shall be deliberated by the special meeting of independent non-executive directors.**<br><br>**The special meeting of independent non-executive directors may study and discuss other matters of the Company as needed.** |

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| | **The special meeting of independent non-executive directors shall be convened and presided over by one independent non-executive director jointly elected by a majority of the independent non-executive directors; if the convener fails to perform or is unable to perform his duties, two or more independent non-executive directors may convene the meeting on their own and elect a representative to preside over it.**<br><br>**Minutes of the special meeting of independent non-executive directors shall be prepared in accordance with the provisions, and the opinions of the independent non-executive directors shall be recorded in the meeting minutes. The independent non-executive directors shall sign to confirm the meeting minutes.**<br><br>**The Company shall provide facilitation and support for the convening of the special meeting of independent non-executive directors.** |
| Article 138 .....<br><br>**The following persons shall not serve as independent non-executive directors:**<br><br>(I) Persons who hold a position in the listed company or its subsidiaries, their spouses, parents, and children and major social relations;<br><br>(II) Persons who directly or indirectly hold more than 1% of the issued shares of the Company, or the natural person shareholders in the top ten shareholders of the Company, and such shareholders' spouses, parents, and children;<br><br>(III) Any employee of any corporate shareholder that directly or indirectly holds more than 5% of the Company's issued shares, or any employee of any of the five largest corporate shareholders of the Company, and his/her spouses, and parents, children;<br><br>(IV) Persons who hold a position in the controlling shareholders, actual controller's subsidiaries and their spouses, parents, and children; | Article 139 **Independent non-executive directors must remain independent.** The following persons shall not serve as independent non-executive directors:<br><br>(I) Persons who hold a position in the listed company or its subsidiaries, their spouses, parents, and children and major social relations;<br><br>(II) Persons who directly or indirectly hold more than 1% of the issued shares of the Company, or the natural person shareholders in the top ten shareholders of the Company, and such shareholders' spouses, parents, and children;<br><br>(III) Any employee of any corporate shareholder that directly or indirectly holds more than 5% of the Company's issued shares, or any employee of any of the five largest corporate shareholders of the Company, and his/her spouses, and parents, children;<br><br>(IV) Persons who hold a position in the controlling shareholders, actual controller's subsidiaries and their spouses, parents, and children; |

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| (V) Persons who have major business transactions with the Company and its controlling shareholders or actual controllers or their respective subsidiaries, or persons who hold positions in units with major business transactions and their controlling shareholders or actual controllers; | (V) Persons who have major business transactions with the Company and its controlling shareholders or actual controllers or their respective subsidiaries, or persons who hold positions in units with major business transactions and their controlling shareholders or actual controllers; |
| (VI) Persons who provide financial, legal, advisory, sponsor services or other services for the Company, its controlling shareholders, its actual controller or their subsidiaries, including but not limited to all the employees of the project team of intermediaries providing services, reviewing officers, and officers, partners, directors, senior management and principals signing the reports; | (VI) Persons who provide financial, legal, advisory, sponsor services or other services for the Company, its controlling shareholders, its actual controller or their subsidiaries, including but not limited to all the employees of the project team of intermediaries providing services, reviewing officers, and officers, partners, directors, senior management and principals signing the reports; |
| (VII) Persons who have had any of the circumstances listed in items (1) to (6) within the last 12 months; | (VII) Persons who have had any of the circumstances listed in items (1) to (6) within the last 12 months; |
| (VIII) Other persons who are not independent as recognized by laws, administrative regulations, securities regulators in the place where the Company's shares are listed or/and as stipulated by the Company's Articles of Association. | (VIII) Other persons who are not independent as recognized by laws, administrative regulations, securities regulators in the place where the Company's shares are listed or/and as stipulated by the Company's Articles of Association. |
| "Major social relations" stated in the preceding paragraph refer to brothers and sisters, father-in-law, mother-in-law, daughter-in-law, son-in-law, brother-in law, sister-in-law, parents of son's spouse, parents of daughter's spouse, etc.; "major business transactions" refer to the matters that need to be submitted to the shareholders' general meeting for consideration in accordance with the listing rules of the Shenzhen Stock Exchange or the provisions of the Articles of Association, or other major matters determined by the Shenzhen Stock Exchange; "hold a position" refers to serving as the directors, supervisors, senior management and other employees. The subsidiaries of controlling shareholders and actual controllers of the Company stated in items (IV), (V) and (VI) above exclude the subsidiaries **without connected relationships with the listed company in accordance with the listing rules of the Shenzhen Stock Exchange or the provisions of the Articles of Association.** | "Major social relations" stated in the preceding paragraph refer to brothers and sisters, father-in-law, mother-in-law, daughter-in-law, son-in-law, brother-in- law, sister-in-law, parents of son's spouse, parents of daughter's spouse, etc.; "major business transactions" refer to the matters that need to be submitted to the shareholders' general meeting for consideration in accordance with the listing rules of the Shenzhen Stock Exchange or the provisions of the Articles of Association, or other major matters determined by the Shenzhen Stock Exchange; "hold a position" refers to serving as the directors, supervisors, senior management and other employees. The subsidiaries of controlling shareholders and actual controllers of the Company stated in items (IV), (V) and (VI) above exclude the subsidiaries without connected relationships **companies that are controlled by the same state-owned assets management agency as the Company and without connected relationship with the Company in accordance with relevant regulations.** |

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| | **Independent non-executive directors should conduct annual self-assessments of their independence and submit the results to the board of directors. The board of directors should annually assess the independence of serving independent non-executive directors and issue a specific opinion, which should be disclosed in the annual report.** |
| ~~**Section 4 Secretary to the Board of Directors**~~<br><br>~~**Article 147 The Company shall have a secretary to the Board, who is a senior management member of the Company and shall be accountable to the Board. Directors or other senior management of the Company may be appointed as the secretary to the Board.**~~<br><br>~~**The secretary to the Board shall be nominated by the chairman of the Board and appointed or removed by the Board. Where the secretary to the Board is also a director and an act is required to be done by a director and the secretary to the Board separately, such person who is acting both as a director and the secretary to the Board shall not perform the act in both capacities.**~~<br><br>~~**Article 148 The secretary to the Board shall possess necessary professional knowledge and experience. The following qualifications are required for the secretary to the Board:**~~<br><br>~~**(I) Tertiary school or above degree, more than three years' experience in secretary, management and stock-related matters;**~~<br><br>~~**(II) Reliable knowledge in accounting, tax, law, finance and corporate management, computer application, good character and professional ethics, observe laws, regulations and rules, perform duties faithfully and have a strong capability of handling public affairs.**~~<br><br>~~**Article 149 A person who falls into any of the following circumstances shall not serve as the secretary to the Board of the Company:**~~<br><br>~~**(I) Any of the circumstances stipulated in the Company Law that prohibits a person from serving as a director, supervisor, or senior manager of a company;**~~ | **(Addition)**<br><br>**Section 4 Special Committees of the Board of Directors**<br><br>**Article 145 The Company shall not establish a supervisory board or supervisors. The board of directors of the Company shall establish an audit committee, which shall exercise the functions and powers of the supervisory board as stipulated in the Company Law.**<br><br>**Article 146 The audit committee shall consist of 3 directors who do not hold senior management positions in the Company, among whom at least 2 shall be independent non-executive directors. The convener shall be an accounting professional among the independent non-executive directors.**<br><br>**Article 147 The audit committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the board of directors for deliberation after being approved by more than half of all members of the audit committee:**<br><br>**(I) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;**<br><br>**(II) Engagement or dismissal of accounting firms undertaking the Company's audit business;**<br><br>**(III) Appointment or dismissal of the Company's chief financial officer;**<br><br>**(IV) Changes in accounting policies, accounting estimates, or corrections of material accounting errors for reasons other than changes in accounting standards;** |

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| ~~(II) Subject to a market entry ban imposed by the CSRC that prohibits a person from serving as a director, supervisor, or senior management personnel of a listed company, and such ban period remains unexpired;~~<br><br>~~(III) Publicly deemed unfit by a stock exchange to serve as a director, supervisor, or senior management personnel of a listed company, and such disqualification period remains unexpired;~~<br><br>~~(IV) Received administrative penalties from the CSRC within the most recent 36 months;~~<br><br>~~(V) Received public condemnation or three or more informed criticisms from a stock exchange within the most recent 36 months;~~<br><br>~~(VI) Current supervisor of the Company;~~<br><br>~~(VII) Any accountant from the accounting firm engaged by the Company;~~<br><br>~~(VIII) Other persons as stipulated in laws, regulations, normative documents, the listing rules of the stock exchange of the place where the Company's shares are listed and the Articles of Association.~~<br><br>~~Where the proposed secretary to the Board falls into any of the following circumstances, the Company shall disclose the specific circumstances and the reason to propose such candidate and whether it will have any effect on the standardized operation of the Company and present relevant risks in a timely manner:~~<br><br>~~(I) A person who was subject to administrative punishment by the CSRC within the most recent 36 months;~~<br><br>~~(II) Received public condemnation or three or more informed criticisms from a stock exchange within the most recent 36 months;~~ | (V) Other matters as stipulated by laws, administrative regulations, CSRC, the relevant regulations of the stock exchange where the Company's shares are listed, and these Articles of Association.<br><br>Article 148 The audit committee shall hold at least one meeting per quarter. An interim meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the audit committee may be held only if more than two-thirds of its members are present.<br><br>Resolutions of the audit committee shall be adopted by a majority of the members of the audit committee.<br><br>Voting on resolutions of the audit committee shall be on the principle of one member, one vote.<br><br>Minutes of the audit committee's resolutions shall be prepared in accordance with relevant provisions, and members of the audit committee attending the meeting shall sign the meeting minutes.<br><br>The working rules of the audit committee shall be formulated by the board of directors.<br><br>Article 149 The board of directors of the Company shall establish other special committees such as the strategy committee, nomination committee, and remuneration and appraisal committee, which shall perform their duties in accordance with these Articles of Association and the authorization of the board of directors. Proposals of the special committees shall be submitted to the board of directors for deliberation and decision. The working rules of the special committees shall be formulated by the board of directors. |

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| ~~(III) A person who is under investigation by judicial authorities on suspicion of committing a crime or who is under investigation by the CSRC on suspicion of breaching laws or regulations where no definitive conclusion has been reached;~~<br><br>~~(IV) Has a record of material dishonesty or other serious misconduct.~~<br><br>~~Article 150 The secretary to the Board shall primarily perform the following duties:~~<br><br>~~(I) To keep a complete copy of the constitution and record of the Company;~~<br><br>~~(II) To be responsible for the communication and liaison between the Company, relevant parties, the stock exchange of the place where the Company's shares are listed and other relevant securities supervision authorities to ensure the Company can maintain its contact with the stock exchange of the place where the Company's shares are listed at any time;~~<br><br>~~(III) To be responsible for the management of information disclosure of the Company; to urge the Company to formulate and exercise the information disclosure rules and internal reporting rules for significant information; to urge the Company and relevant parties to discharge their duties of information disclosure; to submit regular and temporary reports to the stock exchange of the place where the Company's shares are listed in accordance with relevant regulations;~~<br><br>~~(IV) To coordinate the relationship between the Company and shareholders; to coordinate shareholders' visits; to answer questions raised by shareholders; to provide shareholders with information disclosed by the Company;~~<br><br>~~(V) To prepare meetings of the Board and general meetings in accordance with legal procedure; to prepare and submit the documents and materials of meetings of the Board and general meetings;~~<br><br>~~(VI) To attend meetings of the Board; to prepare the minutes and sign on it;~~ | **Article 150 The nomination committee shall be responsible for formulating the criteria and procedures for the selection of directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the board of directors on the following matters:**<br><br>**(I) Nominating or appointing/removing directors;**<br><br>**(II) Appointing or dismissing senior management;**<br><br>**(III) Other matters as stipulated by laws, administrative regulations, CSRC, the listing rules of the place where the Company's shares are listed, and these Articles of Association.**<br><br>**If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinions of the nomination committee and the specific reasons for non-adoption in the board resolution and make disclosure thereof.**<br><br>**Article 151 The Remuneration and appraisal committee shall be responsible for formulating assessment criteria for directors and senior management and conducting assessments thereof, formulating and reviewing remuneration policies and plans for directors and senior management, including the determination mechanism, decision-making procedures, payment, suspension of payment, recovery arrangements and other matters relating to remuneration, and shall make recommendations to the board of directors on the following matters:**<br><br>**(I) Remuneration of directors and senior management;**<br><br>**(II) Formulation or modification of equity incentive plans and employee stock ownership plans, and the fulfillment of conditions for incentive participates to be granted and exercise rights and interests;** |

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| ~~(VII) To be responsible for the confidentiality work relating to information disclosure; to formulate the measures on confidentiality; to urge all members of the Company's Board and relevant informed persons to keep the information confidential before it is disclosed;~~<br><br>~~(VIII) To be responsible to keep the shareholders' register and the directors' register of the Company, the information for the shares of the Company holding by substantial shareholders, directors, supervisors and senior management, and the documents and minutes of meetings of the Board and general meetings etc.;~~<br><br>~~(IX) To assist directors, supervisors and senior management in being informed of relevant laws, regulations, rules, the listing rules of the stock exchange of the place where the Company's shares are listed, other requirements of the stock exchange of the place where the Company's shares are listed and the Articles of Association, as well as the liabilities being stipulated on them in the listing agreement;~~<br><br>~~(X) To urge the Board to discharge its duties in accordance with laws; where the Board is going to make a resolution which is in violation of laws, regulations, rules, the listing rules of the stock exchange of the place where the Company's shares are listed, other requirements of the stock exchange and the Articles of Association, the secretary to the Board shall remind the directors attending the meeting and request the supervisors at presence to express their opinions; if the Board insists in making the resolution, the secretary to the Board shall record the opinions of relevant supervisors and persons in the minutes and report to the stock exchange;~~<br><br>~~(XI) Other responsibilities stipulated in laws, regulations, rules, the listing rules of the stock exchange of the place where the Company's shares are listed and the Articles of Association.~~ | **(III) Arrangements for directors and senior management to participate in stock ownership plans of proposed spun-off subsidiaries;**<br><br>**(IV) Other matters as stipulated by laws, administrative regulations, CSRC, the listing rules of the place where the Company's shares are listed, and these Articles of Association.**<br><br>**If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinions of the remuneration and appraisal committee and the specific reasons for non-adoption in the board resolution and make disclosure thereof.** |

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| Article 151 The Company shall have one manager, who shall be appointed or removed by the Board.<br><br>The Company shall have certain deputy managers, who shall be appointed or removed by the Board.<br><br>The manager, deputy managers, financial officers and secretary to the Board are senior management of the Company. | Article 152 The Company shall have one manager, **whose appointment or dismissal shall be decided by the board of directors.**<br><br>The Company shall have certain deputy managers, **whose appointment or dismissal shall be decided by the board of directors.**<br><br>The manager, deputy managers, financial officers and secretary to the Board are senior management of the Company. |
| Article 152 The circumstances hereof with respect to disqualified directors of the Company are applicable to senior management of the Company.<br><br>The provisions on directors' obligations of honesty under ~~**Article 108**~~ of the Articles of Association and the provisions on directors' obligations of diligence under ~~**items (IV), (V) and (VI) of Article 109**~~ shall also apply to senior management. | Article 153 The circumstances hereof with respect to disqualified directors of the Company **and the regulations on resignation management** are applicable to senior management of the Company.<br><br>The provisions on directors' obligations of honesty of the Articles of Association and the provisions on directors' obligations of diligence shall also apply to senior management. |
| Article 155 The manager is accountable to the Board and exercises the following duties:<br><br>(I) To take charge of the production operations and management tasks of the Company and organize the implementation of the Board's resolutions, and to report his work to the Board;<br><br>(II) To organize the implementation of the Company's annual operating plan and investment plan;<br><br>(III) To devise the set-up of the Company's internal management structure;<br><br>(IV) To devise the basic management policy of the Company;<br><br>(V) To formulate the specific rules of the Company;<br><br>(VI) To propose the appointment or removal of deputy managers and financial officers of the Company;<br><br>(VII) To appoint or remove management personnel, aside from those requiring the Board in approving their appointment or removal;<br><br>(VIII) Other duties as granted by the Company's Articles of Association and the Board.<br><br>The manager shall attend meetings of the Board. | Article 156 The manager is accountable to the Board and exercises the following duties:<br><br>(I) To take charge of the production operations and management tasks of the Company and organize the implementation of the Board's resolutions, and to report his work to the Board;<br><br>(II) To organize the implementation of the Company's annual operating plan and investment plan;<br><br>(III) To devise the set-up of the Company's internal management structure;<br><br>(IV) To devise the basic management policy of the Company;<br><br>(V) To formulate the specific rules of the Company;<br><br>(VI) To propose the appointment or removal of deputy managers and financial officers of the Company;<br><br>(VII) To appoint or remove management personnel, aside from those requiring the Board in approving their appointment or removal; |

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| | **(VIII) Decisions shall be made on matters such as the Company's external investments, acquisition or disposal of assets, external guarantees, entrusted wealth management, related/connected transactions, external donations, and provision of financial assistance in light of the Company's operational needs, except for matters that, pursuant to relevant laws, regulations, regulatory documents, the listing rules of the stock exchange where the Company's shares are listed and these Articles of Association, shall be deliberated by the board of directors or the shareholders' meeting;**<br><br>(IX) Other duties as granted by the Company's Articles of Association and the Board.<br><br>The manager shall attend meetings of the Board. |
| Article 158 The manager may resign prior to the expiration of his term of office. The detailed procedures for the manager's resignation shall set out in the **service contract** entered into between the manager and the Company. | Article 159 The manager may resign prior to the expiration of his term of office. The detailed procedures for the manager's resignation shall set out in the **employment agreement** entered into between the manager and the Company. |
| Article 161 A senior management shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his duties. The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management of the Company fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and shareholders of public shares, they shall be liable for compensation in accordance with the law. | Article 162 **If a senior management member, in performing his/her duties for the Company, causes damage to another person, the Company shall bear the liability for compensation; if the senior management member is found to have acted intentionally or with gross negligence, he/she shall also bear the liability for compensation.** A senior management shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his duties. The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management of the Company fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and shareholders of public shares, they shall be liable for compensation in accordance with the law. |
| **Chapter 7 Supervisory Committee**<br><br>... | **Entire chapter deleted** |

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| **Chapter 8 Qualifications and Obligations of the Company's Directors, Supervisors and Senior Management**<br><br>... | **Entire chapter deleted** |
| Article 198 The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.<br><br>If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn as per the provision of the preceding paragraph.<br><br>After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the shareholders' general meeting.<br><br>After making up for the losses and making contributions to the common reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings, except it is stipulated in the Articles of Association of the Company that profit distributions shall not be made in accordance with the shareholding proportion.<br><br>**If the shareholders' general meeting has, in violation of the provisions of the preceding paragraphs, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company.**<br><br>No profits shall be distributed in respect of the shares held by the Company. | Article 166 The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.<br><br>If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn as per the provision of the preceding paragraph.<br><br>After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the shareholders' general meeting.<br><br>After making up for the losses and making contributions to the common reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings, except it is stipulated in the Articles of Association of the Company that profit distributions shall not be made in accordance with the shareholding proportion.<br><br>**If the shareholders' general meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders as well as the liable directors and senior management shall bear the liability for compensation.**<br><br>No profits shall be distributed in respect of the shares held by the Company. |

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| Article 199 Reserves of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or increasing the capital of the Company. However, capital reserve shall not be used to offset losses of the Company.<br><br>If the statutory reserve is converted into capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the increase of the capital. | Article 167 Reserves of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or increasing the **registered** capital of the Company.<br><br>**When using reserve funds to make up for the Company's losses, discretionary reserve funds and statutory reserve funds shall be used first; if the losses still cannot be fully made up, capital reserve funds may be used in accordance with the relevant provisions.**<br><br>If the statutory reserve is converted into **an increase in registered** capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the increase of the capital. |
| ~~**Article 203 The Company shall conduct internal audit system and assign full-time auditors to conduct internal audit and supervision on the revenues and expenditures and economic activities of the Company.**~~ | **Deleted** |
| | **(Addition)**<br><br>**Article 171 The Company shall implement an internal audit system, specifying the leadership structure, functions and powers, staffing, funding guarantees, application of audit results, and accountability for internal audit work.**<br><br>**The Company's internal audit system shall be implemented upon approval by the board of directors and disclosed to the public.**<br><br>**Article 172 The internal audit institution of the Company shall supervise and inspect matters such as the Company's business activities, risk management, internal control, and financial information.**<br><br>**The internal audit institution shall maintain independence, be staffed with full-time auditors, and shall not be placed under the leadership of the financial department or share office space with the financial department.** |

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| | **Article 173 The internal audit institution shall be responsible to the board of directors.**<br><br>**In the course of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the audit committee. If the internal audit institution discovers relevant major issues or clues, it shall immediately report directly to the audit committee.**<br><br>**Article 174 The internal audit institution shall be responsible for the specific organization and implementation of the Company's internal control evaluation. The Company shall issue an annual internal control evaluation report based on the evaluation report issued by the internal audit institution and deliberated by the audit committee, as well as relevant materials.**<br><br>**Article 175 When the audit committee communicates with external auditing entities such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.**<br><br>**Article 176 The audit committee shall participate in the assessment of the person in charge of the internal audit institution.** |
| Article 206 The appointment of the accounting firm of the Company shall be subject to the approval of the general meeting, prior to which the Board shall not appoint any accounting firm. | Article 178 The appointment **and dismissal** of the accounting firm of the Company shall be subject to the approval of the general meeting, prior to which the Board shall not appoint any accounting firm. |
| ~~**Article 213 The meeting notice of convening the meeting of the Supervisory Committee of the Company shall be served by personal delivery, post, fax, email, text message, electronic data exchange and other forms of data message that can show the described content visibly.**~~ | **Deleted** |

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| / | **(Addition)**<br><br>**Article 193 Where the consideration paid for the Company's merger does not exceed 10% of the Company's net assets, a shareholders' meeting resolution shall not be required, unless otherwise stipulated by the listing rules of the place where the Company's shares are listed or these Articles of Association.**<br><br>**For a merger of the Company that does not require a shareholders' meeting resolution in accordance with the provisions of the preceding paragraph, a board of directors resolution shall be required.** |
| Article 222 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's merger resolution and shall announce in newspapers within 30 days from the date of the Company's merger resolution. The creditors may require the Company to repay debts or provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice. | Article 194 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's merger resolution and shall announce in newspapers **or on the National Enterprise Credit Information Publicity System** within 30 days from the date of the Company's merger resolution. The creditors may require the Company to repay debts or provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice. |
| Article 224 When the Company is divided, its assets shall be split up accordingly.<br><br>In the event of a division, ~~**the parties to the division shall sign a division agreement and**~~ a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the Company's resolution to divide and shall announce in newspapers or **the information disclosure media designated by the Company** within 30 days from the date of the Company's resolution to divide. | Article 196 When the Company is divided, its assets shall be split up accordingly.<br><br>In the event of a division, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the Company's resolution to divide and shall announce in newspapers or **on the National Enterprise Credit Information Publicity System** within 30 days from the date of the Company's resolution to divide. |

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| Article 226 Where the Company is required to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.<br><br>The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish an announcement in newspapers **or the media designated by the Company** for information disclosure within 30 days from the date of such resolution. A creditor has the rights, within 30 days after receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days from the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.<br><br>**The registered capital of the Company after reduction shall not be less than the statutory minimum amount.** | Article 198 Where the Company is required to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.<br><br>The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish an announcement in newspapers or **on the National Enterprise Credit Information Publicity System** for information disclosure within 30 days from the date of such resolution. A creditor has the rights, within 30 days after receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days from the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.<br><br>**When the Company reduces its registered capital, the capital contributions or shares shall be reduced proportionally in accordance with the proportion of shares held by the shareholders, unless otherwise stipulated by laws or these Articles of Association.** |
| / | **(Addition)**<br><br>**Article 199 After the Company makes up for losses in accordance with the provisions of Article 166 of these Articles of Association, if there are still losses remaining, it may reduce its registered capital to make up for such losses. Where losses are made up by reducing registered capital, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to pay capital contributions or share proceeds.**<br><br>**The reduction of registered capital in accordance with the provisions of the preceding paragraph shall not be subject to the provisions of the second paragraph of Article 198 of these Articles of Association; however, an announcement shall be made in at least one newspaper designated by the CSRC or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the shareholders' meeting adopts the resolution on reducing registered capital.** |

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| | **After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve funds and discretionary reserve funds reaches 50% of the Company's registered capital.**<br><br>**Article 200 If the registered capital is reduced in violation of the Company Law and other relevant provisions, the shareholders shall return the funds they have received, and any reduction of shareholders' capital contributions shall be restored to their original state; if losses are caused to the Company, the shareholders as well as the liable directors and senior management shall bear the liability for compensation.**<br><br>**Article 201 When the Company issues new shares for increasing its registered capital, shareholders shall not have preemptive subscription rights, unless otherwise stipulated by these Articles of Association or decided by a resolution of the shareholders' meeting that shareholders shall have such rights.** |
| Article 228 The Company shall be dissolved and liquidated in accordance with the laws upon the occurrence of the following events:<br><br>(I) the term of its operations set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;<br><br>**(II) a resolution on dissolution is passed by shareholders at a shareholders' general meeting;**<br><br>(III) dissolution is necessary due to the merger or division;<br><br>~~**(IV) the Company is legally declared bankrupt due to its failure to repay debts due;**~~<br><br>(V) the Company's business license is revoked or the Company is ordered to close down or de-registered; | Article 203 The Company shall be dissolved and liquidated in accordance with the laws upon the occurrence of the following events:<br><br>(I) the term of its operations set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;<br><br>**(II) a resolution on dissolution of the shareholders' general meeting;**<br><br>(III) dissolution is necessary due to the merger or division;<br><br>(IV) the Company's business license is revoked or the Company is ordered to close down or de-registered; |

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| (VI) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company. | (V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.<br><br>**When the Company encounters the dissolution causes as stipulated in the preceding paragraph, it shall publicly announce the dissolution causes through the National Enterprise Credit Information Publicity System within ten days.** |
| Article 229 Upon the occurrence of the situation described in **item (I) of Article 228** hereof, the Company may continue to exist by amending the Articles of Association.<br><br>**Amendments to the Articles of Association pursuant to the preceding paragraph** shall be subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.<br><br>~~**Where the Company is dissolved in accordance with items (I), (II) and (VI) of Article 228 hereof, a liquidation committee shall be established within 15 days from the date of occurrence of events giving rise to dissolution. The members of the liquidation committee shall be determined by the shareholders' general meeting by way of an ordinary resolution.**~~<br><br>~~**Where the Company is dissolved in accordance with item (IV) of Article 228 hereof, the liquidation committee shall be established by shareholders, relevant authorities and professionals who are organized by the people's court according to relevant laws so as to conduct liquidation.**~~ | Article 204 Upon the occurrence of the situation described in **item (I) and (II) of Article 203** hereof **and has not yet distributed assets to shareholders,** the Company may continue to exist by amending the Articles of Association **or adopting a resolution at a shareholders' general meeting.**<br><br>**Amendments to the Articles of Association pursuant to the preceding paragraph or a resolution is adopted by the shareholders' general meeting** shall be subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.<br><br>**(Addition)**<br><br>**Article 205 Where the Company is dissolved in accordance with items (I), (II), (IV) and (V) of Article 203 hereof, it shall undergo liquidation. The directors shall be the liquidation obligors of the Company and shall form a liquidation team to conduct liquidation within 15 days from the date on which the cause of dissolution arises.**<br><br>**The liquidation team shall be composed of directors, unless otherwise stipulated by these Articles of Association or another person is selected by a resolution of the shareholders' meeting.**<br><br>**If the liquidation obligors fail to perform their liquidation obligations in a timely manner, thereby causing losses to the Company or its creditors, they shall bear the liability for compensation.** |

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| Article 231 The liquidation team shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make at least three public announcements on newspapers. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.<br><br>... | Article 207 The liquidation team shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make at least three public announcements on newspapers **or on the National Enterprise Credit Information Publicity System**. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.<br><br>... |
| Article 233 Should the liquidation team find that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and checklists of properties, it shall apply to the people's court to declare the Company's bankruptcy pursuant to laws.<br><br>**Once the people's court declares the bankruptcy of the Company, the liquidation team shall hand over the liquidation matters to the people's court.** | Article 209 Should the liquidation team find that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and checklists of properties, it shall apply to the People's Court to declare the Company's bankruptcy **liquidation** pursuant to laws.<br><br>**After the People's Court accepts the bankruptcy application, the liquidation team shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.** |
| Article 235 The members of the liquidation team **shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.**<br><br>~~**None of the members of the liquidation team may take any bribe or any other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate any of the properties of the Company.**~~<br><br>Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to gross negligence, he/she shall be liable to make indemnification. | Article 211 The members of the liquidation team shall **bear the duties of loyalty and diligence when performing their liquidation functions and responsibilities.**<br><br>**Where any members of the liquidation team are negligent in performing their liquidation duties and causes losses to the Company, he/she shall bear the liability for compensation.** Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to gross negligence, he/she shall be liable to make indemnification. |

| Before Revision | After Revision |
|---|---|
| Article 241 Definitions<br><br>(I) Controlling shareholder: refers to a shareholder who may elect a majority of directors when acting separately or consistently with others; or a shareholder who holds more than 30% of the shares externally issued by the Company when acting separately or consistently with others; or a shareholder who may exercise more than 30% of the voting rights of the Company or may control the exercising of more than 30% of the voting rights of the Company when acting separately or consistently with others; or a shareholder who factually controls the Company by other means when acting separately or consistently with others.<br><br>(II) De facto controller: A person who is not a shareholder of the Company but can effectively control the Company through investment, agreement or other arrangement.<br><br>(III) Connected relations: Relations between a controlling shareholder, de facto controller, director, supervisor or senior management officer of the Company and the enterprise directly or indirectly controlled by the same, which relations may give rise to a transfer of interests of the Company, provided however that there should be no related party relationship between state-controlled enterprises solely because they are under the common control of the State.<br><br>(IV) People's courts are State organs that independently exercise judicial power on behalf of the People's Republic of China in accordance with the relevant laws and regulations of the People's Republic of China (excluding Hong Kong, Macao and Taiwan). | Article 217 Definitions<br><br>(I) **For the purposes of this Articles of Association,** a controlling shareholders **means a shareholder who holds shares accounting for more than 50% of the total share capital of the joint stock limited company; or a shareholder who, although holding shares accounting for less than 50% of the total share capital, holds shares with voting rights sufficient to exert a significant influence on the resolutions of the shareholders' meeting.**<br><br>(II) **For the purposes of this Articles of Association,** de facto controller **means** a person who is not a shareholder of the Company but can effectively control the Company through investment, agreement or other arrangement.<br><br>(III) **For the purposes of this Articles of Association,** connected relations **means** relations between a controlling shareholder, de facto controller, director, supervisor or senior management officer of the Company and the enterprise directly or indirectly controlled by the same, which relations may give rise to a transfer of interests of the Company, provided however that there should be no related party relationship between state-controlled enterprises solely because they are under the common control of the State.<br><br>(IV) **For the purposes of this Articles of Association,** People's Courts are State organs that independently exercise judicial power on behalf of the People's Republic of China in accordance with the relevant laws and regulations of the People's Republic of China (excluding Hong Kong, Macao and Taiwan). |
| Article 244 The term "above", "within" or **~~"following"~~**, as stated in the Articles of Association shall all include the given figure; the term **"not exceeding"**, "except", "lower" or" more" shall all exclude the given figure. | Article 220 The term "above" **and** "within", as stated in the Articles of Association shall all include the given figure; the term **"exceeding"**, "except", "lower" or "more" shall all exclude the given figure. |

**PHARMARON BEIJING CO., LTD.**

**The Rules of Procedure for the General Meetings**

## Chapter 1 General Provisions

**Article 1** The Rules of Procedure for General Meetings (these "**Rules**") are hereby formulated and enacted 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**"), the listing rules of the stock exchanges where shares in the Company are listed (including but not limited to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**")), and the Articles of Association of Pharmaron Beijing Co., Ltd. (the "**Articles of Association**") for the purpose of regulating the activities of the Company and ensuring that the general meeting exercises its functions and powers.

**Article 2** The Company shall convene a general meeting in strict accordance with laws, administrative regulations, the listing rules of the stock exchanges where shares in the Company are listed, the Articles of Association, and relevant provisions of these Rules, to ensure that shareholders exercise their rights in accordance with laws.

The Board of the Company shall earnestly perform its duties and organize the general meeting in a conscientious and timely manner. Each and every director of the Company shall act diligently and responsibly to ensure general meetings are properly convened and the functions and powers of general meetings are legitimately exercised.

**Article 3** The general meeting shall exercise its functions and powers within the scope specified by the Company Law and other laws, administrative regulations, ministerial rules, the listing rules of the stock exchanges where shares in the Company are listed and the Articles of Association.

**Article 4** General meetings include annual general meetings and extraordinary general meetings. An annual general meeting shall be convened once every year within six months after the end of the previous fiscal year.

Where the Company cannot hold the general meeting within the above-mentioned time limit, the Company shall make public disclosure and file with the CSRC's local branch in the locality of the Company and the stock exchanges of the places where shares in the Company are listed.

**Article 5** Extraordinary general meetings are held on an irregular basis. The Company shall hold an extraordinary general meeting within two months upon the occurrence of any of the following events:

(I) The number of directors is less than two-thirds of that stipulated in the Company Law or the Articles of Association;

(II) Uncovered losses of the Company amount to one-third of its total ~~paid up~~ share capital;

(III) Shareholders individually or jointly holding 10% or more of the shares in the Company, on a one vote per share basis, propose an extraordinary general meeting;

(IV) The Board considers it necessary to hold an extraordinary general meeting;

(V) The ~~Supervisory A~~audit ~~Committee~~ committee proposes an extraordinary general meeting;

(VI) Any other circumstances as provided by laws, administrative regulations, ministerial rules, the listing rules of a place where shares in the Company are listed or the Articles of Association.

The shareholdings referred to in item (III) above shall be calculated as at the date of written proposal of the shareholders.

**Article 6** The Company shall, when holding a general meeting, engage lawyers to issue legal opinions and make announcements with respect to the following issues:

(I) Whether the procedures for convening and holding of the meeting are in compliance with laws, administrative regulations, these Rules and the Articles of Association;

(II) Whether the attendees and the convener are legally and validly qualified;

(III) Whether the voting procedures and voting results of the meeting are legal and valid;

(IV) Other relevant issues as requested by the Company.

## Chapter 2 Convening of General Meetings

**Article 7** The Board shall duly convene a general meeting within the time limit specified in these Rules.

**Article 8** With the consent of a majority of all independent non-executive directors, ~~A~~an independent non-executive director may propose an extraordinary general meeting to the Board~~, provided that the proposal shall be made in writing~~. Within ten days after receiving the proposal, the Board shall, pursuant to laws, administrative regulations, the listing rules of the stock exchanges where shares in the Company are listed and the Articles of Association, give a written reply on whether it agrees to hold the extraordinary general meeting.

If the Board agrees to hold the extraordinary general meeting, it will issue a notice of meeting within five days after passing a resolution thereon. In the event that the Board does not agree to hold the meeting, reasons for such disagreement shall be given and disclosed~~it shall state the reason therefor~~.

**Article 9** The ~~Supervisory A~~audit c~~C~~ommittee may propose an extraordinary general meeting to the Board, provided that the proposal shall be made in writing. Within ten days after receiving the proposal, the Board shall, pursuant to laws, administrative regulations, the listing rules of the stock exchanges where shares in the Company are listed and the Articles of Association, give a written reply on whether it agrees to hold the extraordinary general meeting.

If the Board agrees to hold the extraordinary general meeting, it will issue a notice of meeting within five days after passing a resolution thereon. Any change to the original proposal made in the notice shall be subject to obtaining written consent from the ~~A~~audit~~Supervisory Committee~~committee.

In the event that the Board does not agree to hold the extraordinary general meeting or does not give a reply within ten days after receiving the proposal, the Board shall be deemed as unable or failing to perform its duty of convening a general meeting, in which case the ~~A~~audit~~Supervisory Committee~~committee may convene and preside over the meeting by itself.

**Article 10** Shareholders who propose a general meeting shall act in accordance with the following procedures:

(I) Two or more shareholders individually or jointly holding 10% or more of shares with a right to vote at an extraordinary general meeting or a class meeting, on a one vote per share basis, may propose the meeting to the Board by signing a written proposal in one or more copies prepared in the same form and content stating the matters to be discussed at the meeting. The shareholdings referred to above shall be calculated as at the date of the written proposal. Within ten days after receiving the proposal, the Board shall, pursuant to laws, administrative regulations, and the Articles of Association, give a written reply on whether it agrees to hold the meeting.

(II) If the Board agrees to hold the extraordinary general meeting or class meeting, it shall issue a notice of meeting within five days after passing a resolution thereon. Any change to the original proposal made in the notice shall be subject to obtaining written consent from the shareholders concerned. Where any law, regulation or rule or any enactment made by the securities regulator of the place where shares in the Company are listed provides otherwise, such law, regulation, rule or enactment shall prevail.

(III) In the event that the Board does not agree to hold the extraordinary general meeting or class meeting or does not give a written reply within ten days after receiving the proposal, shareholders individually or jointly holding 10% or more of shares in the Company, on a one vote per share basis, may propose the extraordinary general meeting or class meeting to the ~~A~~audit~~Supervisory Committee~~committee, provided that such proposal shall be made in writing. If the ~~A~~audit~~Supervisory Committee~~committee agrees to hold the extraordinary general meeting or class meeting, it shall issue a notice of meeting within five days after receiving the proposal. Any change to the original proposal made in the notice shall be subject to obtaining written consent from the shareholders concerned. In the case of that the ~~A~~audit~~Supervisory Committee~~committee disagreed to convene the general meeting or a class meeting of shareholders, or failed to issue a notice of meeting within the given time frame, it shall be deemed as the failure of the ~~A~~audit~~Supervisory Committee~~committee to convene and preside over the meeting, in which case, shareholders who have individually or jointly held 10% or more of shares in the Company for 90 or more consecutive days may convene and preside over the meeting. Reasonable expenses incurred by the shareholders in convening and holding the meeting due to failure of the Board to convene the same as proposed shall be borne by the Company and deducted from amounts owed by the Company to the defaulting directors.

**Article 11** If the ~~A~~audit~~Supervisory Committee~~committee or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and at the same time file with the Shenzhen Stock Exchange in accordance with the relevant regulations.

The total shareholding of the convening shareholders shall not be lower than 10% during the period from the issue date of the notice of meeting to the closing date of the meeting.

Upon the issue of the notice of meeting and the announcement of resolutions passed at the meeting, the ~~A~~audit~~Supervisory Committee~~committee or the convening shareholders shall file relevant supporting documents with the Shenzhen Stock Exchanges in accordance with the relevant regulations.

**Article 12** The Board and the secretary to the Board shall provide assistance and necessary support for and perform their information disclosure obligations in a timely manner with respect to a general meeting convened by the ~~A~~audit~~Supervisory Committee~~committee or shareholders. The Board shall provide the register of shareholders as of record date. If the Board does not provide the register of shareholders, the convener may request the same from the securities registration and clearing institution of the place where shares in the Company are listed in accordance with the announcement about notice of the meeting. The register of shareholders obtained by the convener shall not be used for any purpose other than for holding of the general meeting.

**Article 13** Expenses necessary for holding a general meeting by the ~~A~~audit~~Supervisory Committee~~committee or shareholders shall be borne by the Company and deducted from amounts owed by the Company to the defaulting directors.

**Chapter 3 Motions and Notices of General Meetings**

**Article 14** Content of a motion shall be within the terms of reference of a general meeting, contain specific matters to be discussed and specific matters to be resolved on, and comply with laws, administrative regulations, the listing rules of the stock exchanges where shares in the Company are listed and the Articles of Association. The motion shall be submitted or sent to the Board in writing.

**Article 15** When the Company holds a general meeting, the Board, the ~~A~~audit~~Supervisory Committee~~committee or shareholders individually or jointly holding ~~3~~1% or more of the shares in the Company on a one vote per share basis shall have the right to put forward motions to the Company. A shareholder who proposes ex-tempore motions shall present any evidence (including but not limited to electronic certificates issued by China Securities Depository and Clearing Corporation Limited, or account statements issued by custodian securities firms bearing the firm's official seal) proving that he or she holds more than ~~3~~1% of the shares of the Company to the convener. A shareholder who jointly proposes motions with other shareholders by authorization shall present a written authorization documents to the authorized shareholder.

Shareholders individually or jointly holding ~~3~~1% or more of the shares in the Company on a one vote per share basis may propose an interim motion in writing to the convener of the general meeting ten days before the meeting is held. The proposal of ex tempore motions shall include: the name of proposal, particulars of proposal, a statement of the proposer that the proposal is in compliance with the rules of the general meeting of the listed company and the relevant provisions of the listing rules of the stock exchange where the Company's shares are listed, and a declaration that the proposer warrants the authenticity of the evidence of shareholdings and the power of attorney provided by himself or herself. The convener shall, within two days upon receipt of the motion, issue a supplementary notice or a supplementary circular of the general meeting, stating the content of the interim motion, and submit the

interim motion to the shareholders' general meeting for deliberation, except where the interim motion violates the provisions of laws, administrative regulations or the Articles of Association, or does not fall within the scope of the shareholders' general meeting's powers.

Except for circumstances described in the above paragraph, the convener shall not revise any motions stated in the notice of the general meeting or add any new motions after issuing the notice.

The general meeting shall not vote or resolve on any motion that is not included in the notice or is inconsistent with these Rules~~Article 15 hereof~~.

A shareholder who proposes ex tempore motions at the general meeting shall in no event fall into the following circumstance:

(I) The shareholder making proposals does not meet requirements on the qualification of subject such as shareholding ratio;

(II) The specified time limit for making the proposal is exceeded;

(III) The proposal does not fall within the scope of authority of the general meeting;

(IV) The proposal does not carry specific subjects and matters to be resolved;

(V) The proposal is in violation of the laws and regulations and the relevant provisions of the listing rules of the stock exchange where the Company's shares are listed;

(VI) The proposal does not meet the provisions of the Articles of Association.

**Article 16** The convener of an annual general meeting shall notify shareholders of the meeting by announcement 2~~0~~1 days before the meeting is held; the convener of an extraordinary general meeting shall notify shareholders of the meeting by announcement 15 days before the meeting is held. Such period does not include the date on which the meeting is held but shall include the date on which the notice of meeting is sent.

~~**Article 17** After the notice of a general meeting is sent and before the meeting is held, the convener may issue a reminder of the meeting in accordance with the Company Law and other relevant regulations.~~

**Article 17** A notice of a general meeting shall include:

(I) Time, venue and duration of the meeting;

(II) Matters and proposals for consideration by the general meeting;

(III) Shall state in conspicuous language that all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote at the meeting, and that such proxy shall not be a shareholder of the Company;

(IV) The ~~date of registration~~record date of shareholders who are entitled to attend the general meeting;

(V) Name and telephone number of the permanent contact person for general meeting services;

(VI) Time and procedures for voting via the Internet or by other means.

**Article 18** The notice and any supplementary notice of a general meeting shall fully and completely disclose the details of all the motions, and all the materials or explanations necessary for the shareholders to make reasonable judgments on the matters to be discussed. ~~If any matter to be discussed requires opinions of an independent non-executive director, the opinions of such director and the reasons therefor shall be disclosed in such notice or supplementary notice.~~

**Article 19** Where matters relating to election of any directors ~~or supervisors~~ are to be discussed at a general meeting, the notice of the meeting shall fully disclose detailed information about candidates for such directors ~~or supervisors~~, which shall at least include the following:

(I) Their personal particulars, such as education background, work experiences and any part-time jobs;

(II) Whether they have any connected relationship with the Company or any controlling shareholder or actual controller of the Company;

(III) Number of shares held by each of them in the Company;

(IV) Whether the candidates have been penalized or reprimanded by competent authorities;

(V) Whether the candidates meet relevant requirements of the listing rules of the stock exchanges where shares in the Company are listed.

Cumulative voting shall be used for election of directors ~~or supervisors~~. In addition, each candidate for the position of directors ~~or supervisors~~ shall be proposed by a single motion.

**Article 20** The interval between the ~~shareholding~~ record date of a shareholders' general meeting and the date of the meeting shall be no more than 7 working days. The ~~shareholding~~ record date shall not be changed once confirmed.~~A notice of a general meeting shall:~~

~~(I) Time, venue and duration of the meeting;~~

~~(II) Matters and proposals for consideration by the Conference;~~

~~(III) To state in conspicuous language that all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote at the meeting, and that such proxy shall not be a shareholder of the Company;~~

~~(IV) The date of registration of shareholders entitled to attend the general meeting;~~

~~(V) Name and telephone number of the permanent contact person for conference services;~~

~~(VI) Time and procedures for voting via the Internet or by other means.~~

**Article 21** Unless otherwise provided by laws, administrative regulations, the listing rules of the stock exchanges where shares in the Company are listed or the Articles of Association, notice of a general meeting may be given by announcement. For shareholders of overseas listed stocks, the Company may issue the notice of a general meeting on the website of the Company and the website designated by The Stock Exchange of Hong Kong Limited (the "SEHK") or by other means as permitted by the Hong Kong Listing Rules and the Articles of Association.

**Article 22** Upon issue of the notice of a general meeting, the general meeting shall not be postponed or cancelled and motions specified in the notice shall not be withdrawn without a proper reason. In case of any such delay, cancellation or withdrawal, the convener shall give a notice stating reasons therefor at least 2 working days before the date when the meeting is originally scheduled to be held. Where the meeting is postponed, the postponed date of the meeting shall be specified in the notice.

## Chapter 4 Holding of General Meetings

**Article 23** A general meeting shall be held at the registered address of the Company or any other location determined by the Board.

Each general meeting shall have a venue and be held on-site. The Company may, at its discretion, facilitate shareholders' participation in the general meeting by offering online or other means. If the Company elects to provide online access to the shareholders' general meeting, shareholders attending via such online means must complete registration procedures in strict compliance with the requirements specified in the meeting notice. Shareholders who attend a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.

**Article 24** Each shareholder entitled to attend and vote at a general meeting may attend the meeting in person or authorize one proxy (whether they are shareholders or not) to attend and vote at the meeting on his or her behalf. The Company shall, in compliance with all applicable laws and regulations, permit shareholders or their proxies to issue instructions electronically (including but not limited to instructions regarding physical attendance or proxy appointments) and shall ensure the Company's capability to receive such electronic communications.

A proxy of a shareholder may exercise the following rights as authorized by such shareholder:

(I) The shareholder's right to speak at the meeting;

(II) The right to demand, by himself or herself or jointly with others, voting on a poll;

(III) The right to vote.

In the case of a shareholder being a corporation, such shareholder is entitled to appoint another person as his proxy to attend and vote at any general meeting of the Company, and shall be deemed to be presented in person if he or she appointed his or her proxy to attend at any meeting. A corporation shareholder may execute a form of proxy under the hand of a duly authorized officer. If a shareholder is a recognized clearing house or its agent within the meaning of the relevant laws of the place where shares in the Company are listed, the shareholder is entitled to appoint one proxy or a corporate representative to act as its proxy at any general meeting, class meeting or creditor's meeting. However, if more than one proxy is appointed, the proxy form shall specify the number and class of shares that each such proxy is authorized to represent. The proxy form shall be signed by the person authorized by the clearing house. Such proxy shall be entitled to the same statutory rights as other shareholders to attend the meeting on behalf of the clearing house or its agent (without the need to produce any share certificate, notarized authorization and/or further evidence to show that he or she has been duly authorized) and exercise the rights of the clearing house or its agent (including the right to speak and vote), as if he or she was a natural person shareholder of the Company.

**Article 25** When a matter that could materially affect the interests of minority investors is deliberated at a general meeting, the votes by minority investors shall be counted separately, and the results of such separate counting shall be disclosed publicly in a timely manner.

Minority investors are shareholders who do not serve as directors, ~~supervisors, officers~~ senior management of the Company and individually or jointly hold 5% or more of the shares in the Company on a one vote per share basis.

**Article 26** The Board and other convener(s) of general meetings shall take measures as necessary to maintain the order of the meetings and shall take steps to stop any disturbance to the order of the meetings, provocation of trouble or infringement upon lawful interests of shareholders and report such conduct in a timely manner to the relevant authorities for investigation and punishment.

**Article 27** All the holders of ordinary shares listed in the register of shareholders on the record date for a general meeting shall have the right to attend the meeting in person or by proxy and vote at the meeting in accordance with relevant laws, regulations, the listing rules of the place where shares in the Company are listed and the Articles of Association. Such rights shall not be denied by the Company or convener(s) on any ground. A shareholder attending a general meeting shall produce his or her identity card or other valid proof or evidence of his or her identity, and a proxy attending the meeting shall produce the proxy form issued by the shareholder and his or her own valid proof of identity.

**Article 28** A natural person shareholder attending a general meeting in person shall produce his or her identity card or other valid proof or evidence of his or her identity, or his/her share account card/share certificate; If ~~he or she appoints~~ a proxy ~~to~~ attends the meeting, the proxy shall produce valid proof of identity of the shareholder, the proxy form, the share account card/share certificate and his or her own valid proof of identity.

**Article 29** A corporate shareholder shall be represented by its legal representative or a proxy/proxies appointed by the legal representative. Where the legal representative attends a general meeting, he or she shall produce the share account card/share certificate, his or her identity card and valid proof of his or her capacity as legal representative; where a proxy attends the meeting, the proxy~~he or she~~ shall produce the proxy form duly issued by the legal representative of the corporate shareholder, the share account card/share certificate and his or her own valid proof of identity.

**Article 30** The appointment of a proxy shall be in writing and signed by the appointing shareholder or his or her attorney duly authorized by him or her in writing; in the case of a corporate shareholder, the proxy form shall be affixed with its seal or signed by its director or an attorney duly authorized by it. A proxy form issued by a shareholder to appoint a proxy to attend any general meeting shall contain the following:

(I) Name of the appointing shareholder, and the class and number of shares held by the appointing shareholder in the Company;~~Name of the proxy~~;

(II) Name of the proxy, and a statement specifying whether the appointing shareholder is entitled to appoint such proxy;~~Number of shares held by the shareholder and represented by the proxy;~~

(III) Specific instructions of the shareholder, including instructions to vote for, against or abstain from voting on each matter to be deliberated that is included in the agenda of the general meeting~~Whether the proxy has the right to vote~~; If no instruction is provided in the returned proxy form on how the proxy shall vote on a particular proposal, the proxy may decide by himself or herself whether to vote on such proposal; if the proxy decides to vote, he or she may determine by himself or herself how to vote;

~~(IV) Instructions on voting for or against or abstain from voting on each business to be transacted at the meeting;~~

(IV) Issue date and valid period of the proxy form;

(V~~I~~) Signature (or seal) of the principal. If the principal is a corporate shareholder, the proxy form shall be affixed with its seal or signed by its director or an attorney duly authorized by it.

~~**Article 31** The proxy form shall also make it clear whether the proxy may vote as he or she thinks fit on matters as to which the shareholder does not give an instruction.~~

**Article ~~32~~ 31** Where the proxy form for voting is signed by another person authorized by the principal, the letter of authorization or other document authorizing the person to sign shall be notarized. Subject to the relevant laws and regulations and regulatory rules of the place where the Company's shares are listed, such notarized letter or document, together with the proxy form, shall be placed at the address of the Company or at such other place(s) as specified in the notice of meeting within the time specified by the Company.

Where the principal is a legal person, its legal representative or the person authorized by a resolution of its Board or other decision-making body shall attend the meeting as the proxy of such legal person.

**~~Article 33~~** If, prior to voting, the principal is deceased or incapacitated, or the proxy is revoked, or the authorization to sign the proxy is revoked, or the shares involved are transferred, a vote cast by the proxy under the proxy form shall nevertheless be valid as long as the Company has not received a written notice of the foregoing instance before the commencement of the relevant meeting.

**Article ~~34~~ 32** The Company shall prepare a register of attendees for each meeting, which shall include information such as the names of attendees (or their organizations), identity card numbers~~ and domiciles of attendees~~, number of voting shares held or represented by each attendee, and names of individuals or organizations being represented.

**Article ~~35~~ 33** The convener and lawyers engaged by the Company shall verify the validity of the qualifications of shareholders against the register of shareholders provided by the securities registration and clearing institution and shall register the names of the shareholders and numbers of their voting shares. Registration for the meeting shall end 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 ~~36~~ 34** Where the general meeting requires directors and senior ~~managers~~management personnel to attend the meeting, such directors and senior management ~~managers~~ personnel shall attend the meeting and accept inquiries from shareholders.~~When a general meeting is held, all the directors, supervisors and the secretary to the Board shall attend the meeting, and the general manager and other officers shall be present at the meeting as non-voting attendees.~~

**Article ~~37~~ 35** A general meeting shall be ~~convened and~~ presided over by the chairman of the Board. Where the chairman is unable to perform his or her duties or fails to perform his or her duties, the general meeting shall be presided over by one director jointly recommended by more than half of the directors.~~If the chairman is unable to attend the meeting for any reason, a jointly recommended by more than half of the directors shall preside over the meeting.~~

If a general meeting is convened by the ~~Supervisory A~~audit ~~C~~committee, the chairman of the ~~A~~audit~~Supervisory C~~committee shall preside over the meeting. If the chairman of the ~~A~~audit~~Supervisory C~~committee is unable or fails to discharge his or her duty, more than half ~~or more~~ of the ~~A~~audit ~~C~~committee members~~supervisors~~ shall designate an ~~A~~audit ~~C~~committee member~~supervisors~~ to preside over the meeting.

If a general meeting is convened by the shareholders, the conveners or its ~~shall~~ nominated ~~a~~ representative to preside over the meeting. If, for any reason, the conveners are unable to nominate a representative, the shareholder (or his or her proxy) present at the meeting and holding the largest number of voting shares among the conveners shall preside over the meeting.

When a general meeting is held, if the meeting cannot proceed due to the chairman's violation of these Rules, then with the consent of shareholders holding more than half of the voting rights present at the meeting, the meeting may elect a person to preside over the meeting so that the meeting can proceed.

**Article ~~38~~ 36** At an annual general meeting, the Board ~~and the Supervisory Committee~~ shall report their work for the previous year to shareholders at the meeting. Independent non-executive directors shall also give a work report to explain the performance of their duties. The annual report of the independent non-executive directors shall be disclosed not later than the date when the company issues the notice of its annual general meeting.

**Article ~~39~~ 37** Directors~~, supervisors~~ and ~~officers~~ senior management shall give answers or explanations to shareholders' reasonable inquiries and suggestions about the Company at general meetings.

**Article ~~40~~ 38** Prior to voting at a general meeting, the chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of their voting shares, and such numbers shall be subject to those registered for the meeting.

**Chapter 5 Voting and Resolutions at General Meetings**

**Article ~~41~~ 39** Resolutions of a general meeting include ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed by more than half of the voting rights held by shareholders (or their proxies) attending the meeting.

A special resolution of a general meeting shall be passed by two-thirds or more of the voting rights held by shareholders (or their proxies) attending the meeting.

**Article ~~42~~ 40** The following matters shall be passed by an ordinary resolution at a general meeting:

(I) Work reports of the Board ~~and the Supervisory Committee~~;

(II) Profit distribution plan and loss recovery plan drafted by the Board;

(III) Appointment and removal of members of the Board ~~and members of the Supervisory Committee~~, their remunerations and methods of payment thereof;

~~(IV) Annual financial budget, final account proposal, balance sheet, statement of income and other financial statements of the Company;~~

~~(V) Annual report of the Company;~~

(~~IV~~I) Retainment, dismissal and remunerations of accounting firms;

(~~VI~~II) Other matters other than those requiring a special resolution under laws, administrative regulations, the listing rules of the place where shares in the Company are listed or the Articles of Association.

**Article ~~43~~ 41** The following matters shall be passed by a special resolution at a general meeting:

(I) Amendments ~~(in whatever form)~~ to the Articles of Association and its appendixes, including the Rules of Procedure for the General Meetings, the Rules of Procedure for the Board Meetings ~~and the Rules of Procedure for the Supervisory Committee~~;

(II) Any variation or abrogation of all or any rights attached to any class of shares;

(III) Increase or reduction of the registered capital;

(IV) Merger, demerger, dissolution, liquidation ~~(including voluntary liquidation)~~ or change of corporate form of the Company;

(V) Spin-off and separate listing of a subsidiary;

(VI) Any purchase or disposal of substantial assets made or guarantee provided to other parties~~guarantee provided by the Company~~ in 12 consecutive months, the amount of which exceeds 30% of the Company's latest audited total assets;

(VII) Issuance of shares, convertible corporate bonds, preferred stock and other securities approved by the CSRC;

(VIII) Share repurchased to reduce registered capital;

(IX) Material assets reorganization;

(X) Equity incentive scheme;

(XI) Resolution made by the general meeting ~~of the listed company~~ to withdraw the listing and trading of its shares from the stock exchange where its shares are listed and decision to stop trading in the exchange or apply for trading on or transfer to other trading places instead;

(XII) Other matters that require a special resolution under laws, administrative regulations, the listing rules of the place where shares in the Company are listed or the Articles of Association and matters decided by an ordinary resolution at a general meeting to have a material impact on the Company and require a special resolution.

The proposals mentioned in items (V) and (XI) above are subject to, in addition to the approval of not less than two-thirds of the voting rights held by shareholders present at the general meeting, the approval of not less than two-thirds of the voting rights held by the other shareholders present at the meeting other than the Company's directors~~, supervisors~~, senior managers and shareholders who hold more than 5% of the listed company's shares individually or in aggregate.

**Article ~~44~~ 42** Except that the Company is in a special situation such as a crisis, the Company will not enter into any contract with any person other than a director and~~,~~ senior ~~managersthe general manager or any other officer~~management to have all or a significant part of the Company's business in the care of such person, unless otherwise approved by a special resolution at a general meeting.

**Article ~~45~~ 43** Where a motion on election of directors~~or supervisors~~ is passed at a general meeting, the time when they take office shall be specified in the relevant resolution of the meeting. If the resolution does not specify the time of taking office, they shall take office upon closing of the meeting.

**Article ~~46~~ 44** If a motion on distribution of a cash dividend, allotment of bonus shares or conversion of capital reserve into share capital is passed at a general meeting, the Company shall implement the plan therefor within two months after the closing of the meeting.

**Article ~~47~~ 45** If a resolution passed at a general meeting violates any laws or administrative regulations, shareholders shall have the right to request a people's court to declare (it) invalid.~~the resolution shall be rendered invalid~~.

Any controlling shareholder and actual controller of the Company shall not restrict or obstruct minority investors' proper exercise of voting rights or prejudice the legitimate rights and interests of the Company or minority investors.

**Article ~~48~~ 46** If the procedures for convening, or the method of voting at, a general meeting violate any laws or administrative regulations or the Articles of Association, or the content of a resolution violates the Articles of Association, shareholders may request a people's court of competent jurisdiction to set aside such resolution within 60 days from the date on which the resolution is passed. However, this shall not apply if there are only minor defects in the procedures for convening or the method of voting at the shareholders' general meeting or meeting of the Board, and such defects have no material impact on the resolution.

**Article 47** Where there is a dispute among the Board, shareholders and other relevant parties regarding the validity of the resolutions of the shareholders' general meeting, the relevant parties shall promptly initiate legal proceedings in the people's court. Prior to the

people's court rendering a judgment or ruling such as revoking the resolution, the relevant parties shall implement the resolutions of the shareholders' general meeting. The Company, directors and senior managers shall faithfully perform their duties to ensure the normal operation of the Company.

**Article 48** Where the people's court renders a judgment or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and stock exchanges, fully explain the impact, and actively cooperate in the enforcement after the judgment or ruling becomes effective. If the matter involves the correction of prior matters, the Company shall handle such matters promptly and fulfill the corresponding information disclosure obligations.

**Article 49** Unless an individual shareholder is required to abstain from voting on specific matters as stipulated in the Listing Rules, a shareholder who has completed the registration procedures shall have the right to vote on-site at the general meeting. Other shareholders who have not completed the registration procedures shall have the right to participate in the voting through other means established by the Company in accordance with the requirements of the Shenzhen Stock Exchange and the Hong Kong Stock Exchange. Shareholders (including proxies) shall exercise their voting rights by the number of voting Shares they represent, and each share shall have one vote. Shareholders shall have the right to speak at a general meeting.

If a shareholder has a connected relationship with matters to be deliberated at a general meeting, such shareholder shall withdraw from voting, his or her voting shares shall not be counted towards the total number of voting shares held by shareholders present at the general meeting. The minutes of the resolution of the general meeting shall fully disclose the voting results of non-connected shareholders.

The Company's shares hold no voting rights and shall not be counted towards the total number of voting shares held by shareholders present at the general meeting. Where the purchase of the Company's voting shares by a shareholder violates the provisions of Paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall not be allowed to exercise within 36 months after the purchase, and those shares shall not be included in the total number of voting shares at the general meeting.

The Board, independent non-executive directors, holders of domestic shares who, individually or jointly, hold 1% or more of the voting shares in the Company, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may solicit publicly the voting rights of shareholders. If the listing rules of the stock exchange where shares in the Company are listed provide otherwise, such rules shall prevail.

When shareholders' voting rights are solicited, it shall disclose sufficient information regarding voting intention the solicitor. It is prohibited to solicit shareholder's voting rights by paying compensation or disguised compensation. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation on solicitation of voting rights.

When a matter that could materially affect the interests of minority investors is deliberated at a general meeting, the votes by minority investors shall be counted separately, and the results of such separate counting shall be disclosed publicly in a timely manner in accordance with relevant laws and regulations and the rules of the stock exchange where shares in the Company are listed.

**Article 50** Lists of candidates for directors ~~and supervisors~~ shall be proposed by motion to general meetings for voting.

Methods and procedures for nominating directors ~~and supervisors~~ of the Company are as follows:

(I) In the case of a re-election of the Board or an addition to the Board, the incumbent Board or shareholders individually or jointly holding ~~3~~1% or more of the shares in the Company may nominate, without exceeding the number of persons to be elected, candidates for the positions of non-employee representative directors for the next session of the Board or a candidate for the additional position of non-employee representative director;

(II) Candidates for directors who are employee representatives shall be elected by the Company's employees through democratic election via employee representative congresses, employee general meetings or other forms, and shall not be required to be submitted to the Company's general meeting for deliberation;~~In the case of a re-election of the Supervisory Committee or an addition to the Supervisory Committee, the incumbent Supervisory Committee or shareholders individually or jointly holding 3% or more of shares in the Company may nominate, without exceeding the number of persons to be elected, candidates for the positions of non-employee representative supervisors for the next session of the Supervisory Committee or a candidate for the additional position of non-employee representative supervisor;~~

(III) The aforesaid shareholders shall provide the incumbent Board ~~or Supervisory Committee~~, as the case may be, with the resumes and basic information about their nominated candidates for the positions of directors ~~or supervisors~~. The incumbent Board ~~or Supervisory Committee~~, as the case may be, shall review their qualifications for the positions. Qualified candidates shall be submitted to a general meeting for election; and

(IV) Each candidate for the position of director ~~or supervisor~~ shall undertake to the Company in writing as required by the Company that he or she agrees to accept the nomination, warrants that the information submitted about himself or herself is true and complete and undertakes that he or she will duly perform duties upon being elected, among other things.

**Article 51** When election of a director ~~or supervisor~~ is put to vote at a general meeting, a cumulative voting system may be adopted in accordance with the Articles of Association or as resolved by the general meeting.

The "cumulative voting system" referred to in the preceding paragraph means a voting system under which each share has a number of votes corresponding to the number of directors ~~or supervisor~~ to be elected at a general meeting, and a shareholder may cast all his or her votes to one candidate or to more.

**Article 52** Except for cumulative voting, a general meeting shall vote on all the motions one by one. Where different motions on the same matter are proposed, such motions shall be voted on in the time sequence in which they are proposed. Unless the general meeting is adjourned or cannot come to a resolution due to force majeure or any other special reasons, the general meeting shall not set aside any motion or withhold any motion from voting.

**Article 53** No change shall be made to a motion when it is deliberated at a general meeting. Otherwise, such change shall be deemed as a new motion and shall not be voted on at the same general meeting.

**Article 54** Each vote can be cast only by one means, either by on-site voting or by any other means available. Where one vote is cast more than once, the first cast shall count.

**Article 55** Voting at general meetings shall be conducted by open ballot.

Shareholders attending a general meeting shall take one of the following stances when a motion is put up for voting: for, against or abstain, unless the securities registration and clearing institution, as the nominee holder of shares under the Mainland-Hong Kong Stock Connect program, make a declaration according to the intention of actual holders. A vote that is left blank, wrongly written or illegible or is not cast shall be deemed as a waiver of voting right by the voter, and the voting result with respect to his or her shares shall be counted as an abstention.

If, under the Hong Kong Listing Rules, any shareholder is required to abstain from voting on any resolution or to vote only for or against any resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement shall not be counted.

**Article 56** Before any motion is voted on at a general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. If a shareholder has any connection with any matter to be deliberated, such shareholder or his or her proxy shall not participate in the counting or scrutinizing of voting.

After a motion is voted on at the meeting, the counting of votes and scrutinizing of the vote counting shall be conducted jointly by lawyers, shareholder representatives and ~~supervisor~~ other representatives. The voting results shall be announced on site immediately and be recorded in the minutes of the meeting.

~~The chairman of the meeting shall announce the voting details and result of each motion and whether the motion has been passed based on the voting result.~~

A shareholder of the Company or his or her proxy who casts votes online or by other means shall be entitled to check his or her voting results through the relevant voting system.

**Article 57** A general meeting held on site shall not end earlier than voting online or voting by any other means. The chairman of the meeting shall announce the voting details and result of each motion and whether the motion has been passed based on the voting result. Such result shall be announced at the meeting and recorded in the minutes of meeting. The minutes of meeting, together with the sign-in book for shareholders present and proxy forms shall be kept at the Company's domicile.

Before a voting result is officially announced, the vote counters, scrutineers, ~~majority~~shareholders, internet services providers and other parties involved in on-site, online and other means of voting shall keep the voting result confidential.

**Article 58** A resolution of a general meeting shall be announced in a timely manner, and shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held or represented by them and its percentage in the total number of voting shares in the Company, voting methods, voting result of each motion, and details about each resolution passed at the meeting.

**Article 59** If any motion is not passed, or the current general meeting amends a resolution of the last general meeting, such event shall be specially noted in the minutes of the resolution of the current general meeting.

**Article 60** If the chairman of the meeting has any doubt about the voting result of a resolution, he or she may arrange recounting of the votes cast. If the chairman does not arrange the recounting, shareholders or their proxies present who dissent from the result shall have the right to request recounting of the votes immediately after the voting result is announced, and the chairman shall promptly arrange recounting of the votes. If the general meeting conducts a vote recount, the results of the vote recount shall be recorded in the minutes of the meeting.

**Article 61** Minutes shall be prepared for each general meeting by the secretary to the Board. The minutes shall contain the following details:

(I) Time, venue and agenda of the meeting and name of the convener;

(II) Name of the chairman of the meeting and names of directors~~, supervisors, the general manager and other officers~~ and senior managers attending the meeting~~ with or without a voting right~~;

(III) Number of shareholders and proxies attending the meeting, total number of voting shares they represent and the respective percentages of their voting shares to the total share capital of the Company;

(IV) Deliberation process, key points of discussion and voting results of each motion;

(V) Shareholders' inquiries and suggestions and answers or explanations thereto;

(VI) Names of vote counters and scrutineers of vote counting;

(VII) Other information required to be included in minutes under the Articles of Association.

The convener shall ensure the content of the minutes is true, accurate and complete. Directors~~, supervisors~~, the secretary to the Board and the convener or the representative(s) thereof attending the meeting and the chairman of the meeting shall sign the minutes~~ and ensure that the content of the minutes is true, accurate and complete~~. The minutes shall be kept, together with the sign-in book for shareholders present at the meeting, proxy forms and valid information about other means of voting, for a period of no less than ten years. Shareholders may access photocopies of minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of relevant minutes, the Company shall send the photocopy within seven days upon receipt of a reasonable charge therefor.

**Article 62** The convener of a general meeting shall ensure that the meeting is held continuously until final resolutions are passed. If the meeting is suspended or resolutions cannot be made due to force majeure or any other special causes, the convener shall take necessary measures to resume or terminate the meeting as soon as practicable. At the same time, the convener shall report to the local branch of the CSRC in the locality of the Company and the stock exchange where shares in the Company are listed.

**Chapter 6 Special Procedures for Voting by Class Shareholders**

**Article 63** A shareholder who holds a particular class of shares is a class shareholder, who shall enjoy rights and assume obligations in accordance with laws, administrative regulations, the listing rules of the stock exchange where shares in the Company are listed and the Articles of Association.

**Article 64** The Company shall not change or abolish the rights of shareholders of a particular class unless such change or abolishment has been approved by a special resolution at a general meeting and by the affected shareholders of such class at a separate class meeting convened in accordance with Articles 66 to 70.

**Article 65** The rights of shareholders of a particular class shall be deemed to have been changed or abolished in case of:

(I) An increase or decrease in the number of shares of such class, or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;

(II) Conversion of all or part of the shares of such class into shares of another class, or conversion of all or part of the shares of another class into shares of such class, or grant of the rights of such conversion;

(III) A cancellation or reduction of rights to accrued dividends or cumulative dividends attached to the shares of such class;

(IV) A reduction or cancellation of preferential rights attached to the shares of such class to receive dividends or, in the event of liquidation of the Company, to receive distributed property;

(V) An addition, cancellation or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire securities of the Company attached to the shares of such class;

(VI) A cancellation or reduction of rights attached to the shares of such class to receive amounts payable by the Company in a particular currency;

(VII) Creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;

(VIII) An imposition of restrictions or additional restrictions on transfer of or ownership of the shares of such class;

(IX) An issuance of rights to subscribe for, or convert into, the shares of such class or another class;

(X) An increase in the rights and privileges of the shares of another class;

(XI) A restructuring plan of the Company that causes shareholders of different classes to bear liability other than on a pro rata basis during the restructuring;

(XII) Any amendment to or repeal of the provisions of this section.

**Article 66** Shareholders of the affected class, whether or not they otherwise have a right to vote at a general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (II) to (VIII) and (XI) to (XII) of Article 65, but interested shareholders shall have no right to vote at such class meetings.

**Article 67** Passing of a resolution at a class meeting requires affirmative votes of two-thirds or more of the voting rights held by shareholders of such class attending the meeting in accordance with Article 66 hereof.

**Article 68** The notice period of a class meeting held by the Company shall be subject to relevant provisions in relation to the notice period of a general meeting of the Articles of Association; provided that, if the listing rules of the stock exchange where shares in the Company are listed provide otherwise, such listing rules shall prevail.

**Article 69** The notice of a class meeting shall be given only to shareholders entitled to vote at the meeting. Procedures for holding a class meeting shall be as similar as possible to those for a general meeting. The provisions of the Articles of Association in relation to the procedures for holding a general meeting shall apply to a class meeting.

**Article 70** Apart from holders of other classes of shares, a holder of domestic shares and a holder of overseas-listed foreign shares shall be deemed to be different classes of shareholders.

The special procedures for voting by class shareholders are not applicable to the following circumstances:

(I) With approval by a special resolution at a general meeting, the Company issues domestic shares and overseas-listed foreign shares separately or concurrently every 12 months, and the respective numbers of the domestic shares and overseas-listed foreign shares to be issued do not exceed 20% of outstanding shares of their respective classes;

(II) The Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is fulfilled within 15 months from the date of approval by the securities regulator under the State Council;

(III) A holder of domestic shares in the Company transfers his or her shares to a foreign investor with approval from the securities regulator under the State Council, and such shares are listed on an overseas stock exchange.

**Chapter 7 Implementation of Resolutions**

**Article 71** The Board shall be responsible for organizing the implementation of the resolutions made at the general meetings and shall instruct the officers of the Company to implement the resolutions in accordance with the content of the resolutions and the division of responsibilities. ~~Matters required by the general meeting to be implemented by the Supervisory Committee shall be directly organized and implemented by the chairman of the Supervisory Committee.~~

**Article 72** The Board shall report the results of the implementation of resolutions to the general meeting. ~~The Supervisory Committee shall report the matters implemented by itself to the general meeting.~~

**Chapter 8 Supplementary Provisions**

**Article 73** These Rules shall be implemented as of the date of approval by the general meeting. For these Rules to be amended, the Board shall propose an amendment plan to the general meeting for deliberation and approval, and no amendment shall take effect until approved by the general meeting.

**Article 74** These Rules shall be consistent and implemented in accordance with relevant provisions of the Company Law, the Securities Law, regulations, normative documents, the listing rules of the stock exchanges where shares in the Company are listed and the relevant provisions of the Articles of Association of the Company. Where these Rules conflict with any law, regulation, normative document or the listing rules of any stock exchange where shares in the Company are listed, such law, regulation, normative document or listing rules shall prevail. Any matters not covered herein shall be governed by relevant laws, regulations, normative documents, the listing rules of the stock exchanges where shares in the Company are listed and the Articles of Association.

**Article 75** These Rules shall be amended and improved by the general meeting in time in accordance with national laws, regulations and normative documents promulgated by the securities regulator from time to time, to satisfy the needs of the Company's development, operation and management.

**Article 76** The term "at least" or "within" as used in these Rules shall include the given figure; the term "over", "less than" or "more than" shall exclude the given figure.

**Article 77** These Rules shall be interpreted by the Board of the Company.

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***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

**PHARMARON BEIJING CO., LTD.**

**Rules of Procedure for the Board Meetings**

**Chapter I General Provisions**

**Article 1** The rules is hereby formulated and enacted in accordance with the provisions of the Company Law of the People's Republic of China (the "**Company Law**"), the listing rules of the stock exchange(s) where the Company's shares are listed (including but not limited to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) and the provisions of the Articles of Association of Pharmaron Beijing Co., Ltd. (the "**Articles of Association**") in order to regulate the action of the Company and ensure that the general meeting exercises its power.

**Article 2** The Company establishes a board of directors (the "**Board**"), which is elected and entrusted by the general meeting to operate and manage the Company's legal property. It is the Company's business decision-making body and accountable to the general meeting.

**Article 3** The Board shall, when exercising its power, abide by the relevant laws and regulations issued by the State, the listing rules of the stock exchange(s) where the Company's shares are listed, the Articles of Association and the resolutions of the general meeting, and consciously accept the supervision of the ~~supervisory~~audit committee of the Company. Matters subject to the approval of relevant authorities of the State shall be reported for approval before implementation.

**Article 4** The Board shall establish strict inspection and decision-making procedures in accordance with the scope of authorization of outbound investment, acquisition and sale of assets, borrowings, external guarantee, related transactions and connected transactions; it shall organize for specialists or professionals to assess and examine material investment projects, and submit such investment projects to the general meeting for approval.

**Chapter II Proposals, Convening and Notification Procedures for Board Meetings**

**Article 5** Board~~ing~~ meetings come in the regular and the extraordinary.

Shareholders representing more than one-tenth of the voting rights and directors or audit~~supervisory~~ committee more than one-third, or more than half of the independent non-executive directors may propose an extraordinary board meeting. The chairman of the Board shall convene and preside over an extraordinary board meeting within ten days after receiving the proposal. The chairman of the Board may decide to convene and preside over an extraordinary board meeting when he/she deems it necessary. Where the securities regulatory authorities require the Company to convene an extraordinary board meeting, the chairman shall convene and preside over the Board meeting within ten days upon the receipt of such proposal.

**Article 6** Board meetings shall be convened by the chairman of the Board. Where the chairman fails to or is unable to exercise his/her power, a director shall be jointly nominated by more than half of the directors to convene a board meeting.

**Article 7** The Board shall notify all the directors~~, supervisors~~ by written notice fourteen days before it convenes a regular meeting.

The Board shall convene an extraordinary Board meeting by means of person sent mail, fax, e-mail, SMS (Short Message Service), EDI (Electronic Data Interchange) and other forms of data messages that can tangibly represent the contents contained therein; and the time limit for the notice shall be: not later than 5 days prior to the convening of the extraordinary Board meeting for notification or service of notice.

However, with the unanimous agreement of all directors, the time limit for notification of an extraordinary Board meeting on a matter of special urgency may be exempted from the above paragraph.

**Article 8** Matters subject to the consideration and resolution of the Board shall be made by means of a proposal. The Board's proposals shall be collected, collated and submitted by the Secretary to the Board for consideration and resolution.

**Article 9** The following entities shall have the right to submit proposals to the Board:

(I) Any director;

(II) Special Committees under the Board;

~~(III) The supervisory committee;~~

(III~~V~~) Shareholders holding more than 1~~3~~% of the Company's shares individually or in combination;

(IV) The General Manager, the chief financial officer and the Secretary to the Board.

**Article 10** Where an extraordinary board meeting is proposed in accordance with the provisions of the preceding article, a written proposal signed (sealed) by the proposer shall be submitted through the securities division or directly to the chairman. A written proposal shall contain, but not limited to, the following items:

(I) The name of the proposer;

(II) The reason for the proposal or the objective reason on which the proposal is based;

(III) A clear-cut and specific proposal;

(IV) The proposer's contact details, the date of the proposal, etc.

The content of the proposal shall fall within the competence of the Board stipulated in the Articles of Association, and the materials relating to the proposal shall be submitted together.

Upon the receipt of the above-mentioned written proposal and related materials, the securities division shall submit it to the chairman of the Board on the same day. Where the chairman deems that the content of the proposal is unclear, unspecified or the relevant materials are not sufficient, he/she may request the proposer to modify or supplement the proposal. Where the proposal meets the requirements, the chairman shall determine the arrangements for the meeting and the securities division shall issue a notice of board meeting.

**Article 11** The notice of a board meeting shall contain the following contents:

(I) The date and venue of the meeting;

(II) The way in which the meeting is held;

(III) The duration of the meeting;

(IV) The reason for convening the meeting and agenda thereof;

(V) Materials necessary for directors' voting at the meeting;

(VI) The requirement that directors shall attend the meeting in person or entrust another director to attend the meeting on his/her behalf;

(VII) The convener and moderator of the meeting, the proposer of the extraordinary meeting and other written proposals;

(VIII) Contact and contact details;

(IX) The date of issue of notice.

**Article 12** After the notice of a regular board meeting is issued, if it is necessary to change the time, venue or other matters of the meeting or to add, change or cancel any proposals of the meeting, a written notice of the change shall be issued three days before the date of the scheduled meeting, specifying the situation and the relevant contents of the new proposal and materials. Where the scheduled meeting is to be held in less than three days, it shall be postponed accordingly or held on schedule after obtaining the approval of all the participating directors.

After the notice of an extraordinary board meeting is issued, if it is necessary to change the time, venue or other matters of the meeting or to add, change or cancel any proposals of the meeting, the approval of all attending directors shall be obtained in advance and recorded accordingly.

**Article 13** A board meeting shall not be held unless more than half of the directors are present. A board meeting shall be attended by the directors in person. If a director is unable to attend for any reason, he/she may entrust another director by a power of attorney to attend on his/her behalf. The power of attorney shall indicate the name of the agent, the agency matters, authorities and term of validity, and shall be signed or stamped by the appointer. Where voting matters are involved, the appointer shall expressly express his/her consent, objection or abstention on each matter in the power of attorney, and the directors shall not make or accept an entrustment of non-voting intention, full power or an entrustment with an unclear scope of authority. The director who attends the meeting on behalf of another director shall exercise the rights of the directors within the scope of authorization. Where a director fails to attend a board meeting or to appoint an agent, he/she shall be deemed to have waived his/her right to vote at that meeting.

Where a director entrusts another director to sign written confirmations on periodic reports on his/her behalf, he/she shall give special authorization in the power of attorney. The entrusted director shall submit the written power of attorney to the Secretary to the Board and the entrusted attendance shall be stated in the resolution of the Board and the meeting minutes.

**Article 14** Directors entrust or entrusted by others to attend board meetings shall observe the following principles:

(I) The director shall not entrust any persons other than a director to attend the board meeting;

(II) When matters of related transactions are considered, a non-associated director may not entrust any associated directors to attend on his/her behalf; and associated directors may not accept the entrustment of non-related directors;

(III) An independent non-executive director may not entrust an executive director and non-executive director to attend on his/her behalf, nor may an executive director and non-executive director accept the entrustment of an independent non-executive director;

(IV) A director shall not entrust another director to attend on his/her behalf without stating his/her personal opinions and voting opinions on any proposal, nor shall the directors concerned accept the full power of attorney and an entrustment with an unclear scope of authority;

(V) A director shall not accept the entrustment of more than two directors, nor shall he/she entrust a director who has accepted the entrustment of two other directors to attend on their behalf.

**Article 15** The Secretary to the Board of the Company shall attend each and every board meeting, ~~and the supervisors~~ and general managers of the Company shall have the right to attend the board meetings.

Where matters considered at the meeting fall within their terms of reference, the vice general managers, financial controllers and other senior management of the Company may attend a board meeting at the invitation of the chairman of the meeting.

The Board may invite intermediaries or industry, business, law, finance and other experts to attend board meetings and provide professional advice.

The Board, in principle, shall not invite journalists or other unrelated persons to attend the meeting. Where such invitation is required exceptionally, the chairman of the meeting shall seek the opinions of other directors and may not invite the aforesaid persons until a majority of all the directors have agreed.

To speak at the meeting, the participants shall obtain the consent and submit to the arrangements of the chairman of the meeting.

If the chairman of the meeting considers that the matter considered at the meeting involves company secrets, he/she may request the participants to recuse themselves.

**Article 16** The board meetings shall be held on the spot in principle. If necessary, with the consent of the convener (chairman of the meeting) and the proposer, the meeting may also be held by such forms of communication as video, telephone, fax or e-mail, on the premise of ensuring the full expression of the opinions of the directors. Board meetings may also be held on the spot in parallel with other methods.

For board meetings not held on the spot, the number of directors present shall be calculated based on the valid voting votes of directors with video presentation, directors who express their opinions in the conference call, and actual receipts of faxes or e-mails within the specified time limit, or the written confirmation letters submitted by the directors afterwards stating that they have attended the meeting.

**Article 17** The chairman of the meeting shall request the directors present at the board meeting to express their clear-cut opinions on the various proposals.

For motions that are required to be considered at a special meeting of independent non-executive directors in accordance with the regulations, the chairman of the meeting shall, before discussing the proposal, appoint an independent non-executive director to read out the opinion of the special meeting of the independent non-executive directors.

If any directors obstruct the normal progress of the meeting or influence the speech of other directors, the chairman of the meeting shall stop that director in a timely manner.

**Article 18** Directors shall read relevant meeting materials carefully and express their opinions independently and prudently on the basis of a full understanding of the situation.

Directors can obtain relevant information required for decision-making from relevant persons and institutions such as the securities division, convener of the meeting and other senior management, special committees, accounting firms and law firms. Directors may also propose to the presider during the meeting to invite the above personnel and institutional representatives to attend the meeting and explain relevant situations.

**Article 19** For each proposal, the presider shall request the attending directors for a vote in a timely manner after full discussion.

The voting at the meeting shall be conducted by means of one person one vote, registered or written. In the event of a tie between for and against, the chairman of the Board is entitled to one additional vote. For board meetings not held on the spot, attending directors may, submit their voting opinions by video presentation, personal service, fax, letter and other written means to the Secretary to the Board within the voting time limit.

The voting opinions of directors include For, Against and Abstain. The attending directors shall choose one of the above opinions. If no choice is made or two or more intentions are chosen at the same time, the chairman of the meeting shall request the director to make a new choice. Refusal to choose shall be deemed as an abstention. Those who leave the venue without returning and do not make a choice shall be regarded as an abstention.

**Article 20** Upon the completion of the voting of attending directors, the Secretary to the Board shall collect the voting votes of the directors in a timely manner for statistics. For meetings held on the spot, the chairman of the meeting shall announce the voting result on the spot; in other cases, the chairman of the meeting shall request the Secretary to the Board to notify the directors of the results before the next working day after the end of the prescribed voting time limit. If any directors vote after the announcement of the voting result by the chairman of the meeting or after the end of the voting time, his/her vote shall not be counted.

**Article 21** Unless otherwise specified in the Rules, for the Board to consider and approve any proposal of the meeting and conclude relevant resolution, more than half of the directors of the Company shall vote in favor of the proposal. Where laws, regulations, normative

documents, the listing rules of the stock exchange(s) where the Company's shares are listed and the Articles of Association stipulate that the Board shall obtain the consent of more directors to form a resolution, the provisions contained therein shall prevail.

For the Board to, within its competence, make a resolution on the matter of guarantee in accordance with the provisions of the Articles of Association, in addition to the consent of a majority of all directors of the Company, the consent of more than two-thirds of the attending directors shall be obtained.

In case of any contradiction between the content or the meaning of different resolutions, the latest formed resolution shall prevail.

**Article 22** If the associated directors (include the circumstances set out in Article 13.44 of the Listing Rules) avoid voting, a board meeting may be held in the presence of more than half of the unrelated directors, and any resolution formed therein shall be adopted by more than half of the unrelated directors, and the matters of the external guarantee are subject to the approval of more than two-thirds of the unrelated directors. If the number of attending unrelated directors is less than three, the relevant proposal shall not be voted on, but shall be submitted to the general meeting for consideration.

**Article 23** The Board shall act in strict accordance with the authorization of the general meeting and the Articles of Association of the Company, and shall not overstep its authority to form a resolution.

**Article 24** Where a resolution on the distribution of profits of the Company is to be made at the board meeting, the certified public accountant may be first notified of the proposed distribution plan to be submitted to the Board for consideration and required to produce a draft audit report accordingly (all financial data other than those related to distribution determined). After the Board has made a resolution on distribution, it shall require the certified public accountant to issue a formal audit report, based on which the Board shall then make a resolution on other relevant matters of the periodic report.

**Article 25** In case that a proposal is not passed, it shall not be considered by the Board within one month in the absence of any significant change in the relevant conditions or factors.

**Article 26** If more than one half of the attending directors or more than two independent non-executive directors deem any proposal unclear and unspecified, or unable to make a judgment on the matter due to other reasons such as insufficient meeting materials, the chairman of the meeting shall request the meeting to put the voting on the subject on hold.

The director proposing a stay of voting shall make requirements on the conditions to be met for the proposal to be submitted for reconsideration.

**Article 27** Board meetings convened on the spot and by video, telephone, etc. may be recorded as necessary.

**Article 28** The Secretary to the Board shall record board meetings in person or by designating any staff member, and shall be responsible for the truthfulness and accuracy of the meeting minutes. The meeting minutes shall contain the following items:

(I) The date and venue of the meeting and the name of the convener;

(II) The names of the directors present and of directors (agents) appointed by others to attend the board meeting;

(III) The agenda of the meeting;

(IV) The main points made by the directors;

(V) The table method and results of each item (the results of the table shall indicate the number of votes for, against or abstain~~approved, opposed or abstained~~);

(VI) Other matters that should be recorded in the opinion of attending directors.

**Article 29** The directors shall be responsible for resolutions of the Board. Where the resolution of the Board violates laws, administrative regulations or the Articles of Association of the Company or the resolution of the general meeting, resulting in substantial losses to the Company, the directors involved in the resolution shall be liable to the Company. However, the director may be exempted from the liability if his/her objection has been expressed at voting time and recorded in the meeting minutes.

The attending directors shall sign and confirm the meeting minutes on behalf of themselves and the directors who entrust them to attend the meeting on their behalf. Where any directors have different opinions on the meeting minutes, he/she may make a written explanation when signing.

Where a board meeting isn't convened on the spot, the Secretary to the Board shall, at the most recent on-the-spot board meeting or other convenient and appropriate time, request the directors attending the previous meeting to sign the resolutions and minutes of that meeting.

Where a director neither signs for confirmation as provided for in the preceding paragraph nor makes a written statement of his/her different opinions, he/she shall be deemed to have fully agreed with the contents of the meeting minutes.

**Article 30** The announcement of the resolutions of the Board shall be handled by the Secretary to the Board in accordance with the relevant provisions of the listing rules of stock exchanges. Prior to the disclosure of the announcement of any resolution, the attending directors and other participants, recorders and service personnel shall have the obligation to keep the contents of the resolution confidential.

**Article 31** The chairman of the Board shall urge the relevant personnel to implement and check the implementation of the resolutions of the Board, and inform the Board at future meetings of the implementation of the resolutions that have been formed.

The Secretary to the Board shall report to the chairman of the Board on the implementation of the resolutions of the Board in a timely manner, and convey the opinions of the chairman truthfully to the directors and the management of the Company.

The Secretary to the Board may assist the Board to supervise and inspect the implementation of the resolutions made by the Board by collecting and consulting relevant documents and information and communicating with relevant personnel.

The Board may require members of the management to report orally or in writing to the Board on the implementation of the resolutions of the Board and the major production and operation of the Company.

**Article 32** The records of board meetings, including meeting notices and materials, the check-in book, the power of attorney of directors who entrust others to attend on their behalf, the recording materials, the voting votes, the meeting minutes confirmed by attending directors with signature, etc., shall be kept by the Secretary to the Board.

The minutes of board meetings shall be kept for not less than ten years.

**Chapter III Supplementary Provisions**

**Article 33** The "above" or "within" as mentioned in the Rules of Procedure shall be inclusive of the relevant figure; while "over", "less than", and "more than" shall be exclusive of the relevant figure.

**Article 34** The Rules of Procedure shall be consistent and implemented in accordance with relevant provisions of such laws as the Company Law, the Securities Law, regulations, normative documents and the listing rules of the stock exchange(s) where the Company's shares are listed and the relevant provisions of the Articles of Association of the Company. In case of any inconsistency or any matters not covered herein, the relevant laws, regulations, normative documents, the listing rules of the stock exchange(s) where the Company's shares are listed and the relevant provisions of the Articles of Association of the Company shall prevail.

**Article 35** The Rules of Procedure shall be implemented as of the date of approval by the general meeting of the Company. For the Rules of Procedure to be amended, the Board shall propose an amendment plan for the consideration and approval by the general meeting, which shall not enter into force without the approval of the general meeting.

**Article 36** The Rules of Procedure shall be interpreted by the Board of the Company.

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***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

**PHARMARON BEIJING CO., LTD.**

**Related Party/Connected Transactions Management Policy**

**Chapter 1 General Provisions**

**Article 1** In accordance with the Company Law of the People's Republic of China (the "**Company Law**"), Securities Law of the People's Republic of China (the "**Securities Law**"), listing rules of the stock exchange(s) where the Company's shares are listed (including but not limited to the Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**H Share Listing Rules**")) and other relevant laws, regulations and normative documents, the policy is hereby formulated in order to regulate the management of related/connected transactions of Pharmaron Beijing Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**"), guarantee that the related/connected transactions between the Company and related parties/connected persons comply with the principles of fairness, justice and fairness, and ensure that the related/connected transactions of the Company do not harm the interests of the Company, all shareholders and creditors, especially the legitimate interests of minority shareholders.

**Article 2** Related transaction of the Company refers to the identified transfer of resources or obligations or any other transaction between the Company or its controlling subsidiaries and the related persons in accordance with the Company Law, Securities Law and related laws and regulations and normative documents as well as relevant listing rules of the Shenzhen Stock Exchange ("**SZSE**") (hereinafter collectively referred to as the "**A Share Listing Rules**").

Connected transactions of the Company refers to transactions between a listed company or its subsidiaries and connected persons (as defined in the H Share Listing Rules) as determined under Chapter 14A of the H Share Listing Rules, and specific types of transactions with third parties.

The Company shall give priority to adopting more stringent standards for the related/connected transactions to which the A Share Listing Rules and the H Share Listing Rules both apply and shall fulfill corresponding procedures such as approval, filing, avoidance and information disclosure in accordance with the requirements of applicable laws, regulations, normative documents or the listing rules of the stock exchange where the Company's shares are listed.

**Article 3** The policy is applicable to the Company and its branches and wholly-owned or controlling subsidiaries and other affiliated enterprises.

**Article 4** Related/connected transactions of the Company shall follow the following basic principles:

(I) Equality, voluntariness, equivalence and compensation;

(II) Justice, impartiality and fairness;

(III) If the related parties/connected persons enjoy voting rights at the general meeting, they shall avoid voting on related/connected transactions except under special circumstances;

(IV) The director who has any interest with the related party/connected person shall withdraw from voting on the related/connected transaction by the board of directors (the "**Board**");

(V) The Board of the Company shall judge whether the related/connected transaction is beneficial to the Company according to objective criteria, and shall engage a professional evaluation agency or independent financial advisor to express opinions when necessary. The Board of the Company shall stipulate that the audit committee under it shall perform the duties of controlling and daily management of the related/connected transactions of the Company;

(VI) Related transactions that should be disclosed must be approved by a simple majority of all independent non-executive directors.

## Chapter 2 Related Persons and Related Party Transactions Subject to the A Share Listing Rules

### Section 1 Related Persons and Scope of Related Transactions

**Article 5** Related persons of the Company include related legal persons and related natural persons.

**Article 6** A legal person or any other organization under any of the following circumstances shall be a related legal person of the Company:

(I) A legal person or any other organization that directly or indirectly controls the Company;

(II) Legal persons or other organizations other than the Company and its controlling subsidiaries directly or indirectly controlled by the entities listed in clause (I) above;

(III) Legal persons or other organizations other than the Company and its controlling subsidiaries that are directly or indirectly controlled by the related natural persons listed in Article 8, or where the related natural persons act as directors (excluding~~except~~ independent non-executive directors who hold positions in both parties) or senior management officers;

(IV) Legal persons, other organizations or persons acting in concert holding more than 5% of the shares of the Company;

(V) Other legal persons or other organizations identified by the China Securities Regulatory Commission (the "**CSRC**"), SZSE or the Company according to the principle of substance over form that have a special relationship with the Company, which may cause the interests of the Company to be inclined to them.

**Article 7** Where the Company and the entity listed in clause (II) of the preceding Article are controlled by the same state-owned assets administration, no relationship shall be formed as a result thereof, except that the chairman of the Board, general manager or more than half of the directors of the entity concurrently serve as the directors~~, supervisors~~ or senior management of the Company.

**Article 8** A natural person shall be a related natural person of the Company under any of the following circumstances:

(I) Natural person shareholders who directly or indirectly hold more than 5% of the shares of the Company;

(II) Directors~~, supervisors~~ and senior management of the Company;

(III) Directors, supervisors and senior management of the related legal persons listed in clause (I) of Article 6;

(IV) Close family members of the persons mentioned in clauses (I) to (III) of this Article, including the spouse, parents and parents of the spouse, brothers and sisters and their spouses, children over the age of 18 and their spouses, brothers and sisters of the spouse and parents of the spouses of the children;

(V) Other natural persons identified by the CSRC, SZSE or the Company according to the principle of substance over form that have a special relationship with the Company, which may cause the interests of the Company to be inclined to them.

**Article 9** A legal person, other organization or natural person under any of the following circumstances shall be regarded as a related person of the Company:

(I) In accordance with the agreement signed or arrangement made with the Company or its related persons, after the agreement or arrangement takes effect, or within the next twelve months, one of the circumstances specified in Article 6 or Article 8 will occur;

(II) Under any of the circumstances specified in Article 6 or Article 8 within the past twelve months.

**Article 10** Related transactions of the Company refers to the matters which may result in the transfer of resources or obligations between the Company or its controlling subsidiaries and the related persons, including:

(I) Purchase or disposal of assets;

(II) External investment (including consigned financial management, investment in subsidiaries, etc., excluding establishment or capital increase of wholly-owned subsidiaries);

(III) Providing financial assistance (including consigned loans);

(IV) Providing guarantees (referring to guarantees provided by the Company to others, including guarantees to controlling subsidiaries);

(V) Leasing in or leasing out of assets;

(VI) Signing management contracts (including consigned operation, entrusted operation, etc.);

(VII) Granting or donated assets;

(VIII) Creditor's rights and debt restructuring;

(IX) Signing a license agreement;

(X) Transfer of research and development projects;

(XI) Waiver of rights (including waiver of preemptive rights, priority to subscribe for capital contribution, etc.);

(XII) Purchase of raw materials, fuels and power;

(XIII) Selling products and commodities;

(XIV) Providing or accepting labor services;

(XV) Entrusting or entrusted sales;

(XVI) Joint investment by related parties;

(XVII) Other matters identified by the A Share Listing Rules that may result in the transfer of resources or obligations through an agreement.

The following activities of the Company are not subject to the provisions of the preceding paragraph:

(I) Purchase of raw materials, fuels and power related to daily operations (excluding the purchase and disposal of such assets involved in asset replacement);

(II) Disposal of products, commodities and other assets related to daily operations (excluding the purchase and disposal of such assets involved in asset replacement);

(III) Main business activities of the Company, although the transactions stipulated in the preceding paragraph are carried out.

**Section 2 Reporting of Related Persons**

**Article 11** The directors~~, supervisors~~, senior management officers, shareholders holding more than 5% of shares of the Company, de facto controllers and persons acting in concert shall inform the Company of their relationships with the Company in a timely manner.

**Article 12** The audit committee of the Company shall confirm the list of related persons of the Company and report to the Board ~~and supervisory committee~~ in a timely manner.

**Article 13** The Company shall promptly complete or update the list of related persons of the Company and information on relationships via SZSE Website Business Management System.

**Section 3 Approval Authority and Decision-making Procedure for Related Transactions**

**Article 14** The general manager shall submit proposals to the Board for related transactions (excluding the provision of guarantee and financial assistance) between the Company and related natural persons with the transaction amount exceeding RMB300,000, related transactions between the Company and related legal persons with a transaction amount exceeding RMB3 million and accounting for more than 0.5% of the absolute value of the Company's latest audited net asset value (excluding the provision of guarantee and financial assistance). Those meeting the consideration and approval standards of the general meeting shall also be submitted to the general meeting for consideration and approval.

**Article 15** Related transactions between the Company and related persons with a transaction (excluding the provision of guarantee) amount exceeding RMB30 million and accounting for more than 5% of the absolute value of the latest audited net assets of the Company, shall be submitted by the Board to the general meeting, which shall come into force upon consideration and approval by the general meeting.

The following transactions between the Company and related persons may be exempted from being submitted to the general meeting for consideration and approval:

(I) The Company participates in a public bidding or public auction for non-specific objects (excluding limited means such as an invitation to bid), except where a fair price cannot be easily formed through tenders, auctions, or similar means~~;~~;

(II) Transactions in which the Company obtains benefits unilaterally, including receiving cash assets, obtaining a debt relief~~, accepting guarantees and assistance,~~, etc.;

(III) The pricing of related transactions is stipulated by the State;

(IV) The related person provides funds to the Company, and the interest rate shall not be higher than the Loan Prime Rate (LPR) prescribed by the People's Bank of China, and the Company does not provide corresponding guarantees;~~loan interest rate standard for the same period as stipulated by the People's Bank of China;~~

(V) The Company provides products and services to directors~~, supervisors~~ and senior management officers under the same transaction conditions as non-related persons.

**Article 16** The guarantee provided by the Company for related persons shall be disclosed in a timely manner and submitted to the general meeting for consideration and approval after being considered and approved by the Board. Where the Company provides guarantees for the controlling shareholder, de facto controller and its related parties, the controlling shareholder, de facto controller and its related parties shall provide counter guarantees.

The Company shall not provide financial assistance to connected persons (the definition of connected persons shall be implemented in accordance with the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*). However, this provision does not apply to the case where the Company provides financial assistance to an associated invested company (excluding entities controlled by the controlling shareholders or actual controllers of the listed company; the definition of an associated invested company shall be implemented in accordance with the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange), and other shareholders of such invested company provide financial assistance on the same terms in proportion to their capital contributions.

Where the Company provides financial assistance to the associated invested company specified in the preceding paragraph, such matter shall not only be reviewed and approved by a majority of all non-connected directors, but also by more than two-thirds of the non-connected directors present at the board meeting, and shall be submitted to the shareholders' meeting for review and approval. ~~The Company shall not provide financial assistance such as funds for directors, supervisors, senior management officers, controlling shareholders, de facto controllers and their controlling subsidiaries and other related persons. The Company shall prudently provide financial assistance or entrusted wealth management to related persons.~~

**Article 17** Where a related transaction involves such matters as "providing financial assistance", "providing guarantees" and "entrusted wealth management", the amount incurred shall be taken as the calculation standard for disclosure and shall be cumulatively calculated within 12 consecutive months according to the transaction category. If the accumulated amount reaches the standards specified in this policy, the corresponding approval procedures shall be performed.~~Article 18, Article 19 or Article 20, the provisions of the preceding Articles shall apply respectively.~~ If the decision-making procedures ~~relevant obligations~~ have been performed~~fulfilled~~ in accordance with this policy~~Article 18, Article 19 or Article 20~~, they shall not be included in the relevant accumulative calculation scope.

**Article 18** Where the Company conducts the following related transactions, the amount of related transactions shall be calculated according to the principle of accumulative calculation within 12 consecutive months:

(I) Transactions with the same related person;

(II) Transactions related to the types of objects of transactions with different related persons.

The above-mentioned same related person includes other related persons controlled by the same entity or having equity control relationship with each other. Those who have performed decision-making procedures ~~relevant obligations~~ in accordance with this policy~~Article 18, Article 19 or Article 20~~ shall not be included in the relevant accumulative calculation scope.

**Article 19** Where there are special provisions on the authorities and procedures for examination and approval of matters involved in related transactions in accordance with laws, administrative regulations, departmental rules, A Share Listing Rules and articles of association, such provisions shall prevail.

**Article 20** Related transactions identified according to the A Share Listing Rules and which need to be submitted to the general meeting for consideration and approval shall be submitted to the Board for consideration and approval after being approved by more than half of independent non-executive directors. Before making a judgment, independent non-executive directors may engage an intermediary institution to issue an independent financial consultant report as the basis for the judgment.

**Section 4 Avoidance System of Related Transactions**

**Article 21** When the Board considers and approves related transactions, the related directors shall avoid voting and shall not exercise voting rights on behalf of other directors. The board meeting may be held with the attendance of more than half of the non-related directors, and the resolution made at the board meeting shall be approved by more than half of the non-related directors. Where there are less than three non-related directors present at the Board, the Company shall submit the transaction to the general meeting for consideration and approval.

Related directors include the following directors or directors with one of the following circumstances:

1. A counterparty;

2. A director serving in the counterparty, or at a legal person or other organization that can directly or indirectly control the counterparty or at a legal person or other organization directly or indirectly controlled by the counterparty;

3. Directly or indirectly controls the counterparty;

4. A family member who is closely related to the counterparty or its direct or indirect controller (see clause (IV) of Article 8 of this system for details);

5. A family member who is closely related to the director, supervisor and senior management officers of the counterparty or its direct or indirect controller (see clause (IV) of Article 8 of this system for details);

6. A person whose independent business judgment may be affected for any other reason as identified by the CSRC, SZSE or the Company.

**Article 22** When the Company's general meeting considers and approves related transactions, related shareholders shall avoid voting, and the number of voting shares they represent shall not be included in the total number of voting shares. The announcement of the resolution of the general meeting shall fully disclose the voting conditions of non-related shareholders.

Related shareholders include the following shareholders or shareholders in any of the following circumstances:

1. A counterparty;

2. Directly or indirectly controls the counterparty;

3. Directly or indirectly controlled by the counterparty;

4. Directly or indirectly controlled by the same legal person or natural person with the counterparty;

5. A family member who is closely related to the counterparty or its direct or indirect controller (see clause (IV) of Article 8 of this system for details);

6. Serves in the counterparty, or serves in a legal entity that directly or indirectly controls the counterparty or a legal entity directly or indirectly controlled by the counterparty (in case of natural person shareholder);

7. Has its voting rights restricted or affected by the existence of an unfulfilled equity transfer agreement or other agreement with the counterparty or its related persons;

8. Legal person or natural person identified by CSRC, SZSE, which may cause the Company to tilt interests towards them.

**Article 23** The withdrawal and voting procedures of related directors are as follows:

(I) Related directors shall apply for withdrawal on their own initiative, otherwise other directors shall have the right to ask them to withdraw;

(II) In case of any dispute over whether the director is a related director or not, a majority vote of the interim meeting of the Board shall pass a resolution to decide whether the director is a related director or not, and decide whether he/she shall be withdrawn;

(III) When the Board votes on related transactions, after deducting the voting rights represented by related directors, the non-related directors present at the Board shall vote in accordance with the articles of association and the rules of procedure of the Board.

**Article 24** The procedures for withdrawal and voting of related shareholders are as follows:

(I) Related shareholders shall take the initiative to apply for withdrawal, otherwise other shareholders shall have the right to apply for withdrawal of the related shareholders to the general meeting;

(II) In case of any dispute over whether the shareholder is a related shareholder or not, half of all the directors in the interim meeting of the Board shall pass a resolution to decide whether the shareholder is a related shareholder or not, and decide whether he/she shall be withdrawn, which shall be final;

(III) When the general meeting votes on related transactions, after deducting the number of voting shares represented by the related shareholders, the non-related shareholders present at the general meeting shall vote in accordance with the articles of association and the rules of procedure of the general meeting.

**Section 5 Daily Related Transactions**

**Article 25** Where the Company and related persons conduct daily connected transactions, the Company shall disclose and perform the corresponding consideration and approval procedures according to the following provisions:

(I) The Company may reasonably estimate the annual amount of daily related party transactions by category, and perform and disclose the consideration and approval procedures. When the actual amount exceeds the estimated amount, the Company shall re-perform the relevant consideration and approval procedures and disclosure obligations based on the excess amount;

(II) The Company shall disclose the daily related transactions in its annual reports and interim reports by category;

(III) Where the term of the daily related transaction agreement entered into between the Company and its related parties exceeds three years, the relevant consideration and approval procedures and disclosure obligations shall be re-performed every three years.

**Article 26** The daily related transaction agreement shall at least include the main clauses such as the transaction price, pricing principles and basis, total transaction amount or determination method of the total transaction amount, payment method, etc.

**Section 6 Disclosure of Related Transactions**

**Article 27** The announcement disclosed by the Company regarding the related transactions according to the A Share Listing Rules shall include the followings:

(I) Overview of related party transactions;

(II) Basic information of related party;

(III) Basic information of the subjects of related party transactions;

(IV) Pricing policy and basis of pricing for the related party transactions;

(V) Main contents of the transaction agreement;

(VI) Other arrangements in connection with the related transactions;

(VII) The purpose of the transaction and its impact on the listed company;

(VIII) Total amount of various related transactions with the related person cumulatively from the beginning of the current year to the disclosure date;

(IX) The opinion of consideration and approval by the special meeting of independent non-executive directors;

(X) Opinions and conclusions of intermediaries (if applicable);

(XI) Other content, in the view of the SZSE or the Board of the Company, are helpful to explain the essence of the related party transactions.

**Article 28** When the Company and related persons conclude the following related transactions, it may be exempted from consideration and approval and disclosure in a way of related transactions:

(I) Either party subscribes in cash for shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party to unspecified parties;

(II) Either party receives dividends, bonuses or remuneration in accordance with the resolution of the other party's general meeting;

(III) Either party, as a member of the underwriting syndicate, underwrites the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party to unspecified parties;

(IV) Other circumstances recognized by the SZSE where the shares are listed.

## Chapter 3 Connected Persons and Connected Transactions Subject to the H Share Listing Rules

### Section 1 Scope of Connected Persons

**Article 29** In accordance with the H Share Listing Rules, a **connected person** of the Company and its subsidiaries generally includes the following parties unless otherwise specified therein:

(I) A director, supervisor, chief executive or major shareholder of the Company or any of its subsidiaries (as defined in the H Share Listing Rules) (i.e., person entitled to exercise or control the exercise of 10% or more of the voting rights at the general meetings of the Company);

(II) Any person who has served as a director of the Company or any of its subsidiaries within the past 12 months (together with persons referred to in clause (I) of this Article as the "**Basic Connected Person**");

(III) An associate of any Basic Connected Person, including:

1. If the Basic Connected Person is an individual:

(1) His/her spouse, and any child or step-child (natural or adopted) of the individual or his/her spouse under the age of 18 years (the "**Immediate Family Member**");

(2) The trustees, acting in their capacity as trustees of any trust of which the individual or his/her immediate family member is a beneficiary or, in the case of a discretionary trust, is (to his/her knowledge) a discretionary object of the trust;

(3) A 30%-controlled company held (as defined in the H Share Listing Rules), directly or indirectly, by the Basic Connected Person, his/her immediate family members and/or the trustees (individually or together), or any of its subsidiaries;

(4) Any person cohabiting with him/her as a spouse, or his/her child, step-child, parent, step-parent, brother, step-brother, sister or step-sister (a "**Family Member**"); or a majority-controlled company held, directly or indirectly, by the family members (individually or together), or held by the family members together with the individual, his/her immediate family members and/or the trustees, or any of its subsidiaries; and

(5) If the Basic Connected Person, their Immediate Family Member and/or the trustee jointly hold, directly or indirectly, the paid-up capital or assets of any cooperative or contractual joint venture company (whether or not the joint venture company is an independent corporation) or have an interest of 30% or more of the profit or other income of the joint venture company under the contract (or as applicable under Chinese law in relation to triggering a mandatory public offer or establishing other percentages of legal or managerial control over the enterprise), the joint venture partner of the joint venture company shall be an associate of such a Basic Connected Person.

2. If the Basic Connected Person is a company (i.e., the major corporate shareholder):

(1) A subsidiary of a major corporate shareholder, a controlling company or a fellow subsidiary of the controlling company (the "**Related Company**");

(2) The trustees, acting in their capacity as trustees of any trust of which the major corporate shareholder is a beneficiary or, in the case of a discretionary trust, is (to the major corporate shareholder's knowledge) a discretionary object of the trust;

(3) A 30%-controlled company held directly or indirectly by the major corporate shareholder, their Related Company and/or the trustee (individually or jointly), or any subsidiaries of the company; and

(4) If the major corporate shareholder, their Related Company and/or the trustee jointly hold, directly or indirectly, the paid-up capital or assets of any cooperative or contractual joint venture company (whether or not the joint venture company is an independent corporation) or have an interest of 30% or more of the profit or other income of the joint venture company under the contract (or as applicable under Chinese law in relation to triggering a mandatory public offer or establishing other percentages of legal or managerial control over the enterprise), the joint venture partner of the joint venture company shall be the contact person of such a Basic Connected Person.

(IV) Related subsidiary refers to a non-wholly-owned subsidiary of the Company, where any connected persons at the corporate level have the right to exercise or control the exercise of 10% or more of the voting rights individually or jointly at the general meeting of the non-wholly- owned subsidiary, and the subsidiaries of the non-wholly-owned subsidiary;

(V) Other connected persons as required from time to time by the H Share Listing Rules or recognized by the Listing Rules of the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). For details, please refer to Rules 19 to 22 of Chapter 14A of the H Share Listing Rules.

**Article 30** The definition of a connected person does not include a director, chief executive, major shareholder or supervisor of an insignificant subsidiary of a company. For this purpose: an "**insignificant subsidiary**" refers to a subsidiary whose total assets, profits and revenue compared to that of the Group are less than: (I) 10% under the percentage ratios for each of the latest three financial years (or if less, the period since the incorporation or establishment of the subsidiary); or (II) 5% under the percentage ratios for the latest financial year. If the person is connected with two or more subsidiaries of the Company, the Hong Kong Stock Exchange will aggregate the subsidiaries' total assets, profits and revenue to determine whether they are together "insignificant subsidiaries" of the Company.

Also, in case of the following circumstances, a subsidiary of the Company shall not be a connected person: (I) a subsidiary directly or indirectly wholly-owned by the Company; or (II) a subsidiary which is a connected person only because it is a major shareholder of another subsidiary of the Company or an associate of the director (or a person who served as a director in the past 12 months), chief executive, major shareholder or supervisor of any subsidiary of the Company.

### Section 2 Reporting of Connected Persons

**Article 31** The securities division of the Company shall formulate and update the format of the connected person reporting form from time to time as necessary, send and collect the form regularly, and urge the connected person to report relevant information to the securities division of the Company immediately after he/she takes office or becomes the major shareholder of the Company.

**Article 32** The Company shall distinguish the types of connected transactions according to the testing methods specified in the H Share Listing Rules, and shall comply with (or be exempted from) the requirements for reporting, announcement and approval by independent shareholders when signing an agreement.

### Section 3 Scope of Connected Transactions

**Article 33** For the purpose of the H Share Listing Rules, **connected transactions** refer to any transactions with a connected person between a company or its subsidiaries. "Transactions" include both capital and revenue nature transactions, whether or not conducted in the ordinary and usual course of business of the Company, such transactions may be one-off transactions or ongoing transactions. These include the following types of transactions:

(I) any acquisition or disposal of assets by the listed issuer, including a deemed disposal;

(II) (a) the listed issuer's group granting, accepting, exercising, transferring or terminating an option to acquire or dispose of assets or to subscribe for securities; or

(b) the listed issuer's group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;

(III) entering into or terminating finance leases or operating leases or sub-leases;

(IV) granting an indemnity or providing or receiving financial assistance. "Financial Assistance" includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;

(V) entering into an agreement or arrangement to set up a joint venture in any form (e.g., a partnership or a company), or any other form of joint arrangement;

(VI) issuing new securities of the listed issuer or its subsidiaries, including underwriting or sub-underwriting of securities offerings;

(VII) providing, receiving or sharing services; or

(VIII) acquiring or providing raw materials, intermediate products and/or finished goods.

The Company must enter into a written agreement for each connected transaction, including an exempted connected transaction.

**Article 34** In addition, Financial Assistance provided by the Group to, or received by the Group from, a commonly held entity is a connected transaction. To this end, the "**Commonly Held Entity**" refers to a company whose shareholders include: (I) a member of the Group; and (II) any connected person(s) at the issuer level who, individually or together, can exercise or control the exercise of 10% or more of the voting power at the company's general meeting. This 10% excludes any indirect interest held by the person(s) through the Company.

**Article 35** The Group acquiring an interest in a company (the "**target company**") from a third party who is not a connected person is a connected transaction if the target company's major shareholder is, or is proposed to be, a controller (i.e., a director, chief executive or controlling shareholder of the Company); or is, or will, as a result of the transaction, become, an associate of a controller or proposed controller.

**Article 36** If the connected transaction also constitutes a notifiable transaction, the Company must also comply with the requirements on notifiable transactions under Charter 14 of the H Share Listing Rules.

**Article 37** According to the H Share Listing Rules, the transactions between the listed group and its connected persons shall include (I) fully exempt, (II) partly exempt and (III) non-exempt connected transaction, as defined under the provisions of below Article 38 to Article 42. Partly exempt connected transactions and non-exempt connected transaction are collectively referred to non-exempt connected transaction.

**Article 38** The relevant percentage ratios for fully exempt, partly exempt and non-exempt connected transaction are calculated as follows:

(I) the asset ratio refers to total assets involved in the relevant transaction divided by total assets of the Company;

(II) the profit ratio refers to the profit attributable to the assets involved in the transaction divided by profit of the Company;

(III) the income ratio refers to the income attributable to the assets involved in the transaction divided by income of the Company;

(IV) the consideration ratio refers to the consideration divided by total capitalization of the Company. Total capitalization was calculated by average closing price of securities of the Company for five trading days prior to the relevant transaction date as quoted in daily quotation sheets in the Hong Kong Stock Exchange; and

(V) the equity ratio refers to the number of shares issued by the Company as consideration divided by the total number of shares of the Company in issue prior to the relevant transaction.

**Article 39** The relevant percentage ratios are calculated applying the following principles:

The Hong Kong Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction if they were all entered into or completed within a twelve-month period or are otherwise related. The Company must comply with the connected transaction requirements based on the classification of the connected transactions when aggregated. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Factors that the Hong Kong Stock Exchange will consider for aggregation of a series of connected transactions include whether:

(I) they are entered into by the Group with the same party, or parties who are connected with one another;

(II) they involve the acquisition or disposal of parts of one asset, or securities or interests in a company (or group of companies); or

(III) they together lead to major involvement by the Group in a new business activity.

In terms of continuing connected transactions, the Company shall use the cap as the numerator for the calculation of the asset ratio, income ratio and consideration ratio. If the term of relevant transactions is agreed more than one year, the transactions shall be classified based on the maximum cap in the term of the agreement.

**Article 40** The following connected transactions are fully exempted connected transactions:

(I) New securities issued by the Company or its subsidiaries;

(II) Dealing in securities on stock exchanges;

(III) Repurchase of the securities of the Company or its subsidiaries;

(IV) Directors' service contracts and insurance-the service contracts entered into between the directors and the Group shall be fully exempted. In addition, purchase and maintenance of insurance for a director of the Group against liabilities to third parties that may be incurred in the course of performing his/her duties are fully exempt if it is in the form permitted under the laws of Hong Kong and where the company purchasing the insurance is incorporated outside Hong Kong, the laws of the company's place of incorporation.

(V) Buying consumer goods or services as a customer from, or selling consumer goods or services to, a connected person on normal commercial terms or better in the ordinary and usual course of business for own use purpose;

(VI) Shared administrative management services;

(VII) Transactions with the contact persons of passive investors;

(VIII) Transactions with connected persons at the subsidiary company level;

(IX) Financial assistance that meets certain conditions. The financial assistance provided by the Company or any member of the Group to connected persons or jointly held entities (as defined in the H Share Listing Rules) shall be fully exempted if meeting the following requirements, including:

(1) The relevant financial assistance is provided in accordance with general commercial terms or better terms; and

(2) The relevant financial assistance provided by the Company or any member of the Group is in proportion to the share capital interest directly held by the Company or its subsidiaries in the connected person or jointly held entity. Any security provided by the Company or a member of the Group shall be several (instead of joint and several).

Meanwhile, financial assistance received by the Company or a member of the Group from a connected person or jointly held entity shall be fully exempted if meeting the following requirements:

(1) The relevant financial assistance is provided in accordance with general commercial terms or better terms; and

(2) The relevant financial assistance is not secured by the assets of the Company or a member of the Group.

(X) The de minimis transaction (other than an issue of new securities by the Company to connected persons and applies to a connected transaction conducted on normal commercial terms or better) is fully exempt if all the percentage ratios (other than the profits ratio) as stipulated in Article 38 and Article 39 of the policy are: (1) less than 0.1%; (2) less than 1% and the transaction is a connected transaction only because it involves connected person(s) at the subsidiary level; or (3) less than 5% and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity) is less than HK$3,000,000. This Article does not apply to an issue of new securities by the Company to connected persons. The transaction is exempt from the circular (including independent financial advice) and shareholders' approval requirements if all the percentage ratios (other than the profits ratio) are: (1) less than 5%; or (2) less than 25% and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity) is less than HK$10,000,000.

**Article 41** The following connected transactions are partly exempt connected transactions:

The transaction is partly exempt if all the percentage ratios as stipulated in Article 38 and Article 39 of the policy are:

(I) On normal commercial terms or better, and each of the percentage ratios (other than the profits ratio) is less than 5%;

(II) On normal commercial terms or better, and each of the percentage ratios (other than the profits ratio) is less than 25% and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity) is less than HK$10,000,000;

(III) A connected transaction between the listed company or its subsidiary and a connected person at the subsidiary level is entered into on normal commercial terms or better if:

(1) The Board of the listed company have approved the transactions; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed company and its shareholders as a whole.

**Article 42** The non-exempt connected transactions refer to other connected transactions that are not fully exempt nor partly exempt:

**Article 43** Continuing connected transactions are connected transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. They are usually transactions in the ordinary and usual course of business of the Group. In addition to determining whether the relevant transactions require reporting, announcement and shareholders' approval at the time of entering into the agreement, the Company needs to continuously monitor its implementation and whether the amount exceeds the pre-determined annual caps, and to re-comply with the relevant provisions of the H Share Listing Rules when there is a material change in the terms of the agreement, the annual caps were exceeded or when the agreement is renewed.

**Article 44** A written agreement for a continuing connected transaction must contain the basis for calculating the payments to be made. Examples include sharing of costs incurred by the parties, unit prices for goods or services provided, annual rental for leasing a property, or management fees based on a percentage of the total construction cost, and must reflect normal commercial terms or better.

**Article 45** The period for the agreement of continuing connected transaction must be fixed and must not exceed three years except as permitted under the H Share Listing Rules and in special circumstances where the nature of the transaction requires a longer period. In this case, the Company must appoint an independent financial adviser to explain why the agreement requires a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration.

**Article 46** The Company must set the highest annual amount (the "**cap**") for each continuing connected transaction, and disclose the calculation basis and obtain shareholders' approval unless the relevant waivers described in Section IV below apply. The annual cap must be expressed in actual monetary terms rather than in a certain percentage ratio to the annual revenue of the Company. The Company shall set the annual cap by reference to previous transactions and figures in its published information. If there were no previous transactions, the cap must be set based on reasonable assumptions, and the details of consumptions shall be disclosed as well. If the connected transaction exceeds the cap during the process or it is required to update the agreement or make major changes to its terms or renew the agreement upon the expiry of the agreement, the Company shall obtain approval again in accordance with the H Share Listing Rules and the policy and re-comply with the requirements of the H Share Listing Rules (such as the announcement and shareholder's approval requirements).

**Article 47** The Company must engage its auditors to report on the continuing connected transaction every year. The auditors must provide a letter to the Company's Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions: (I) have not been approved by the Company's Board; (II) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (III) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (IV) have exceeded the cap.

**Section 4 Approval Authority and Decision-Making Procedure of Connected Transactions**

**Article 48** Fully exempt refers to the exemption from the reporting, announcement, circular to its shareholders, independent financial advice, independent shareholders' approval, and the annual review requirements, and there is no need to make disclosures nor to obtain the prior consent from the Board.

**Article 49** Partly exempt refers to the exemption from the circular to its shareholders, independent financial advice and independent shareholders' approval requirements, and it only needs to disclose the relevant details in the announcement and in the next published annual report and obtain prior approval of the Board.

**Article 50** Connected transactions for which there is no exemption must be disclosed and approved in advance by the board and the independent shareholders. The listed company shall establish an independent non-executive board committee and engage an independent financial adviser to advise the independent shareholders on the connected transaction; notify the shareholders in advance of the general meeting and include details of the connected transaction, the opinion of the independent financial adviser and the independent non-executive board committee on the connected transaction in such written notice and circular to the shareholders; and disclose the details of the connected transaction in the next published annual report.

**Article 51** For non-exempt connected transaction, the listed company shall (I) establish an independent non-executive board committee; and (II) appoint an independent financial adviser. The independent non-executive board committee that consists of independent non-executive directors who do not have a material interest in relevant transactions must, taking into account the recommendation of an independent financial adviser, advise the Company's shareholders: (I) whether the terms of the connected transaction are fair and reasonable; (II) whether the connected transaction is on normal commercial terms or better and in the ordinary and usual course of business of the Group; (III) whether the connected transaction is in the interests of the Company and its shareholders as a whole; and (IV) how to vote on the connected transaction. If an independent non-executive board committee is formed, the circular must include a letter from the independent non-executive board committee containing its opinion and its recommendation. Meanwhile, the listed company must appoint an independent financial adviser acceptable to the Hong Kong Stock Exchange to make recommendations to the independent non-executive board committee and shareholders. The independent financial adviser will give its opinion based on the written agreement for the transaction. If all the independent non-executive directors have a material interest in the transaction, an independent non-executive board committee will not be formed.

**Article 52** The non-exempt connected transaction must be conditional on shareholders' approval at a general meeting held by the Company. Any shareholder who has a material interest in the transaction must abstain from voting on the resolution. According to the Articles of Association, if any matter considered at the shareholders' general meeting is related to any shareholder, such shareholder shall disclose his/her connected relationship to the Company's board of directors prior to the convening of the meeting; when any related party transaction is being considered at the shareholders' general meeting, the chairman of the meeting shall announce the shareholders with connected relationships, and explain the related shareholders' relationships with the related party transactions. If the related shareholders raise an objection, the board of directors of the Company shall decide whether they should evade; in the event that the related shareholders have no objection or the related shareholders raise an objection, but the Board of the Company decides that it shall withdraw from voting, the chairman of the meeting declares the related shareholders shall evade, and non-related party shareholders shall consider and vote on the related party transactions; if related shareholders fail to evade in respect of the related party transactions in accordance with the above procedures, the resolutions concerning the related party transactions shall be null and void, and shall be subject to re-voting.

**Article 53** The Hong Kong Stock Exchange may waive the general meeting requirement and accept a written shareholders' approval, subject to the conditions that: (I) no shareholder of the Company is required to abstain from voting if a general meeting is held to approve the transaction; and (II) the approval is given by a shareholder or a closely allied group of shareholders who (together) hold more than 50% of the voting rights in the general meeting.

**Article 54** The Company's independent non-executive directors must review the continuing connected transactions every year and confirm in the annual report whether the transactions have been entered into: (I) in the ordinary and usual course of business of the Group; (II) on normal commercial terms or better; and (III) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

**Article 55** Non-exempt one-off connected transactions shall be handled according to the following principles:

(I) Shall first obtain the approval of the Board, and issue a public announcement on the Hong Kong Stock Exchange before the opening of the market on the first working day after the approval of the Board. The principles for handling the announcement are as follows: publish the announcement on the website of the Hong Kong Stock Exchange and disclose relevant information according to the requirements of the H Share Listing Rules after an agreement is made on transaction terms. The announcement shall clearly reflect: (1) whether the directors believe that the relevant transaction belongs to the transaction conducted according to the general commercial terms in the daily business of the Company; (2) opinions of independent non-executive directors; and (3) whether any directors have a material interest in the transaction and whether they have waived their voting rights at a meeting of the Board.

According to the Articles of Association, a director shall not be entitled to vote on any resolution of the Board in respect of any contract, transaction or arrangement in which he/she or any of his/her close associates as defined in the applicable listing rules in effect from time to time has any material interest or any other relevant proposals, nor shall such director be counted when the Company determines whether the quorum is reached.

(II) After the Board of the Company approves and makes a public announcement, the independent financial advisor shall confirm that the connected transaction is fair, reasonable and in line with the interests of the Company and all shareholders, and submit the opinion to the independent non-executive director committee for review, and then the independent non-executive director committee shall convene a separate meeting to confirm that the connected transaction is fair and reasonable and conforms to the interests of the Company and all shareholders. The above opinion of the independent financial advisor and independent non-executive director committee shall be included in the circular to be issued to the shareholders.

(III) Within 15 working days after the announcement is made, the expected final draft of the circular shall be submitted to the Hong Kong Stock Exchange for review, and then the circular conforming to the H Share Listing Rules confirmed by the Hong Kong Stock Exchange shall be sent to the shareholders, and the circular shall be

available in both Chinese and English versions. Any amendment or supplement to the circular and/or the provision of relevant information shall be sent to the shareholders not less than 10 working days before the general meeting is held.

(IV) Submit connected transactions to the general meeting for consideration and approval. The connected transaction can be carried out only after the approval of the general meeting. At the general meeting, the connected persons with significant interests shall abstain from voting. A statement that connected persons with significant interests shall abstain from voting shall be included in the circular to be issued to shareholders. Approval by an "independent shareholder" shall be by ballot. Before the opening of the market on the first working day after the meeting, the Company shall publish a notice announcing the result of the poll.

(V) Disclose in the first annual report and accounts after the connected transaction the date of the transaction, the parties to the transaction and their relationship with each other, the transaction and its purpose, consideration and terms, and the nature and extent of the interest held by the connected persons in the transaction.

**Article 56** Non-exempt continuing connected transactions shall abide by the following handling principles:

(I) Setting an annual cap for each connected transaction and disclosing the basis for the calculation of the cap.

(II) A written agreement shall be signed with the connected persons for each connected transaction, and the content of the agreement shall reflect the general commercial terms and list the basis for calculating the payment amount. The agreement term shall be fixed and shall not exceed three years. If the agreement term shall exceed three years due to the nature of the transaction, the written confirmation opinion of the independent financial advisor shall be obtained, and the consideration and approval procedure shall be performed again according to the provisions of the system.

(III) Reporting, announcement and approval by independent shareholders shall be carried out in accordance with the H Share Listing Rules, and examination and approval in accordance with the relevant internal authorization of the Company.

(IV) To comply with the relevant provisions of the H Share Listing Rules on annual review of continuing connected transactions.

(V) If the Company enters into an agreement involving continuing transactions and thereafter such transactions (for any reason, such as one of the counterparties becoming the director of the Company) become continuing connected transactions, the Company shall become aware of such~~any~~ amendment or update, and comply

fully with all applicable requirements for reporting, announcement and independent shareholder's approval of Chapter 14A of the H Share Listing Rules for all continuing connected transactions effective after such amendment or update occurs.

(VI) If the continuing connected transaction exceeds the original cap or the terms are significantly updated or revised, the Company shall comply with the procedures for reporting, announcement and approval by independent shareholders specified in the measures again.

**Section 5 Disclosure of the Non-exempt Connected Transactions**

**Article 57** The Company shall disclose the connected transactions as soon as practicable after their terms have been agreed. If the connected transactions are subsequently terminated or there is any material variation of their terms or material delay in the completion, the Company shall announce as soon as practicable. The Company shall also comply with all other applicable provisions under the H Share Listing Rules.

**Article 58** If the Group acquires a company or a business from a connected person, such connected person shall make guarantee on matters relating to the profits or net assets or other relevant financial performance of such company or business. The Company shall publish an announcement to disclose any subsequent amendment to the guarantee terms and the reasons therefor, and whether the independent non-executive directors of the issuer are of the view that such amendment is fair and reasonable and in the interests of the shareholders as a whole; and in the case of actual performance falling short of the guaranteed performance, the Company shall publish an announcement to disclose the following matters: (I) the shortfall and any adjustment to the consideration for the transaction or other consequences in accordance with the provisions as set out in the guarantee; (II) whether the connected person has fulfilled its obligations under the guarantee; (III) whether the Group has exercised any option to sell the company or business back to the connected person or other rights it held under the terms of the guarantee, and the reasons for making its decision; and (IV) the independent non-executive directors' opinion on the following matters, including: whether the connected person has fulfilled its obligations; and whether the decision of the Group to exercise or not to exercise any options or rights set out above is fair and reasonable and in the interests of the shareholders as a whole.

**Article 59** Announcement on the connected transactions under the H Share Listing Rules shall include following information:

(I) identity of the parties to the transaction and of their ultimate beneficial owner(s) and summary of their principal business;

(II) correlation between counterparties and connected persons' interests in relevant transaction;

(III) if the transaction is not required to be approved by shareholders, the advice of the independent non-executive directors on the matters mentioned in Article 51 above;

(IV) if it is a continuing connected transaction, it shall set out the calculation basis of the amount payable and cap amount of the transaction. If no circular is required to be published, the Company also need to disclose the way to determine and calculate the cap, including relevant assumptions and the amount of previous transaction as a benchmark for the cap;

(V) if the transaction involves the Group acquiring assets from connected persons, it shall set out the initial cost for acquiring relevant assets by the connected persons;

(VI) if the announcement sets out profit forecast in relation to the Group, or of a company belongs to (or will be) the Company's subsidiary, it should provide information required by the H Share Listing Rules in respect of the announcement containing profit forecast;

(VII) if the transaction is, or will be, approved by way of shareholders' written approval, it shall disclose the details of the shareholders giving the approval (including their names and respective shareholdings in the Company) and the relationship between the shareholders; and

(VIII) if a circular is required, it shall disclose the expected date of distribution of the circular, and, if it is distributed after 15 business days after the publication of the announcement, the reasons causing delay distribution of the circular.

**Article 60** If a circular is required, the Company shall dispatch a circular to shareholders (I) at the same time or before the Company gives notice of the general meeting of shareholders if the connected transactions are to be approved by shareholders in a general meeting of shareholders; or (II) if no general meeting of shareholders is to be held, within 15 business days after publication of the announcement. The Company may apply for a waiver from this requirement if it requires additional time to prepare the circular.

**Article 61** Circular on connected transactions under the H Share Listing Rules shall include following:

(I) the information required to be disclosed in the announcement for the transactions;

(II) identity of the parties to the transactions and of their ultimate beneficial owner(s) and summary of their principal business;

(III) the name of the connected persons concerned, his/her or its relationship with any controller and the name and title held by that controller;

(IV) if the transaction is a continuing connected transaction, it shall set out the way to determine and calculate the cap, including relevant assumptions and the amount of previous transaction as a benchmark for the cap;

(V) an opinion letter from the independent financial adviser;

(VI) if the transaction involves the acquisition or disposal of any property interests, a valuation and information on the property; and

(VII) a statement whether any Directors have a material interest in the transaction and, if so, whether they have abstained from voting on the board resolution, etc.

**Article 62** The Company shall disclose its connected transactions conducted during the financial year in its annual report as required by the H Share Listing Rules, including relevant disclosures on the transaction date, the parties to the transaction and a description of their connected relationship, a brief description of the transaction and its purpose and the total consideration and terms.

**Chapter 4 Supplementary Provisions**

**Article 63** Matters not covered herein shall be implemented in accordance with relevant national laws and regulations, listing rules of the stock exchange(s) where the Company's shares are listed and the articles of association; In case of any conflict with the laws and regulations promulgated by the State in the future or the articles of association modified through legal procedures, the relevant laws and regulations promulgated by the State and the articles of association shall prevail, and the system shall be revised in a timely manner and submitted to the general meeting for consideration and approval.

**Article 64** The system shall be interpreted and revised by the Board or its authorized unit.

**Article 65** The system shall be implemented commencing on the date of approval by the general meeting. For the system to be amended, the Board shall propose an amendment plan for the consideration and approval by the general meeting, which shall not take effect until it is approved by the general meeting.

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***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

**PHARMARON BEIJING CO., LTD.**

**External Guarantee Management Policy**

## Chapter 1 General Provisions

**Article 1** The Rules of External Guarantee Management (these "Rules") are formulated in accordance with the provisions of the Company Law of the People's Republic of China (中華人民共和國公司法) (the "**Company Law**"), the Civil Code of the People's Republic of China (中華人民共和國民法典), the listing rules of the stock exchanges where shares in the Company are listed (including but not limited to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司證券上市規則) (the "**Listing Rules**")) and other applicable laws, regulations, normative documents and the Articles of Association of the Company (the "Articles of Association") for the purpose of regulating the external guarantees of Pharmaron Beijing Co., Ltd. (the "**Company**") and the Company's conduct therein and controlling the Company's operational risks.

**Article 2** An external guarantee herein refers to a guarantee provided by the Company for others, including guarantees provided by the Company for its majority-owned subsidiaries and wholly owned subsidiaries (collectively the "**Subsidiaries**" and individually a "**Subsidiary**"). The "total amount of the external guarantees provided by the Company and the Subsidiaries" herein refers to the sum of the total amount of the Company's external guarantees, including the Company's guarantees to its Subsidiaries and the external guarantees that the Subsidiaries provide for others.

**Article 3** The decisions about any external guarantee shall be made by the general meeting and the board of directors, and all the external guarantees provided by the Company shall be subject to the approval by the general meeting of the Company or the board of directors of the Company pursuant to relevant procedures.

The Company shall not provide any external guarantee without the approval of the general meeting or the board of directors.

## Chapter 2 Authorization of External Guarantees

**Article 4** The following guarantees by the Company, including guarantees provided to its Subsidiaries, shall be subject to deliberation and approval by a general meeting upon the approval of the board of directors:

(I) A single guarantee for an amount in excess of 10% of the Company's latest audited net assets;

(II) Any guarantee provided after the total amount of the external guarantees provided by the Company and the Subsidiaries has exceeded 50% of the Company's latest audited net assets;

(III) A guarantee provided to a party which has an asset-liability ratio in excess of 70%;

(IV) Any guarantee(s) provided after the total external guarantee amount of the Company exceeds 30% of the Company's latest audited total assets;

(V) Guarantee(s), of which the aggregate amount over a period of 12 consecutive months exceeds 30% of the Company's latest audited total assets;

(VI) Guarantee(s) of which the aggregate amount over a period of 12 consecutive months exceeds 50% of the Company's latest audited net assets and the absolute value exceeds RMB50 million;

(VII) A guarantee provided to a shareholder or an actual controller or a connected party thereof;

(VIII) Other guarantees as the stock exchanges where shares in the Company are listed or the Articles of Association requires so; or

(IX) It constitutes a major transaction, highly substantial disposal, highly substantial acquisition and reverse takeover in accordance with the calculation provided in Chapter 14 of the Listing Rules.

A guarantee specified in Item (IV) and (V) above and deliberated at a general meeting requires approval by at least two-thirds of the voting rights held by the shareholders attending the meeting at which such guarantee is deliberated.

When a motion on providing guarantee to a shareholder or an actual controller or a connected party thereof is deliberated at a general meeting, such shareholder or any shareholder(s) controlled by such actual controller shall not vote on the motion, which shall be passed by at least half of the voting rights held by the other shareholders attending the general meeting.

Where the Company is to provide a guarantee to a connected party, such guarantee shall be disclosed in a timely manner after being deliberated and approved by the board of directors, and thereafter it shall be submitted to a general meeting for deliberation. Where the Company is to provide a guarantee to a controlling shareholder or an actual controller or a connected party thereof, such controlling shareholder, actual controller or connected party shall provide a counter guarantee.

Where the Company is to provide a guarantee to a wholly-owned Subsidiary, or to a majority-owned Subsidiary of which the other shareholders provide guarantees to the Subsidiary in proportion to their interests therein, such guarantee shall be exempted from deliberation and approval by a general meeting if it falls within the scope described in Item (I), (II), (III) or (VI) of this article.

For the purpose of this article, the amount of the Company's external guarantees shall be the aggregate guaranteed amount that occurs within 12 consecutive months. The guaranteed amount for which the relevant obligations provided under this article have been performed shall not be included in any subsequent calculation for the purpose of this article.

**Article 5** Any external guarantee not included in Article 4 hereof shall take effect upon the deliberation and approval by the board of directors.

An external guarantee subject to the approval of the board of directors must be approved by a resolution adopted by at least two-thirds of directors attending the meeting of the board of directors.

**Chapter 3 Acceptance and Review of the Application for External Guarantees**

**Article 6** Any application for an external guarantee shall be submitted to the finance department of the Company. The debtor shall submit the application for the guarantee along with any appendix thereto to the finance department at least five business days in advance, and the application shall include:

(I) Basic information of the debtor;

(II) Description of the debt to be guaranteed;

(III) Type and term of the guarantee;

(IV) Key terms of the guarantee agreement;

(V) Explanation of the debtor's repayment plan and sources of repayment; and

(VI) Plan for counter guarantee.

**Article 7** The debtor shall submit the guarantee application along with:

(I) Photocopies of the debtor's business license;

(II) The debtor's latest financial statements for the previous year and for the most recent period;

(III) The debt agreement to be secured by the guarantee;

(IV) The guarantee agreement template provided by the creditor;

(V) A statement that the debtor is subject to no significant litigation, arbitration or administrative punishment; and

(VI) Other information that the finance department considers necessary.

**Article 8** After receiving the debtor's application, the finance department shall timely investigate the credit status of the debtor and conduct a risk analysis on the contemplated guarantee, and the written report of such investigation and analysis signed by the chief financial officer together with the application and photocopies of appendices to the application will be submitted to the securities division.

**Article 9** The legal compliance department shall conduct a compliance review and issue its opinion within three business days after receiving the written report from the financial department and the materials of the application.

**Article 10** After the application passes the compliance review, the securities affairs department shall arrange for deliberation and approval of the application at the meeting of the board of directors or the general meeting in accordance with the relevant requirements under the Articles of Association.

**Article 11** When deliberating the application for guarantee submitted by a debtor, the board of directors shall be prudent and strictly control debt risks that may arise from external guarantees. If necessary, the board of directors may engage third-party professional institutions to assess the risk that may arise from external guarantees, and such assessment shall be the basis for the board of directors or the general meeting to make its decision on the application for guarantee.

**Article 12** The Company shall, when providing an external guarantee, require the debtor to provide a counter guarantee, if possible, and shall prudently check the debtor's capability of acting as guarantor and the exercisability of the required counter guarantee.

**Article 13** A director or shareholder who has an interest in a guarantee shall withdraw from voting on whether to approve such guarantee at a meeting of the board of directors or a general meeting of the Company.

**Article 14** The securities division shall record in detail the discussion and voting process relating to guarantees deliberated over at meetings of the board of directors and general meetings and shall timely disclose information thereabout.

**Chapter 4 Execution of Guarantee Agreement and Counter-Guarantee Agreement**

**Article 15** When providing any external guarantee or accepting any counter guarantee, the Company shall conclude a written agreement thereon (which shall include a letter of guarantee, the same applies below).

**Article 16** The guarantee agreement and counter-guarantee agreement shall be signed by the chairman of the board of directors or his or her authorized signatory, and no other person shall enter into any external guarantee agreement on behalf of the Company without authorization.

No external guarantee agreement shall be entered on behalf of the Company without the resolution of the board of directors or the general meeting.

**Article 17** The content of any guarantee agreement or counter-guarantee agreement shall comply with the provisions of applicable Chinese laws and regulations and these Rules, and the main terms shall be clear and unambiguous.

**Article 18** Each guarantee agreement or counter-guarantee agreement shall specify, among others:

(I) The type and amount of the debt to be guaranteed;

(II) The due date of the debt;

(III) The form, amount, scope and term of the guarantee;

(IV) Rights, obligations and liabilities for breach of contract of the parties;

(V) Governing law and dispute resolution; and

(VI) Other matters deemed as necessary to be agreed upon by the parties.

**Article 19** The finance department of the Company together with the compliance department of the Company shall be responsible for duly completing legal formalities for the Company's external guarantees (e.g., mortgage or pledge) or counter guarantees accepted by the Company, and in case of the latter, the finance department and the compliance department shall timely file the assets mortgage or pledge with the competent authority.

**Article 20** The Company should keep in proper custody guarantee agreements, counter-guarantee agreements and relevant original materials, timely sort out and examine the same, verify relevant materials with entities such as banks on a regular basis, keep track of the effective terms and expiry dates of the guarantees and otherwise ensure the completeness, accuracy and validity of the archived instruments and other materials.

If any irregular agreement not properly deliberated and approved by the board of directors or the general meeting is identified in the course of agreement management, such irregularity shall be promptly reported to the board of directors, the ~~Supervisory~~a~~A~~udit c~~C~~ommittee or any competent authority or relevant stock exchange(s).

### Chapter 5 Daily Management and Risk Control of Guarantees

**Article 21** The finance department of the Company shall be responsible for the registration, cancellation and daily management of guarantees.

The finance department shall set up a ledger to record external guarantees in a truthful, accurate and complete manner. Before a debt guaranteed by the Company becomes due, the finance department shall urge the debtor to timely repay the debt.

The finance department shall keep in proper custody all the documents related to external guarantees of the Company, including but not limited to applications for external guarantees and the appendices thereto, review opinions issued by the finance department, the legal compliance department, the secretary to the board of directors and other departments of the Company, resolutions of the board of directors or the general meeting, executed guarantee agreements and counter-guarantee agreements and registration certificates of mortgages or pledges, and it shall on quarterly basis fill out the form for external guarantees of the Company and submit the same to the board of directors with a copy provided to the manager and the secretary to the board of directors of the Company.

If a guaranteed debt needs to be extended upon its expiry and requires the Company to continue to provide guarantee therefor, the guarantee shall be considered a new external guarantee, which shall be subject to the review and approval procedures as provided in these Rules.

**Article 22** The Company shall designate a person of the finance department to continuously monitor the condition of the debtors by acquiring the latest financial information and audit report of the debtors, analyzing the debtors' financial condition and solvency on a regular basis and following the debtors' operation, assets and debts, external guarantees, mergers and splits, changes to legal representatives and other developments. The designated person shall establish financial archives for the debtors and regularly update the board of directors on the debtors.

In the event that a debtor's operation materially deteriorates or the debtor undergoes any material event, such as corporate dissolution or demerger, the designated person shall promptly report the deterioration or event to the board of directors, and the board of directors shall adopt effective measures to minimize losses.

**Article 23** When a debt for which the Company provides external guarantee is due, the Company shall procure the debtor to repay the debt within the set time limit. If the debtor fails to repay the debt within the time limit, or the creditor requires the Company to repay the debt instead because the debtor is bankrupt, dissolved or liquidated, the Company shall promptly learn about the operation, financial condition and debt repayment of the debtor, disclose relevant information in accordance with applicable laws, timely take remedial measures and initiate recourse.

## Chapter 6 Disclosure of Guarantee Information

**Article 24** The Company shall perform information disclosure obligations in relation to the external guarantees it provides in accordance with relevant laws, regulations, normative documents, the listing rules of the stock exchanges where shares in the Company are listed and the Articles of Association.

**Article 25** An external guarantee approved by the board of directors or the general meeting shall be timely announced on newspapers or websites designated by the Company. The content to be disclosed shall include the resolutions of the board of directors or the general meeting as well as the following information as of the disclosure date: the total amount of external guarantees provided by the Company and the Subsidiaries, the total amount of guarantees provided by the Company for the subsidiaries and the respective proportions of the aforementioned amounts to the Company's latest audited net assets.

**Article 26** A Subsidiary of the Company shall notify the secretary to the board of directors of the Company to disclose relevant information after the board of directors or the general meeting of the Subsidiary reaches a resolution about an external guarantee.

**Article 27** The Company shall truthfully disclose all its external guarantees to any certified public accountant engaged by the Company.

**Article 28** For any disclosed guarantee, the Company shall promptly disclose any of the following circumstances:

(I) The debtor fails to repay the debt within 15 trading days after the debt becomes due; or

(II) The debtor is subject to bankruptcy, liquidation or other situations seriously affecting the debtor's repayment ability.

**Article 29** The Company shall take necessary measures to keep the access to the information regarding a guarantee on a need-to-know basis before it is publicly disclosed.

Any personnel who has access to the Company's guarantee information shall be obliged to keep such information confidential until such information is publicly disclosed in accordance with laws; otherwise, they shall bear the liability arising from their breach of this confidentiality obligation.

## Chapter 7 Liabilities

**Article 30** The Company shall provide external guarantees in strict accordance with these Rules. In case of breach of any provision hereof, the board of directors will determine the appropriate punishment for the person responsible for the breach depending on the loss caused to the Company, level of risk and the severity of the breach.

**Article 31** Any director, manager or other officer of the Company who enters into a guarantee agreement without proper authorization in breach of the provisions hereof shall be held liable.

**Article 32** In case any person from Company's departments handling or otherwise responsible for external guarantees breaches the provisions under the applicable laws or these Rules by neglecting the risks and providing guarantee without authorization, causing losses to the Company, such person shall be held liable for compensation.

In case any person from Company's departments handling or otherwise responsible for external guarantees neglects his or her duties, causing losses to the Company, he or she shall be subject to monetary or other types of punishment depending on the severity of his or her negligence.

**Article 33** If any person from the Company's departments handling or otherwise responsible for external guarantees acts without authorization, causing the Company to bear liability and subsequent losses where the Company is otherwise free from guarantor's liability according to laws, the Company shall subject the person to administrative penalty and require him or her to compensate the Company.

**Chapter 8 Supplementary Provisions**

**Article 34** The Company manages all its external guarantees in a consistent manner, and the provisions hereof are applicable, mutatis mutandis, to the external guarantees of the Subsidiaries.

**Article 35** Matters not covered herein shall be subject to applicable national laws, regulations, the listing rules of the stock exchanges where shares in the Company are listed, the Articles of Association and the requirements of other relevant normative documents.

Where these Rules are in conflict with applicable national laws, regulations, the listing rules of the stock exchanges where shares in the Company are listed, the Articles of Association and requirements of other relevant normative documents, the applicable national laws, regulations, the listing rules, the Articles of Association and the requirements of other relevant normative documents shall prevail.

**Article 36** These Rules and its amendments shall become effective after being deliberated and approved by the general meeting.

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***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

**PHARMARON BEIJING CO., LTD.**

**Independent Non-executive Directors Working Policy**

**Chapter 1 General Provisions**

**Article 1** Independent Non-executive Directors Working Policy (these "**Rules**") is formulated in accordance with the Company Law of the People's Republic of China (中華人民共和國公司法) (the "**Company Law**"), China Securities Regulatory Commission ("**CSRC**"), the listing rules of the stock exchange where shares in the Company are listed (including but not limited to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司證券上市規則) (the "**Listing Rules**")) and the Articles of Association of Pharmaron Beijing Co., Ltd. (the "Articles of Association") for the purpose of improving the governance structure of Pharmaron Beijing Co., Ltd. (the "**Company**"), regulating the operation of the Company, better safeguarding the overall interests of the Company and protecting the legitimate rights and interests of all the shareholders, especially minority shareholders.

**Article 2** An independent non-executive director is a director who does not hold any position in the Company other than as an independent non-executive director and who has no direct or indirect interest relationship with the Company or any of its majority shareholders or actual controller or other who may interfere with the independent non-executive director's independent and objective judgment.

Independent non-executive directors shall perform their duties independently and shall not be influenced by the Company or its major shareholders, actual controllers or other entities or individuals.

The independent non-executive directors bear the obligations of loyalty and diligence to the Company and all shareholders, and shall conscientiously perform their duties in accordance with the laws, administrative regulations, the provisions of the CSRC, the listing rules of the stock exchange where the Company's shares are listed and the provisions of the Articles of Association, play the role of participating in decision-making, supervision and checks and balances, professional consultation in the board of directors (the "**Board**"), and safeguard the overall interests of the Company. Protect the legitimate rights and interests of minority shareholders.

**Article 3** The Company shall have ~~four~~three independent non-executive directors. In case of any change to the number of directors as required by the Articles of Association, the Independent non-executive directors shall represent not less than one-third of the members of the Board or at least three, whichever is higher, and shall include at least one accounting/finance professional.

The Company shall establish an audit committee in the Board. The Audit Committee shall be composed of directors who are not members of the senior management of the Company, of whom more than half shall be independent non-executive directors, and the convener shall be an accounting/financial professional among the independent non-executive directors.

The Company shall set up special committees for nomination, remuneration and assessment, and strategy in the Board as required. More than half of the members of the Nomination Committee and the Remuneration and Appraisal Committee shall be independent non-executive directors, who shall act as the convener.

**Chapter 2 Qualifications of Independent Non-executive Directors**

**Article 4** Independent non-executive directors must remain independent. None of the following persons shall serve as independent non-executive directors of the Company:

(I) A person who holds a position in the Company or any of its subsidiary, or any immediate relative and major social relation of such person;

(II) A natural person who directly or indirectly holds at least 1% of issued shares in the Company or is among the top ten shareholders of the Company, or any immediate relative of such shareholder;

(III) Any employee of any corporate shareholder that directly or indirectly holds at least 5% of issued shares in the Company or is among the top five corporate shareholders of the Company, and any immediate relative of such employee;

(IV) Any person who holds a position in units of the controlling shareholders or de facto controllers of the Company or any subsidiaries thereof, or any immediate relative of such person;

(V) Any person who provides financial, legal or advisory services to the Company and its controlling shareholders or de facto controllers or their respective subsidiaries, including but not limited to project team members of the intermediary providing the service, all levels of review personnel, personnel who signed the report, partners and principals;

(VI) Persons who hold positions in units that have significant business transactions with the Company and its controlling shareholders and de facto controllers or their respective subsidiaries, or persons who hold positions in units of controlling shareholders of those units that involved in significant business transactions;

(VII) Any person who falls into any of the above (I) to (VI) categories during the latest twelve months;

(VIII) Any other person as provided by applicable laws and regulations, normative documents, business rules of the stock exchanges, the Articles of Association and the securities regulators of the places where shares in the Company are listed.

In the foregoing paragraphs, "affiliated enterprise" refers to an enterprise directly or indirectly controlled by a relevant entity; "major social relation of a person" refers to any of the siblings, parents-in-law or children-in-law of such person, any of the spouses of such person's siblings, any of such person's spouse's siblings, etc.; "significant business transactions" refers to the matters to be submitted to the general meeting for consideration according to the listing rules of the Shenzhen Stock Exchange or requirements of the Articles of Association, or other major matters defined by the Shenzhen Stock Exchange; "holding positions" refers to serving as directors, supervisors, senior managers and other personnel.

The independent non-executive directors shall conduct self-inspection on the independence every year and submit the self-inspection results to the Board. The Board shall evaluate the independence of the incumbent independent non-executive directors and issue special opinions every year, which shall be disclosed together with the annual report.

**Article 5** An independent non-executive director of the Company shall:

(I) Be qualified as a director of the Company in accordance with applicable laws, regulations and other relevant provisions (including the requirement of independence under Chapter 3 of the Listing Rules);

(II) Having the independence requirements stipulated by laws, regulations, the CSRC, the listing rules of the stock exchange where the Company's shares are listed, the Articles of Association and these Rules;

(III) Have at least five years of legal, accounting, or economic work experience necessary to perform the duties of an independent non-executive director;

(IV) Having the basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and rules;

(V) have good personal character, and there is no bad record of major dishonesty;

(VI) Other conditions stipulated by laws, regulations, the CSRC, the listing rules of the stock exchange where the company's shares are listed, the Articles of Association and these Rules.

In assessing the independence requirements in Chapter 3 of the Listing Rules as set out in the preceding paragraph, the Hong Kong Stock Exchange will take into account the following factors, each of which is not necessarily conclusive, except that the independence of a director may be more likely to be challenged if:

(I) The director has obtained any interest in securities of the listed issuer from a core connected person (as defined in the Listing Rules) or the listed issuer itself by way of gift or other financial assistance. However, subject to the Listing Rules, he will still be regarded as an independent director if he receives any interest in shares or securities of the listed issuer or its subsidiaries (but not Core Connected Persons) as part of his director's fee or pursuant to a share scheme in accordance with Chapter 17 of the Listing Rules;

(II) That director is or has been a director, partner or principal of, or an employee of, a professional adviser who is or has been involved in the provision of services to the following companies/persons:

(a) The listed issuer, its holding company or any of their respective subsidiaries or core connected persons; or

(b) Any person who has been a controlling shareholder of the listed issuer or, if the issuer has no controlling shareholder, a chief executive or director (other than an independent non-executive director) of the listed issuer, or any of his close associates, in the two years preceding the date of the proposed appointment of such person as an independent non-executive director;

(III) That director has or has had a material interest in any of the principal business activities of the listed issuer, its holding company or any of their respective subsidiaries, either now or within one year before the date of his proposed appointment as an independent non-executive director; or is involved or has been involved in a material commercial transaction with the listed issuer, its holding company or their respective subsidiaries or with any core connected person of the listed issuer;

(IV) The director serves on the Board for the purpose of protecting an entity whose interests are different from those of the shareholders as a whole;

(V) The director has been connected with a director, chief executive or substantial shareholder of the listed issuer for the time being or within two years prior to the date of his proposed appointment as an independent non-executive director[1];

(VI) The director is (or has been within two years prior to the date on which he is proposed to be appointed as a director) a listed issuer, Is an executive or director (other than an independent non-executive director) of its holding company or any of its respective subsidiaries or any core connected person of the listed issuer; "executive" includes any person who holds managerial responsibility within the Company and any person who holds the position of Company; and

(VII) The director is financially dependent on the listed issuer, its holding company or any of their respective subsidiaries, or a core connected person of the listed issuer.

**Article 6** In principle, an independent non-executive director shall not serve as an independent director/independent non-executive director in no more than three domestic listed companies (including the Company), more than six companies listed on the Hong Kong Stock Exchange or more than seven companies listed on any stock exchange (including the Company), and shall ensure that he has sufficient time and energy to effectively perform his duties as an independent non-executive director.

## Chapter 3 Nomination, Election and Replacement of Independent Non-executive Directors

**Article 7** Independent non-executive directors shall be elected or replaced by the general meeting. The term of office of independent non-executive directors shall be three years. Independent non-executive directors may serve consecutive terms if re-elected upon expiry of their terms of office, but such consecutive terms of office shall not exceed six years.

The Board~~, the Supervisory Committee,~~ and shareholders who individually or jointly hold at least 1% of issued shares in the Company shall have the right to nominate candidates for independent non-executive directors. The aforesaid nominators shall not nominate any person who has an interest relationship with them or any other person who has a close relationship with them that may affect their independent performance of duties as an independent non-executive director candidate.

1: Any person cohabiting as a spouse with, and any child, step-child, parent, step-parent, brother, sister, step-brother and step-sister of, a director, the chief executive or a substantial shareholder of the listed issuer is, for the purpose of rule 3.13(6), considered to be connected with that director, chief executive or substantial shareholder. A father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, uncle, aunt, cousin, brother-in-law, sister-in-law, nephew and niece of a director, the chief executive or a substantial shareholder of the listed issuer may in some circumstances also be considered to be so connected. In such cases, the listed issuer will need to provide the Exchange with all relevant information to enable the Exchange to make a determination.

Investor protection institutions established in accordance with the law may publicly request shareholders to entrust them to exercise the right to nominate independent non-executive directors on their behalf.

Before nominating an independent non-executive director, the nominator shall obtain the consent of the nominee. The nominator shall know sufficiently about the occupation, educational background, professional title, detailed work experience and all the concurrent positions of the nominee and whether there is any bad record such as major dishonesty, and shall express an opinion on the eligibility and independence of the nominee for serving as independent non-executive director. The nominee shall make a public statement on his/her independence and other conditions for acting as an independent non-executive director. When announcing the general meeting for the election of independent non-executive directors, the information relating to the candidates for independent non-executive directors (including but not limited to the nominators' statements, the nominees' statement and profiles, other information required under B.3.4 of the Corporate Governance Code in Appendix C1 to the Listing Rules) shall be disclosed in an appropriate form in accordance with the laws and other rules applicable to the Company.

The Nomination Committee shall review the qualifications of the nominees and form clear review opinions.

**Article 8** An independent non-executive director candidate nominated in the capacity of an accounting professional shall have extensive accounting expertise and experience, and shall meet at least one of the following conditions in addition to the relevant requirements under rule 3.10 (2) of the Listing Rules:

(I) Having the qualification of certified public accountant;

(II) Having a senior professional title in accounting, auditing or financial management;

(III) Having a senior professional title in economic management and more than five years of full-time work experience in accounting, auditing or financial management.

**Article 9** The Company shall, prior to the convening of the shareholders' general meeting for the election of independent non-executive directors, submit the Statements and Undertakings of Nominees of Independent Directors, Statements and Undertakings of Candidates for Independent Directors, Resumes of Candidates for Independent Directors and other relevant materials to the stock exchange where the shares of the Company are listed, and disclose the relevant statements and undertakings and the review opinions of the Nomination Committee. And ensure that the contents of the announcement are true, accurate and complete. Where the Board has any objection to the relevant information of the candidate for independent non-executive director, the written opinions of the Board shall be submitted at the same time.

In the event that the candidate for independent non-executive director fails to meet the qualifications for appointment as an independent non-executive director or the requirements for independence, the stock exchange where the shares of the Company are listed may raise an objection to the qualifications for appointment and independence of the candidate for independent non-executive director, and the Company shall make a timely disclosure.

When the Company convenes a shareholders' general meeting to elect an independent non-executive director, the Board shall explain whether the independent non-executive director candidate is objected by the stock exchange where the shares of the Company are listed. The Company shall not submit the candidates for independent non-executive directors to the shareholders' general meeting for election if the stock exchange where the shares of the Company are listed raises any objection. If the proposal has been submitted to the general meeting of shareholders for deliberation, the proposal shall be cancelled.

**Article 10** Where the shareholders' general meeting of the Company elects more than two independent non-executive directors, the cumulative voting system shall be adopted. The votes of minority shareholders shall be counted separately and disclosed.

**Article 11** Independent non-executive directors shall attend meetings of the Board in person. If an independent non-executive director is unable to attend a meeting of the Board in person, such director shall review the meeting materials in advance, form a clear opinion and appoint another independent non-executive director to attend the meeting on his or her behalf. If any matter is to be voted on at the meeting, the absent independent non-executive director shall specify in the proxy his or her vote in favor of, against or abstention on each such matter.

If an independent non-executive director fails to attend meetings of the Board in person or entrust another independent non-executive director to attend the meeting on his behalf for two consecutive times, the Board shall propose to convene a shareholders' general meeting to remove the independent non-executive director within 30 days from the date of occurrence of such fact.

**Article 12** Prior to the expiration of the term of office of an independent non-executive director, the Company may remove him from office in accordance with legal procedures. Where an independent non-executive director is removed in advance, the Company shall disclose the specific reasons and basis in a timely manner. Where the independent non-executive director has any objection, the company shall make a timely disclosure.

If an independent non-executive director fails to comply with the provisions of items (1) and (2) of Article 5 of these Rules, he shall immediately cease to perform his duties and resign. If he fails to submit his resignation, the Board shall immediately remove him from his post in accordance with the provisions after he knows or should know the fact.

The resignation or removal of an independent non-executive director due to the circumstances specified in the preceding paragraph results in the proportion of independent non-executive directors in the Board or its special committees not conforming to the provisions of the CSRC, the listing rules of the stock exchange where the company's shares are listed and the Articles of Association, or there is a lack of accounting professionals among the independent non-executive directors. The Company shall complete the by-election as soon as possible (not later than 60 days) after the occurrence of the aforesaid facts.

**Article 13** An independent non-executive director may resign from his or her office before his or her term of office expires by tendering a written resignation to the Board, specifying any matter which is related to his or her resignation or which he or she considers necessary to bring to the attention of the Company's shareholders and creditors. The Company shall disclose the reasons for the resignation of the independent non-executive director and the matters of concern. If the resignation causes the number of independent non-executive directors in the Board or special committees of the company to be inconsistent with the provisions of the CSRC, the listing rules of the place where the company's shares are listed or the Articles of Association, or if there is a lack of accounting professionals among the independent non-executive directors. The independent non-executive director who intends to resign shall continue to perform his duties until the new independent non-executive director is appointed. The Company shall complete the by-election within 60 days from the date of resignation of the independent non-executive director.

**Chapter 4 Duties of Independent Non-executive Directors**

**Article 14** The independent non-executive directors shall perform the following duties:

(I) To participate in the decision-making of the Board and express clear opinions on the matters under discussion;

(II) To supervise the potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior managers listed in Articles 23, 26, 27 and 28 of the Measures for the Administration of Independent Directors of Listed Companies, to urge the Board to make decisions in line with the overall interests of the Company and to protect the legitimate rights and interests of minority shareholders;

(III) Provide professional and objective suggestions for the Company's operation and development, and promote the decision-making level of the Board;

(IV) Other duties stipulated by laws, administrative regulations, the CSRC, the listing rules of the stock exchange where the company's shares are listed and the Articles of Association.

Independent non-executive directors shall perform their duties independently and impartially, and shall not be influenced by the Company or its major shareholders, actual controllers or other entities or individuals. If it finds that the matters under consideration affect its independence, it shall declare to the Company and withdraw. During the term of office, if there is any circumstance that obviously affects the independence, the Company shall be notified in a timely manner, and the solution measures shall be proposed, and if necessary, the resignation shall be submitted.

**Article 15** The independent non-executive directors shall exercise the following special powers:

(I) To independently employ an intermediary agency to audit, consult or verify the specific matters of the Company;

(II) To propose to the Board to convene an extraordinary general meeting of shareholders;

(III) Propose to convene a meeting of the Board;

(IV) To publicly solicit shareholders' rights from shareholders in accordance with the law;

(V) To express independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;

(VI) Other functions and powers stipulated by laws, administrative regulations, the CSRC, the listing rules of the stock exchange where the company's shares are listed and the Articles of Association.

Where an independent non-executive director exercises the functions and powers listed in items (I) to (III) above, it shall be agreed by more than half of all independent non-executive directors.

Where an independent non-executive director exercises the powers listed in the first paragraph, the Company shall make a timely disclosure. If the aforesaid functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

**Article 16** Prior to the meeting of the Board, the independent non-executive directors may communicate with the secretary of the Board, inquire about the matters to be considered, request for supplementary materials, and put forward opinions and suggestions. The Board and the relevant personnel shall carefully study the issues, requirements and opinions raised by the independent non-executive directors, and provide timely feedback to the independent non-executive directors on the implementation of the amendments to the proposals.

**Article 17** Where an independent non-executive director votes against or abstains from voting on the proposal of the Board, he shall state the specific reasons and basis, the legality and compliance of the matters involved in the proposal, the possible risks and the impact on the rights and interests of the Company and minority shareholders. When disclosing the resolutions of the Board, the Company shall also disclose the dissenting opinions of the independent non-executive directors, which shall be recorded in the resolutions and meeting minutes of the Board.

**Article 18** The independent non-executive directors shall continuously pay attention to the implementation of the resolutions of the Board related to the matters listed in Articles 23, 26, 27 and 28 of the Measures for the Administration of Independent Directors of Listed Companies, and find that there is a violation of laws, administrative regulations, the CSRC, the listing rules of the stock exchange where the company's shares are listed and the Articles of Association. Or in violation of the resolutions of the general meeting of shareholders and the Board, it shall report to the Board in a timely manner and may require the Company to make a written explanation. The Company shall make timely disclosure of the matters involved in the disclosure.

Where the Company fails to make an explanation or timely disclosure in accordance with the provisions of the preceding paragraph, the independent non-executive directors may report to the CSRC and the Shenzhen Stock Exchange.

**Article 19** The following matters shall be submitted to the Board for deliberation with the consent of more than half of all independent non-executive directors of the Company:

(I) Related transactions that shall be disclosed;

(II) Plans for the change or exemption of commitments of the Company and related parties;

(III) The decisions made and measures taken by the Board of the acquired Company in connection with the acquisition;

(IV) Other matters stipulated by laws, administrative regulations, the CSRC, the listing rules of the stock exchange where the company's shares are listed and the Articles of Association.

**Article 20** The Company shall establish a special meeting mechanism attended entirely by independent non-executive directors. Matters such as related-party transactions that are deliberated by the Board must be approved in advance by a special meeting of independent non-executive directors.

The Company ~~shall~~ convene meetings attended by all independent non-executive directors on a regular or irregular basis (i.e. special meetings of independent directors, the full text of which shall be the same). The special meeting of independent directors shall be held on site, and may be held by video, telephone or other means when necessary, on the premise of ensuring that all participants can fully communicate and express their opinions.

The notice of special meetings shall be sent to all independent non-executive directors by the convener via email, SMS or telephone three days prior to the meeting. The notice of such meetings shall include the date, venue, method of convening the meeting, matters to be considered and the date of issuance of the notice. With the unanimous consent of all independent non-executive directors, the notice period may not be subject to the above restrictions.

The Company shall provide convenience and support for the convening of special meetings of independent directors.

**Article 21** The special meeting of independent directors shall be convened and presided over by an independent non-executive director jointly recommended by more than half of the independent non-executive directors. If the convener fails to perform his duties or is unable to perform his duties, two or more independent non-executive directors may convene and recommend a representative to preside over the meeting.

**Article 22** The special meeting of independent directors shall not be held unless more than half of the independent non-executive directors are present or entrusted to attend. An independent non-executive director shall attend the special meeting of independent directors in person. If he is unable to attend the meeting in person for any reason, he shall review the meeting materials in advance, form a clear opinion, and entrust another independent non-executive director in writing to attend the meeting on his behalf. If an independent non-executive director fails to attend the meeting in person for two consecutive times and fails to entrust another independent non-executive director to attend the meeting on his behalf, the Board shall propose to convene a shareholders' general meeting to remove the independent non-executive director. Where an independent non-executive director entrusts another independent non-executive director to attend the meeting and exercise the voting right on his behalf, he shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting before voting at the meeting. If necessary, the executive directors, non-executive directors, senior management of the Company and relevant persons involved in the subject matter may attend the special meeting of independent directors as non-voting delegates, but such non-voting delegates shall not have the right to vote on the proposals of the meeting.

**Article 23** The voting at the special meeting of independent directors shall be one person, one vote. Voting at a special meeting of independent directors may be by open ballot, show of hands, communication voting or other voting methods.

The matters listed in items (I) to (III) of Paragraph 1 of Article 15 and Article 19 of these Rules shall be deliberated at the special meeting of independent directors, and the special meeting of independent directors may study and discuss other matters of the Company as required. The resolution/review opinion of the special meeting of independent directors shall be approved by more than half of all independent non-executive directors.

**Article 24** Where an independent non-executive director expresses independent opinions, the opinions expressed shall be clear and definite, and shall at least include the following contents:

(I) The basic situation of major matters;

(II) The basis for expressing opinions, including the procedures to be performed, the documents to be checked, and the contents of on-site inspection;

(III) The legality and compliance of major matters;

(IV) The impact on the rights and interests of the Company and minority shareholders, the possible risks and the effectiveness of the measures taken by the company;

(V) Concluding opinions issued, including consent opinions, reservations and reasons, objections and reasons, inability to express opinions and obstacles.

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

**Article 25** Independent non-executive directors shall perform their duties in the special committees of the Board in accordance with laws, administrative regulations, the CSRC, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association. An independent non-executive director shall attend the meeting of the special committee in person. If he is unable to attend the meeting in person for any reason, he shall review the meeting materials in advance, form a clear opinion, and entrust another independent non-executive director to attend on his behalf. In the course of performing their duties, the independent non-executive directors may timely submit to the special committees for discussion and deliberation the material matters of the Company within the scope of the duties of the special committees in accordance with the procedures.

**Article 26** The time for independent non-executive directors to work on the site of the Company shall not be less than 15 days each year.

In addition to attending the general meeting of shareholders, special meetings of the Board and its special committees, and special meetings of independent directors as required, The independent non-executive directors may perform their duties through various means, such as regular access to the information on the Company's operation, listening to the reports of the management, communicating with the person in charge of the internal audit department, the accounting firm undertaking the audit of the Company and other intermediaries, field visits, and communicating with minority shareholders.

**Article 27** The Board and its special committees and special meetings of independent directors shall prepare meeting minutes in accordance with the provisions, and the opinions of independent non-executive directors shall be recorded in the meeting minutes. The independent non-executive directors shall sign the meeting minutes for confirmation.

An independent non-executive director shall prepare a work record to record the performance of duties in detail. The information obtained by the independent non-executive directors in the course of performing their duties, the minutes of relevant meetings, and the records of communication with the staff of the Company and intermediaries shall constitute an integral part of the working records. The independent non-executive directors may require the secretary of the Board and other relevant personnel to sign and confirm the important contents of the working records, and the Company and relevant personnel shall cooperate.

The working records of the independent non-executive directors and the information provided by the Company to the independent non-executive directors shall be kept for at least ten years.

**Article 28** The Company shall improve the communication and interaction mechanism between the independent non-executive directors and the minority shareholders. This is to facilitate the connection between the independent non-executive directors and shareholders, promote constructive interactions, and enable the independent non-executive directors to understand shareholders' opinions on matters affecting the Company, including but not limited to the Company's governance and performance of corporate strategies. The independent non-executive directors may verify the problems raised by the investors with the Company in a timely manner.

**Article 29** An independent non-executive director shall submit an annual work report to the annual general meeting of shareholders of the Company to explain his performance of duties. The annual work report shall include the following contents:

(I) The number, method and voting of attendance at the Board meeting, and the number of attendance at the shareholders' general meeting;

(II) Participation in the work of special committees of the Board and special meetings of independent directors;

(III) Deliberating the matters listed in Articles 23, 26, 27 and 28 of the Measures for the Administration of Independent Directors of Listed Companies and exercising the special functions and powers of independent non-executive directors listed in Paragraph 1 of Article 18 of the Measures for the Administration of Independent Directors of Listed Companies;

(IV) Major matters, methods and results of communication with the internal audit institution and the accounting firm undertaking the audit business of the Company on the financial and business status of the Company;

(V) Communication with minority shareholders;

(VI) The time and content of the work on the site of the Company;

(VII) other circumstances in the performance of duties.

The annual work report shall be disclosed at the latest when the Company issues the notice of the annual general meeting of shareholders.

**Article 30** An independent non-executive director shall continue to strengthen the study of securities laws, regulations and rules, and continuously improve his ability to perform his duties. China Securities Regulatory Commission, the stock exchange where the company's shares are listed and the China Association of Listed Companies may provide relevant training services.

**Article 31** An independent non-executive director shall perform his duties as a director in accordance with the law, fully understand the operation of the Company and the agenda of the Board, safeguard the interests of the Company and all shareholders, and pay special attention to the protection of the legitimate rights and interests of minority shareholders.

In the event of any conflict between shareholders or directors of the Company, which has a significant impact on the operation and management of the Company, the independent non-executive directors shall actively perform their duties and safeguard the overall interests of the Company.

The Shenzhen Stock Exchange encourages the independent non-executive directors to publish their mailing addresses or e-mail addresses to communicate with investors, receive inquiries and complaints from investors, take the initiative to investigate the damage to the legitimate rights and interests of the Company and small and medium investors, and timely reply to investors with the investigation results.

**Article 32** In case of any of the following circumstances, an independent non-executive director shall report to Shenzhen Stock Exchange in a timely manner:

(I) The employee is removed from office by the Company, and in his/her opinion, the reason for the removal is improper;

(II) The resignation of an independent non-executive director due to the existence of circumstances that hinder the independent non-executive director from exercising his powers in accordance with the law;

(III) The materials of the meeting of the Board are incomplete or the argumentation is insufficient, and the written request of two or more independent non-executive directors to postpone the meeting of the Board or the proposal to postpone the consideration of relevant matters is not adopted;

(IV) The Board fails to take effective measures after reporting the suspected violations of laws and regulations of the Company or its directors and~~, supervisors and~~ senior managers to the Board;

(V) Other circumstances that seriously hinder the independent non-executive directors from performing their duties.

**Chapter 5 Guarantee of Performance of Independent Non-executive Directors**

**Article 33** The Company shall provide necessary working conditions and personnel support for the independent non-executive directors to perform their duties, and appoint the securities affairs department, the secretary of the Board and other special departments and special personnel to assist the independent non-executive directors to perform their duties.

The secretary of the Board shall ensure the smooth flow of information between the independent non-executive directors and other directors, senior managers and other relevant personnel, and ensure that the independent non-executive directors can obtain sufficient resources and necessary professional advice when performing their duties.

**Article 34** The Company shall ensure that the independent non-executive directors enjoy the same right to know as other directors. In order to ensure that the independent non-executive directors effectively exercise their powers, the Company shall regularly report the operation of the Company to the independent non-executive directors, provide information, and organize or cooperate with the independent non- executive directors to carry out field visits and other work.

The Company may organize independent non-executive directors to participate in research and demonstration, fully listen to the opinions of independent non-executive directors, and timely feedback the adoption of opinions to independent non-executive directors before the Board deliberates on major and complex matters.

**Article 35** The Company shall send out the notice of the meeting of the Board to the independent non-executive directors in a timely manner, and provide relevant meeting materials to the independent non-executive directors not later than the notice period stipulated by laws, administrative regulations, the CSRC, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association, and provide an effective communication channel for independent non-executive directors; Where a special committee of the Board convenes a meeting, the Company shall, in principle, provide relevant materials and information not later than three days before the meeting of the special committee. The Company shall keep the aforesaid meeting materials for at least ten years.

If two or more independent non-executive directors consider that the meeting materials are incomplete, insufficiently demonstrated or not provided in a timely manner, they may propose in writing to the Board to postpone the convening of the meeting or postpone the consideration of the matter, which shall be adopted by the Board.

**Article 36** Where an independent non-executive director exercises his powers, the directors, senior managers and other relevant personnel of the Company shall cooperate with him, and shall not refuse, hinder or conceal relevant information, nor interfere with his independent exercise of his powers.

Where an independent non-executive director encounters any obstacle in exercising his powers according to law, he may explain the situation to the Board, require the directors, senior managers and other relevant personnel to cooperate, and record the specific situation of the obstacle and the solution status in the work record; if the obstacle still cannot be eliminated, he may report to the CSRC and the Shenzhen Stock Exchange.

Where the performance of duties of an independent non-executive director involves disclosable information, the Company shall make disclosure in a timely manner; where the Company does not make disclosure, the independent non-executive director may directly apply for disclosure, or report to the CSRC and the Shenzhen Stock Exchange.

**Article 37** The Company shall bear the expenses necessary for the independent non-executive directors to engage professional institutions and exercise other powers.

**Article 38** The Company shall give appropriate allowances to the independent non-executive directors. The allowances for independent non-executive directors shall be proposed by the Board, deliberated and approved by the general meeting, and disclosed in the annual report of the Company. Except for the allowance, independent non-executive directors shall not receive other interests from the Company or its majority shareholders or other interested entities actual controllers or interested entities and personnel.

**Chapter 6 Supplementary Provisions**

**Article 39** The Company may, where necessary, maintain an insurance policy against the liability of independent non-executive directors to reduce risks arising from their proper performance of duties.

**Article 40** These Rules shall be implemented as of the date when these Rules are approved at a general meeting of the Company. If these Rules are to be amended, the Board shall propose amendment to the general meeting for deliberation and approval, and the amendment shall take effect upon approval at the general meeting.

**Article 41** Any matters not covered herein shall be subject to the Company Law, the Articles of Association and applicable laws, administrative regulations, ministerial rules the CSRC and the listing rules of the stock exchanges where shares in the Company are listed.

Where these Rules are in conflict with applicable national laws, administrative regulations, ministerial rules, the CSRC, the listing rules of the stock exchanges where shares in the Company are listed and the Articles of Association, such applicable national laws, administrative regulations, ministerial rules, the CSRC, the listing rules and the Articles of Association shall prevail.

**Article 42** The term "at least" or "within" as used in these Rules shall include the given figure; the term "over", "less than" or "more than" shall exclude the given figure.

**Article 43** These Rules shall be interpreted by the Board.

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***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

**PHARMARON BEIJING CO., LTD.**

**External Investment Management Policy**

**Chapter 1 General Provisions**

**Article 1** In accordance with the Company Law of the People's Republic of China (the "**Company Law**") and other laws, regulations, administrative rules and normative documents, the listing rules of the stock exchange in the place where the shares of the Company are listed (including but not limited to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the relevant provisions of the Articles of Association, the System is formulated in order to regulate the external investment of Pharmaron Beijing Co., Ltd. (the "**Company**"), improve the investment benefits, reasonably avoid the risks brought by the investment, and use the funds effectively and reasonably.

**Article 2** External investment defined in the System refers to the Company's investment activities in various forms by contributing a certain amount of monetary funds, equity interests and evaluated physical or intangible assets for future income (Excluding the establishment or capital increase of a wholly-owned subsidiary).

**Article 3** The Company's external investment is divided into short-term investment and long-term investment according to the duration of the investment period. Short-term investments mainly represent investments purchased by the Company that can be realized at any time with holding period of no more than one year (inclusive); long-term investments mainly represent various investments with investment period of more than one year that cannot be realized at any time or are not ready to be realized. External investments of the Company include but are not limited to:

(I) Investments in subsidiaries, joint ventures, associates and cooperative projects, including but not limited to the following types:

1. enterprises independently established by the Company or operating projects independently funded by the Company;

2. joint ventures, cooperative companies or development projects established by the Company with other domestic (foreign) independent legal entities or natural persons;

3. other domestic (foreign) independent legal entities holding shares;

4. leasing of operating assets, entrusted operation or joint operation with others.

(II) Investment in financial assets held for trading, available-for-sale financial assets, held-to-maturity investments, etc., including but not limited to investment in various stocks, bonds, funds, participating insurance, etc;

(III) Entrusted wealth management and entrusted loans, etc.

**Article 4** The basic principles to be followed in investment management: in line with the Company's development strategy, reasonably allocate corporate resources, promote factor optimization and combination, and create good economic benefits.

**Article 5** The System is applicable to all external investment activities of the Company and its wholly-owned subsidiaries and holding subsidiaries (the "**Subsidiaries**").

**Article 6** The Company shall designate the Strategy Committee of the Board to be responsible for conducting special research and evaluation on the feasibility, investment risks, investment returns and other matters of the Company's major investment projects, supervising the implementation progress of major investment projects, and reporting to the board of directors of the Company in a timely manner in case of any abnormality found in the investment projects.

## Chapter 2 Approval Authority for External Investment

**Article 7** The Company shall implement professional management and hierarchical approval system for external investment.

**Article 8** The approval procedures for external investments of the Company shall be strictly in accordance with the relevant national laws and regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, the Rules of Procedure for General Meetings, the Rules of Procedure for the Board of Directors, the Working Rules for the Manager and the System.

**Article 9** Any external investment of the Company that meets one of the following criteria shall be submitted to the general meeting for consideration:

(I) the total assets involved in the external investment transaction (if both book value and appraised value exist, whichever is higher shall be taken as the calculation data) account for more than 50% of the latest audited total assets of the Company;

(II) the operating revenue related to the subject of the external investment transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited operating revenue for the latest accounting year, with an absolute amount exceeding RMB50 million;

(III) the net profit related to the subject of the external investment transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million;

(IV) the transaction amount of the external investment transaction (including the debts and expenses) accounts for more than 50% of the Company's latest audited net assets, with an absolute amount exceeding RMB50 million;

(V) the profit generated from external investment transactions accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million;

(VI) The calculation of related investment transactions as required by Chapter 14 of the Listing Rules constitutes major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers.

If the data involved in the above indicators is negative, the absolute value shall be used for calculation.

Any transaction of the Company which meets the criteria set out in item (III) or (V) of the first term of this Article and the absolute value of the earnings per share of the Company for the latest accounting year is less than RMB0.05 shall be exempted from the consideration procedure of the general meeting.

**Article 10** External investment matters of the Company meeting one of the following criteria shall be submitted to the board of directors for consideration:

(I) the total assets involved in the transaction account for more than 10% of the Company's latest audited total assets. Where the total assets involved in the transaction have both book value and appraised value whatever is higher shall be taken for calculation;

(II) the operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 10% of the Company's audited operating revenue for the latest accounting year, with an absolute amount exceeding RMB10 million;

(III) the net profit related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 10% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB1 million;

(IV) the transaction amount of the transaction (including the debt and expenses) accounts for more than 10% of the Company's latest audited net assets, with an absolute amount exceeding RMB10 million;

(V) the profit derived from the transaction accounts for more than 10% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB1 million.

(VI) the calculation of related investment transactions as required by Chapter 14 of the Listing Rules constitutes share transactions, disclosable transactions, major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers.

In case the figure involved in the above index calculation is negative, the absolute value thereof shall be taken for calculation.

**Article 11** The board of directors authorizes the manager to decide on the following external investment matters of the Company during the adjournment of the Board meeting:

(I) the total assets involved in the external investment transaction (if both book value and appraised value exist, whichever is higher shall be taken as the calculation data) account for less than 10% of the Company's latest audited total assets;

(II) the operating revenue related to the subject of the external investment transaction (for instance, equity interest) for the latest accounting year accounts for less than 10% of the Company's audited operating revenue for the latest accounting year, or with an absolute amount not exceeding RMB10 million;

(III) the net profit related to the subject of the external investment transaction (for instance, equity interest) for the latest accounting year accounts for less than 10% of the Company's audited net profit for the latest accounting year, or with an absolute amount not exceeding RMB1 million;

(IV) the transaction amount of the external investment transaction (including the debts and expenses) accounts for less than 10% of the Company's latest audited net assets, or with an absolute amount not exceeding RMB10 million;

(V) the profit generated from external investment transactions accounts for less than 10% of the Company's audited net profit for the latest accounting year, or with an absolute amount not exceeding RMB1 million;

(VI) the calculation of related investment transactions as required by Chapter 14 of the Listing Rules constitutes share transactions, disclosable transactions, major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers.

In case the figure involved in the above index calculation is negative, the absolute value thereof shall be taken for calculation.

Although external investment matters are within the scope of the manager's external investment decision-making authority, if the Company needs to make an announcement on the relevant investment transactions or the manager considers that the external investment matters involve a material interest of the Company, the manager may submit the external investment matters to the board of directors for collective decision-making.

The Company's investment in securities, entrusted wealth management or investment in futures, options, warrants and other derivatives based on stocks, interest rates, exchange rates and commodities shall be considered and approved by the board of directors or the general meeting of the Company, and shall not delegate the authority to approve entrusted wealth management to others.

**Article 12** If the external investment matter constitutes a related/connected transaction, it should be executed in accordance with the decision-making authority of related/connected transactions.

**Article 13** Where the Company carries out entrusted wealth management, it shall select qualified professional wealth management institutions which have good credit status, financial status and strong profitability, and have no bad credit record as the trustee, and enter into a written contract with the trustee to specify the amount, term, type of investment, rights and obligations and legal liabilities of both parties of the entrusted wealth management. The board of directors of the Company shall designate special personnel to track the progress and safety of the entrusted wealth management funds, and require them to report in a timely manner in case of abnormalities, so that the board of directors can take effective measures to recover funds immediately to avoid or reduce the Company's losses.

## Chapter 3 Organization and Administration Agency of External Investment

**Article 14** The general meeting and the board of directors of the Company are the decision-making bodies for external investment of the Company, and shall make decisions on external investment of the Company within their respective scope of authority. Unless otherwise required by relevant laws and regulations, normative documents, the listing rules of the stock exchange where the Company's shares are listed, the Articles of Association and the System, no other departments or individuals are entitled to make any decision on external investment.

**Article 15** The board of directors of the Company shall regularly learn about the implementation progress and investment benefits of major investment projects. In case of any failure to make investment as planned, failure to realize the expected return of the project, loss of investment, etc., the board of directors of the Company shall find out the reasons and investigate the responsibilities of relevant personnel.

**Article 16** The board of directors of the Company shall establish a strategy committee under the Board, which shall be a special committee under the Board responsible for external investment, responsible for making overall planning, coordinating and organizing the analysis and research of external investment projects, and providing recommendations for decision-making.

**Article 17** The manager of the Company shall be the main person in charge of the implementation of external investment, responsible for information collection, sorting out and preliminary evaluation of new investment projects, and putting forward investment suggestions, etc., and shall report the investment progress to the board of directors in a timely manner, so as to facilitate the board of directors and the general meeting to make investment decisions in a timely manner.

**Article 18** The relevant centralized management department of the Company is the contractor of investment projects, specifically responsible for information collection of investment projects, preparation of project proposals and feasibility study reports, project declaration and approval, supervision and coordination in the project implementation process and post-project evaluation.

**Article 19** The finance department of the Company is the daily financial management department for external investment. After the external investment project of the Company is confirmed, the finance department shall be responsible for raising funds, coordinating with relevant parties to handle relevant formalities such as capital contribution procedures, industrial and commercial registration, tax registration and bank account opening, and implementing strict borrowing, approval and payment procedures.

**Article 20** For investment projects with strong professionalism or larger scale, the preliminary work shall be completed by forming a special project feasibility study team.

**Article 21** The manager shall review and evaluate the project plan or analysis report, and decide to organize the implementation within the authorization of the board of directors or submit to the board of directors/general meeting for approval.

## Chapter 4 Decision-making and Management of External Investment

### Section 1 Investments in Subsidiaries, Joint Ventures, Associates and Cooperation Projects

**Article 22** The centralized management department, together with the finance department, shall conduct a preliminary review of the investment project, propose investment proposals and report to the manager for preliminary review.

**Article 23** After the preliminary review and approval, the centralized management department shall be responsible for conducting investigation and demonstration on the project investment proposal, preparing the feasibility study report and relevant documents such as the Letter of Intent for Cooperation (the "**Investment Plan**"), and submitting to the strategy committee of the Board.

**Article 24** The manager and the strategy committee of the Board shall approve the investment plan and submit it to the Secretary of the Board. The Secretary of the Board is responsible for the procedure for examination and approval of the investment plan in accordance with the approval authority. The investment plan is subject to approval in accordance with the relevant authority and procedures.

**Article 25** For external investment projects that have been approved for implementation, the relevant departments of the Company shall be authorized by the investment approval authorities to be responsible for specific implementation. Once an external investment project is approved, no investment shall be increased at will. If it is really necessary to increase the investment, the investment plan information such as the Letter of Investment Intent and the feasibility study report of the investment project must be re-submitted, and the accumulative investment amount after the increase shall be submitted to the relevant examination and approval authorities for examination and approval.

**Article 26** The manager and operation management of the Company shall be responsible for overseeing the operation of the project and its operation management.

**Article 27** The finance department of the Company shall be responsible for coordinating with the centralized management departments and personnel to invest in cash, material objects or intangible assets in accordance with the investment contract or agreement. Input of material objects must go through handover procedures for material objects.

**Article 28** For major investment projects, experts or intermediaries may be engaged for professional demonstration.

**Article 29** The manager of the Company shall, according to the investment projects determined by the Company, prepare and implement the investment construction and development plan accordingly, provide guidance, supervision and control over the implementation of the projects, participate in the special audit of the investment projects, terminate (suspend) the liquidation and handover of the investment projects, and conduct investment evaluation and summary.

**Article 30** The investment projects shall be reported on a quarterly basis. The finance department of the Company shall report to the manager in a timely manner on the progress of the investment projects, the execution and use of investment budgets, the status of the parties to the cooperation, the operating conditions, problems and suggestions. The manager shall, within one month after the end of each quarter, report to the strategy committee of the Board in a timely manner on the progress of the investment project, the execution and use of the

investment budget, the status of the parties to the cooperation, the operating conditions, problems and suggestions. In the process of implementing investment and construction, 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 examination and approval authority.

**Article 31** The ~~supervisory~~audit committee, audit department and finance department of the Company shall supervise the investment projects in accordance with their duties, timely propose rectification opinions for non-compliance, propose special reports on major issues, and submit them to the project investment examination and approval authority for discussion and handling.

**Article 32** The Company shall establish the file management system for investment projects. The file information from the pre-selection of the project to the completion and transfer of the project (including the suspension of the project) shall be prepared and filed by the office of the board of directors.

### Section 2 Securities Investment, Entrusted Wealth Management and Derivatives Investment

**Article 33** The decision-making procedures for investment in securities, entrusted wealth management and derivatives of the Company are as follows:

(I) The Company's centralized management department is responsible for pre-selecting investment opportunities and investees and preparing investment plans based on the profitability of the investees;

(II) The finance department of the Company is responsible for providing the capital flow of the Company;

(III) The investment plan shall be implemented after going through the procedures for examination and approval according to the authority of examination and approval.

**Article 34** The finance department shall be responsible for the timely registration and accounting by type, quantity, unit price, accrued interest, purchase date, etc., of the investment and carry out relevant accounting treatment.

**Article 35** Where the Company is involved in securities investment, a joint control system attended by the general manager office and the strategy committee of the board of directors shall be implemented, which shall be jointly operated by at least two persons; and the securities investment operation personnel shall be separated from the capital and financial management personnel, which shall restrict each other, and no one shall have separate access to the investment assets. The deposit or withdrawal of any investment assets shall be jointly signed by two persons with mutual restriction.

**Article 36** Securities purchased by the Company must be registered in the name of the Company on the date of purchase.

**Article 37** The finance department of the Company is responsible for regularly reviewing the use and balance of the funds invested in securities. Interest and dividends received shall be recorded in a timely manner.

### Chapter 5 Transfer and Recovery of External Investment

**Article 38** The Company may withdraw external investments upon the consideration and approval of the original examination and approval authority of the Company if any of the following circumstances occurs or happens:

(I) the term of operation of the investment project (enterprise) expires in accordance with the provisions of the Articles of Association;

(II) the investment project (enterprise) is operated poorly and is unable to repay debts due, and becomes bankrupt according to law;

(III) the project (enterprise) is unable to continue its operation due to force majeure;

(IV) other circumstances under which the investment is terminated as stipulated in the contract occur or happen.

**Article 39** The Company may transfer external investment upon the consideration and approval of the original examination and approval authority of the Company if any of the following circumstances occurs or happens:

(I) The investment projects are obviously contrary to the operation direction of the Company;

(II) The investment projects have been loss-making continuously and there is no prospect of turning around;

(III) When it is in urgent need of supplementary funds due to insufficient working capital;

(IV) Other circumstances which the Company considers necessary.

**Article 40** Transfer of investments shall be conducted in strict compliance with the provisions on transfer of investments under the Company Law and the Articles of Association. Disposal of external investments shall comply with the relevant national laws and regulations and the listing rules of the stock exchange where the Company's shares are listed.

**Article 41** The procedures and authorities for approving the disposal of external investments shall be the same as those for approving the implementation of external investments.

**Article 42** The financial department shall be responsible for asset valuation of investment recovery and transfer to prevent the loss of the Company's assets.

## Chapter 6 Personnel Management of External Investment

**Article 43** Where the Company invests to establish a cooperative or joint venture company, it shall dispatch directors and supervisors elected through its legal procedures to participate in, supervise and influence the operation decisions of the newly established company. The Company shall dispatch project managers or company representatives to participate in the operation and management of the cooperative projects.

**Article 44** For the holding subsidiaries established for external investment, the Company shall designate directors elected through its statutory procedures and assign corresponding operation and management personnel (including chief financial officer) to play an important role in the operation and decision-making of the holding subsidiaries.

**Article 45** The dispatched personnel shall perform their duties in accordance with the provisions of the Company Law, the Management System for Branches and Subsidiaries of Pharmaron Beijing Co., Ltd. and the Articles of Association of the invested companies, safeguard the interests of the Company in the operation and management of new companies and cooperation projects, and realize the preservation and appreciation of the Company's investment.

The relevant personnel appointed by the Company to serve as directors of the investment unit shall pay attention to obtaining more information of the investment unit through attending board meetings and other means, and shall report the investment situation to the Company in a timely manner.

## Chapter 7 Financial Management and Audit of External Investment

**Article 46** The financial department of the Company shall carry out comprehensive and complete financial records of the Company's external investment activities, conduct detailed accounting, establish detailed account books for each investment project, and record relevant information in detail. The accounting methods for external investments shall comply with the accounting standards and accounting systems.

**Article 47** The financial department of the Company shall be responsible for the financial management of external investment. The financial department shall, based on the analysis and management needs, obtain the financial reports of the investee, so as to analyze the financial conditions of the investee, safeguard the interests of the Company and ensure that the interests of the Company are not impaired.

**Article 48** The audit department of the Company shall conduct a comprehensive inspection on the investment projects of the Company on a quarterly basis. Regular or special audits shall be conducted on branches and subsidiaries. The audit department of the Company shall include important external investment audit into the annual internal control work plan and make it the focus of internal control inspection and evaluation.

**Article 49** The accounting methods and accounting policies, accounting estimates and changes adopted in financial management of the subsidiaries of the Company shall comply with the relevant provisions of the accounting management system of the Company.

**Article 50** Subsidiaries of the Company shall submit monthly financial and accounting statements to the financial department of the Company, and timely submit accounting statements and provide accounting materials in accordance with the requirements for the preparation of consolidated financial statements by the Company.

**Article 51** The Company may appoint a chief financial officer to its subsidiaries, who shall supervise the truthfulness and legality of the financial conditions of the Company.

**Article 52** All investment assets of the Company shall be checked by internal auditors or other personnel who are not involved in the investment business on a regular basis or by entrusting the custodian to check whether they are owned by the Company, and check the inventory records against the book records to confirm consistency.

**Chapter 8 Supplementary Provisions**

**Article 53** The Company shall comply with national laws, regulations, applicable normative documents, the System, the listing rules of the stock exchange where the Company's shares are listed and the System for the Management of Raised Funds of the Company when using the raised funds for investment.

**Article 54** Matters not covered herein shall be implemented in accordance with relevant national laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association of the Company.

Where the System conflicts with relevant national laws, regulations, the listing rules of stock exchange in the place where the shares of the Company are listed and the Articles of Association, relevant national laws, regulations, the listing rules of stock exchange in the place where the shares of the Company are listed and the Articles of Association shall prevail.

**Article 55** The System shall be interpreted by the board of directors of the Company.

**Article 56** The System shall come into effect and be implemented from the date on which it is considered and approved by the board of directors of the Company and submitted to the general meeting for consideration and approval, and the same applies when it is revised.

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***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

**PHARMARON BEIJING CO., LTD.**

**Special Storage and Use of Proceeds Management Policy**

**Chapter 1 General Provisions**

**Article 1** The Administrative Rules for Deposit and Use of Raised Funds (these "**Rules**") are formulated in accordance with the provisions of the Company Law of the People's Republic of China (中華人民共和國公司法), the Securities Law of the People's Republic of China (中華人民共和國證券法) and the Articles of Association of Pharmaron Beijing Co., Ltd. (the "Articles of Association") for the purpose of regulating the administration of the funds raised by Pharmaron Beijing Co., Ltd. (the "**Company**") in order to improve the efficiency of the use of such funds and effectively safeguard the interests of investors.

**Article 2** For the purpose of these Rules, the term "raised funds" (the "**Funds**") shall refer to funds raised from the investors for specific purposes through issuance of shares ~~and~~ or other securities with equity nature ~~their derivatives~~ by the Company ~~with~~in the territory of the People's Republic of China, but excluding the fund raised by implementing the share incentive plans of the Company. The usage and management of proceeds from overseas listed foreign shares shall be proceeded pursuant to relevant regulations of the Securities and Futures Commission of Hong Kong and the Stock Exchange of Hong Kong Limited.

**Article 3** The board of directors of the Company shall fully demonstrate the feasibility of the Funds for investment projects, make sure that the investment project has a good market prospect and profitability, effectively prevent investment risks and improve the efficiency in the use of the Funds.

**Article 4** The Company shall establish and improve the Rules for the deposit, use, change, supervision and accountability of the Funds, clarify the hierarchical approval, decision-making procedures, risk control measures and information disclosure requirements for the use of the Funds and ensure the normal progress of the projects to be invested with the Funds.

**Article 5** The directors~~, supervisors~~ and senior management of the Company shall be diligent and responsible, urge the Company to regulate the use of the Funds, consciously safeguard the safety of the Funds of the Company, and shall not participate in, assist or connive the Company in changing the use of the Funds without authorization or in disguised form.

**Article 6** The sponsor shall, during the period of continuous supervision, perform its sponsorship and continuous supervision duties on the administration of Funds pursuant to the Measures for the Administration of the Sponsorship of the Offering and Listing of Securities (證券發行上市保薦業務管理辦法), the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 13 – Sponsorship Business.

**Chapter 2 Deposit in the Special Account**

**Article 7** The Company shall prudently choose a commercial bank, and open a special account (the "**Special Account**"). The Funds shall be deposited in the Special Account established with the approval of the board of directors for the convenience of management and use. The Special Account shall not be used for funds other than the Funds or for any other purpose.

If the Company has conducted more than two rounds of fundraising, it shall set up a separate Special Account for each round.

In case the Funds actually raised exceed the amount planned to be raised, any ~~excess~~ over subscription of Funds (the "**~~Excess~~ Over Subscription Funds**") shall be deposited in the Special Account for management.

**Article 8** The Company shall, ~~within~~no later than ~~a~~one month ~~at the latest following~~after the receipt of the Funds, enter into an escrow agreement (the "**Escrow**") with the sponsor, independent financial adviser, and the commercial bank receiving the deposit of the Funds (the "**Bank**"). After the Escrow is signed, the Company may use the ~~raised~~F~~f~~unds.~~, and t~~The Escrow shall provide, among others:

(I) That the Company shall deposit the Funds in the Special Account;

(II) The account number of the Special Account, the investment Project(s) associated with the Special Account and the amount deposited;

(III) That the Company and the Bank shall promptly notify the sponsor or the independent financial adviser of any single withdrawal or aggregate withdrawals from the Special Account over a twelve-month period in excess of RMB50 million or 20% of the net Funds;

(IV) That the Bank shall send a bank statement of the Special Account to the Company each month, with a copy to the sponsor or the independent financial adviser;

(V) That the sponsor or the independent financial adviser may, at any time, access information of the Special Account at the Bank;

(VI) The duties of the sponsor or the independent financial adviser to supervise the Funds, the duties of the Bank to inform and cooperate, and the ways in which the sponsor or the independent financial adviser and the Bank shall supervise the use of Funds;

(VII) The rights, obligations and liabilities for breach of contract of the Company, the Bank and the sponsor or the independent financial adviser;

(VIII) That in case the Bank fails to timely issue bank statements to the sponsor or the independent financial adviser or notify the sponsor of a large withdrawal from the Special Account, in both cases for three times, or the Bank fails to cooperate with the sponsor or the independent financial adviser in the inquiry and investigation of the Special Account, the Company may terminate the Escrow and cancel the Special Account.

The Company shall announce the main content of the Escrow in a timely manner after the Escrow is executed by all the parties thereto.

Where the Company has one of its majority-owned subsidiaries implement any Project, the Escrow shall be entered by the Company, the majority-owned subsidiary that implements the Project, the Bank and the sponsor or the independent financial adviser, where the Company and the controlled subsidiary shall be deemed as one party.

If the Escrow is terminated before its expiry date, the Company shall enter into a new escrow agreement with relevant parties within one month from the date of termination of the Escrow, timely make a public announcement thereabout.

## Chapter 3 Use of Funds

**Article 9** The Company shall prudently use the Funds to ensure that the use of the Funds is consistent with the undertakings in the Prospectus, and shall not arbitrarily or without authorization change the intended use~~investment direction~~ of the Funds or change the intended use of the Funds in disguised form.

The Company shall truthfully, accurately and completely disclose the actual use of the Funds. The Company shall promptly make a public announcement on any circumstance that has a significant impact on the normal use of the Funds as planned.

**Article 10** In principle, ~~raised funds raised funds~~the Funds shall be used for the Company's ~~main~~principal business. ~~No Project~~They shall not be used for financial investment such as entrusted management of wealth (except for cash management), entrusted loans and high-risk investment including securities and derivative investment, and the Funds shall not be invested directly or indirectly in a company whose ~~main~~ principal business is trading securities.

The Company shall not use the Funds for pledge or other investments that in effect change the use of the Funds.

**Article 11** The Company shall ensure the truthfulness and fairness of the use of the Funds, prevent the Funds from being occupied or misappropriated by any controlling shareholder, actual controller and their connected party and take effective measures to avoid any connected party from taking advantage of the Funds for improper gains.

**Article 12** The Company shall reevaluate the feasibility and estimated profits of a Project to decide if the Project shall continue, in case any of the following occurs:

(I) Any material change in the market environment that the Project concerns;

(II) After the ~~raised funds~~Funds have been received, s~~S~~uspension of the Project for over one year;

(III) The deadline ~~specified in the latest~~ of investment plan is missed, and the invested Funds is less than 50% of the planned investment amount;

(IV) Any other irregularity of the Project.

If the Company ~~is in~~falls under any of the circumstances specified in the preceding paragraph, it shall make timely disclosure. The Company shall disclose the progress of the Projects, causes for the irregularity and the specific circumstances of the re-evaluation during the reporting period. If need to adjust the investment plan, and shall also disclose the adjusted investment plan, in its latest regular report.

**Article 13** The use of the Funds by the Company for the following purposes shall be subject to consideration and approval by the board of directors, with express consents given by ~~the Supervisory Committee and the~~ sponsor or the independent financial adviser:

(I) Replacement of the self-raised funds previously injected in the investment projects with the Funds;

(II) Use of temporarily idle Funds for cash management;

(III) Use of temporarily idle Funds for temporary replenishment of working capital;

(IV) Change of the use of the Funds;

(V) Change of the implementation location of investment projects funded with the Funds;

(VI) Adjustment of the schedule of investment projects funded with the Funds;

(VII) Use of the ~~Excess~~ remaining Funds~~.~~;

(VIII) Use of ~~over-raised~~the Over Subscription Funds.

Changes in the use of the Funds, the use~~s~~ of the Over Subscription ~~over-raised~~ Funds, and the use of the remaining ~~Excess~~ Funds that are required to be reviewed by the general meeting shall also be considered and approved by the general meeting.

**Article 14** After completion of individual or all investment projects financed by the Funds, if the Company uses the remaining ~~Excess~~ Funds (including interest income) for other purposes, and the amount thereof is less than RMB5 million or less than five percent (5%) of the net amount of the Funds for the project, the procedures stipulated in Article 13 of these Rules may be waived and the use of the Funds of the project shall be disclosed in the annual report.

If the remaining ~~Excess~~ Funds (including interest income) used reach or exceed 10% of the net amount of the Funds for the project and higher than RMB10 million, the Funds of the project may also be considered and approved at the general meeting.

**Article 15** In case the Company has made investment with its own funds in Projects prior to receiving the Funds, the Funds may be used to replace such invested self-owned funds within six months after the ~~raised f~~Funds are transferred into the S~~s~~pecial ~~a~~Account.~~only after the accounting firm has issued an assurance report. Within six months after the proceeds become available for use, the Company replace the internal funds with the proceeds.~~

During the implementation of raised funds investment projects, in principle, the ~~raised f~~Funds shall be used for direct payment. If it is really difficult to make direct payment with the ~~raised f~~Funds for matters such as payment of staff salaries and purchase of overseas products and equipment, the replacement may be implemented within six months after the payment is made with self-raised funds.

Where the Company has disclosed, in the application documents for securities issuance, that it intends to replace the self-owned funds previously invested with the Funds, and if the amount of the previous investment is determined, it shall make a public announcement before the replacement.

**Article 16** The Company may use the temporarily idle Funds for cash management purposes, which shall be implemented through the S~~s~~pecial A~~a~~ccount for ~~raised~~the F~~f~~unds or the publicly disclosed special settlement account for products. Where cash management is implemented through a special settlement account for products, no non-raised funds shall be deposited in such account, nor shall the account be used for other purposes. The implementation of cash management shall~~. The duration of the investment products shall not exceed 12 months. Such products shall meet the requirement of high level of safety and high liquidity to the extent that they would~~ not affect the normal implementation of investment plan funded with the Funds. The Company shall promptly announce the opening or cancellation of a special settlement account for products.

Cash management products shall meet the following conditions:

(1) They shall be products with high security such as structured deposits and large-denomination certificates of deposit, and shall not be non-principal-guaranteed;

(2) They shall have good liquidity, with a product term not exceeding twelve months;

(3) Cash management products shall not be pledged.

~~The investment products shall not be pledged and the specific settlement account for the products (if applicable) shall not be used to maintain any funds other than the Funds or for any other purposes. The Company shall promptly publish an announcement when it sets up or terminates a specific settlement account for the products.~~

**Article 17** In the event that the Company uses the idle Funds for cash management purpose, such matter shall be subject to the approval of the board of directors, the sponsor institution shall issue a clear opinion, and the Company shall promptly disclose the following information:~~the Company shall timely announce the following after the Board meeting:~~

(I) The basic information of the Funds, including the date of receipt of the Funds, amount, net amount and investment plan etc.;

(II) The information of use of the Funds and the information and reasons that the Funds remained unused, whether there is any act that changes the Funds purpose in disguise and whether there is any measure that ensures the normal operation of Funds-financed project will not be affected;

(III) the issuer, type, investment scope, duration, amount, income distribution method, estimated annual rate of return (if any) and specific analysis as well as explanation made by the board of directors about the safety and liquidity of the cash management ~~investment~~product~~products invested by the idle Funds~~;

(IV) the opinions given by ~~the Supervisory Committee and~~ the sponsor agency or independent financial adviser.

The Company shall in a timely manner make an announcement of risk reminder and indicate the risk control measures adopted by the Company to guarantee the safety of the funds in the event of material risks, such as whether financial conditions of the issuer have deteriorated and product invested has suffered losses.

**Article 18** The temporary use of the idle Funds to replenish the working capital of the Company shall not exceed ~~, with~~ the maximum term of twelve months for a single temporary replenishment of working capital . ~~not exceeding twelve months~~Where the working capital is temporarily replenished, it shall be implemented through the S~~s~~pecial A~~a~~ccount~~ for raised funds~~, ~~,~~ be limited to production and operation activities related to the ~~main~~principal business~~, shall be limited to the production and operation related to the main business of the Company,~~ and shall meet the following conditions:

(I) No change in any form shall be made to the stated use of the Funds, and the normal progress of the investment plan of the Funds may not be affected by such use;

(II) The amount of Funds used for temporarily replenishing the working capital of the Company has been restored;

(III) The duration of any single temporary injection of liquid funds using the Funds may not be more than 12 months;

(IV) The idle Funds shall not be directly or indirectly used for high-risk investments such as securities investment and derivative transactions.

**Article 19** The temporary use of idle Funds to replenish the working capital shall be subject to the review and approval by the board of directors, and the Company shall make an announcement timely following such approval, stating:

(I) The basic information on the Funds, including, among others, the collection time of the Funds, the amount and net amount of the Funds and relevant investment plans;

(II) The information on the use of the Funds, conditions and causes for idleness;

(III) The causes for shortage of the working capital in the first place, the amount of the idle Funds to replenish the working capital and the duration of such replenishment;

(IV) The amount of financial expenses expected to be saved by using the idle Funds to replenish the working capital, whether any investment target of the Funds is changed in effect and the measures to ensure that such use of the Funds will not affect the normal progress of the Projects;

(V) The opinions issued by ~~the Supervisory Committee and~~ the sponsor or the independent financial adviser;

(VI) Other content required by the Shenzhen Stock Exchange.

The Company shall return the Funds used for replenishment of the working capital to the Special Account by the due date and shall, within two trading days after the Funds are made good, make a public announcement thereon. If the Company anticipates that it will not be able to return the funds to the Special Account ~~of raised funds~~ as scheduled, it shall follow the review procedures and make a timely announcement in accordance with the preceding paragraph before the expiry date. The announcement shall include the whereabouts of the Funds, the reasons for the failure to return, the reasons for continuing to replenish the working capital and the period.

**Article 20** When the Company's Funds reach or exceed the amount that the Company plans to raise, the Company shall properly plan the use of the Over Subscription Funds~~the Excess Funds~~ according to the Company's development plan and actual production and operation needs.~~,~~ The ~~over raised funds~~Over Subscription Funds shall be used for ongoing

projects, new projects, repurchasing the Company's shares and canceling them in accordance with the law. The Company shall, ~~at the latest~~no lather than the time when the entire batch of raised investment projects is completed, specify the specific use plan for the Over Subscription Funds ~~over-raised funds~~ and put them into use according to the plan.

Where the Company uses the Over Subscription Funds ~~over-raised funds~~ to invest in ongoing projects and new projects, it shall fully disclose information such as the construction plan of the relevant projects, the necessity and rationality of the investment, the investment cycle and the rate of return. If the projects involve connected transactions, asset purchases, external investments, etc., it shall also perform the review procedures and information disclosure obligations in accordance with the relevant regulations of the Shenzhen Stock Exchange. ~~scientifically and prudently conduct the feasibility analysis of the project, and submit such plan for using Excess Funds to the board of directors for deliberation and approval, after which the Company shall disclose the plan in a timely manner. The announcement of the use plan shall include the following contents:~~

~~(I) The basic information on the Funds, including the date of receipt of the Funds, the amount of Funds, the surplus of Net Funds actually raised over the amount of planned Funds, the names of projects in which an investment is made and the amount, the accumulated planned amount and the amount actually used;~~

~~(II) An introduction to the planned investment projects, including the basic information on each project, whether related transactions are involved, feasibility analysis, economic benefit analysis, investment progress schedule, statements that projects have been approved or are pending approval by relevant authorities, and risk warnings (if applicable);~~

~~(III) Opinions from the sponsor or independent financial adviser on the reasons, compliance and necessity of the plan for using Excess Funds.~~

~~If the amount of the Excess Funds used in a single plan reaches RMB50 million and reaches more than 10% of the total amount of the Excess Funds, it shall also be submitted to the general meeting for deliberation and approval.~~

**Article 21** If the Company uses temporarily idle Over Subscription Funds ~~over-raised funds~~ for cash management or temporary replenishment of working capital, it shall explain the necessity and rationality. Where the Company uses temporarily idle Over Subscription Funds ~~over-raised funds~~ for cash management or temporary replenishment of working capital, matters such as the quota and term shall be subject to the approval of the board of directors, on which the sponsor institution shall issue a clear opinion, and the Company shall promptly disclose relevant information.

The Company shall explain the usage of the Over Subscription Funds ~~over-raised funds~~ and the next year's usage plan in the annual special report on the storage, management and usage of ~~raised funds~~the Funds. ~~the Excess Funds to repay bank loans or permanently replenish the working capital, the Company shall be reviewed and approved by the board of directors and the general meeting. The sponsors or the independent financial advisor shall make explicit consent and disclosure, and shall satisfy the following requirements:~~

~~(I) The aggregate amount of the Excess Funds used for permanent replenishment of the working capital and repayment of bank loans during each 12-month period shall not exceed 30% of the total Excess Funds occurring in that period;~~

~~(II) The Company shall not to make high-risk investments such as securities investment and derivative transactions or provide financial assistance to others other than the holding subsidiaries within twelve months after replenishment of the working capital using the Excess Funds. The Company shall make a clear undertaking in the announcement.~~

**Chapter 4 Changes in the Use of Funds**

**Article 22** The Funds of the Company shall be used for the purposes listed in the Prospectus or other public offering documents. If the Company changes the use of the Funds listed in the Prospectus or other public offering documents, it shall, in addition to performing the review and approval procedures in accordance with the provisions of Article 13 of these Rules, be subject to the deliberation and approval of the general meeting.

**Article 23** The Company shall be deemed to have changed the use of Funds if it ~~is in~~falls under any of the following circumstances:

(I) The original Project is cancelled or terminated and a new one is implemented or permanently replenishing the working capital;

(II) The entity implementing the Project changes (except that the entity changes between the Company and its wholly-owned subsidiaries);

(III) The Project is to be implemented in a different way;

(IV) Any other circumstance ~~occurs~~ that ~~a relevant~~the China Securities Regulatory Commission or Shenzhen Stock Exchange determines to be a change in the use of the Funds.

Where the Company is in the circumstance specified in Item (1) of the preceding paragraph, the sponsor institution shall, in conjunction with the previously disclosed documents related to ~~raised~~the F~~f~~unds, specifically explain the main reasons for the changes in the projects invested by ~~raised~~ F~~f~~unds ~~investment project~~ and the ~~rationality~~rationale of the previous sponsor's~~ship~~ opinions.

If the Company uses the ~~raised~~ F~~f~~unds for cash management, temporary replenishment of the working capital, or uses the Over Subscription Funds ~~over-raised funds~~ in a manner that exceeds the quota, term, or purpose determined by the review procedures of the board of directors or the shareholders' meeting, and the circumstances are serious, such act shall be deemed as an unauthorized change of the purpose of ~~raised~~the F~~f~~unds.

**Article 24** The Company shall scientifically and prudently select the new investment Project, conduct feasibility analysis of the new Project, ensure that the Project has good market prospect and profitability and can effectively prevent investment risks and improve the efficacy of the use of the Funds.

**Article 25** If the Company intends to turn a Project into a joint venture, it shall consider carefully the necessity of the joint venture on the basis of a full understanding of the basic information of the other party or parties to the joint venture, and in case of establishing a joint venture, the Company shall be a controlling shareholder of the joint venture to ensure effective control of the Project.

**Article 26** If the Company is to change the location of a Project, the change shall be deliberated and approved by the board of directors and announced timely after such approval. The announcement shall state the change, the causes thereof, the impact on the implementation of the Project and the opinion issued by the sponsor or independent financial advisor on the change.

## Chapter 5 Administration and Supervision of the Use of Funds

**Article 27** ~~The Company shall truthfully, accurately and completely disclose the actual use of the Funds.~~ The board of directors of the Company shall continuously monitor the actual management and use of the ~~raised funds~~Funds, and conduct a comprehensive check on the progress of the Projects every half year, issue a half-year special report and a special annual report on the deposit, management and use of the Funds, and disclose the same with the regular report until the Funds are used up and there is no use of the Funds during the reporting period.

In case the actual investment progress of a Project differs from the investment plan, the Company shall explain the causes therefor in detail. In case the difference between the annual actually used amount of the Funds in the investment project and the estimated amount of the Funds to be used as disclosed in the latest investment plan exceeds 30%, the Company shall adjust the investment plan of the Funds and disclose, among others, the latest annual

investment plan of the Funds, the current actual progress of the investment, the expected annual investment plan after adjustment and the reasons for changes in the investment plan in a special report of the deposit, management and use of ~~raised funds~~Funds and regular reports.

The Company shall cooperate with the continuous supervision work of the sponsor ~~institution~~ or the independent financial advisor and the audit work of the accounting firm, and promptly provide or apply to the bank for providing necessary materials related to the deposit, management and use of ~~raised~~the F~~f~~unds.

**Article 28** If the Company uses the Funds in the current year, it shall engage an accounting firm to conduct a special audit on the use of the Funds such as the actual investment projects, the actual investment amount, the actual investment time and the completion degree of the projects while conducting the annual audit and reasonably verify whether the special report issue by the board of directors has been prepared in accordance with these Rules and relevant format requirements and whether it has faithfully reflected the actual deposit, management and use of the Funds in the year and shall give its conclusion for the assurance. The Company shall disclose the verification conclusion in the annual special report on the deposit, management and use of the Funds.

In case the conclusion is "reserved", "negative" or "no conclusion", the board of directors shall analyze the reasons for such conclusion by the accounting firm in the assurance report, propose corrective measures and disclose such measures in the annual report.

**Article 29** The sponsor or independent financial advisor shall conduct on-site inspection on the deposit, management and use of the Funds at least once every six months. After the end of each fiscal year, the sponsor or independent financial advisor shall issue a special verification report on, and disclose the deposit, management and use of, the Funds in the year. The Company shall disclose the special inspection conclusion in the annual special report on the deposit, management and use of the Funds.

In case the accounting firm issues an assurance report with "reserved", "negative" conclusion or "no conclusion" regarding the deposit, management and use of the Funds, the sponsor or independent financial advisor shall, in its verification report, diligently analyze the reasons for such conclusion by the accounting firm and provide clear verification opinions.

The sponsor or Independent Financial Advisor shall promptly report to the Shenzhen stock exchange and make disclosure when listed companies and commercial banks fail to perform tripartite agreement as agreed, or when there is material irregularities or material risks in the management of the proceeds under the on-site inspection on the listed companies.

**Chapter 6 Supplementary Provisions**

**Article 30** If any Project is implemented by a subsidiary or any other company controlled by the Company, the Company shall procure the subsidiary or such other company to comply with these Rules.

**Article 31** Matters uncovered in these Rules shall be executed in accordance with laws, regulations, rules and regulatory documents as well as the relevant provisions of the Articles of Association. If there are any contradictions between these Rules and the laws, regulations, rules and regulatory documents as well as the relevant provisions of the Articles of Association, it shall be implemented in accordance with the provisions of relevant national laws and regulations, rules and regulatory documents, the listing rules of place where the shares of the Company is listed and the provisions of the Articles of Association.

**Article 32** These Rules shall be implemented as of the date of approval by the Company's general meeting, and any amendment hereto shall be submitted to the general meeting for deliberation after approval by the board of directors.

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***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

**Pharmaron Beijing Co., Ltd.**

**Rules for Implementing the Cumulative Voting Mechanism**
**(the "Implementing Rules")**

**Article 1** The Implementing Rules are hereby formulated for the purpose of further improving the corporate governance of Pharmaron Beijing Co., Ltd. (the "**Company**") and ensuring the full exercise of the rights of all shareholders of the Company, in accordance with the relevant provisions of the relevant laws, regulations and normative documents as well as the corporate governance provisions of the Company.

**Article 2** The cumulative voting mechanism referred to in the Implementing Rules refers to the Company a voting mechanism adopted for the election of two or more directors ~~or supervisors~~ at a shareholders' general meeting. That is, when a shareholders' general meeting elects directors ~~or supervisors~~, each valid voting share held by a shareholder shall bear voting rights equal to the total number of directors ~~or supervisors~~ to be elected at such general meeting, and the voting rights held by a shareholder shall be equal to the product of the number of shares held by such shareholder and the total number of directors ~~or supervisors~~ to be elected. Shareholders may either use all of their voting rights to vote concentratedly for a single candidate for election as a director ~~or supervisors~~, or may exercise their voting rights in a dispersed manner by voting for several candidates for election as directors ~~or supervisors~~, with the election of the directors ~~or supervisors~~ being decided in order of the number of votes received.

**Article 3** "**Directors**" referred to in these Implementing Rules include executive directors, non-executive directors and independent non-executive directors. ~~"**Supervisors**" referred to in these Implementing Rules specifically refers to shareholders' representative supervisors.~~ Employees' representative director ~~supervisors~~ shall be democratically elected or replaced by employees, and the relevant provisions of these Implementing Rules shall not apply to them.

**Article 4** When the shareholders' general meeting elects or replaces two or more executive Directors, or non-executive Directors, or independent non-executive Directors ~~or Supervisors~~, the cumulative voting mechanism shall be applied. The cumulative voting mechanism shall not be applied when the shareholders' general meeting elects or replaces only one executive Director, or non-executive Director, or independent non-executive Director ~~or Supervisors~~.

**Article 5** The term of office of Directors ~~or Supervisors~~ elected through the cumulative voting mechanism shall not be staggered, i.e., the term of office of Directors ~~or Supervisors~~ re-elected due to a vacancy during a term shall be for the remainder of the current term, and they shall not serve for any other term.

**Article 6** The nomination of candidates for Directors ~~or Supervisors~~ as well as the number and structure of Directors ~~or Supervisors~~ to be elected at the shareholders' meeting shall comply with the provisions of the articles of association of the Company.

**Article 7** In the event that a cumulative voting mechanism is adopted, the presiding officer of the shareholders' general meeting shall clearly inform the shareholders attending the general meeting of the adoption of the cumulative voting mechanism for the candidates for Directors ~~or Supervisors~~ before the shareholders' general meeting votes on the candidates for Directors ~~or Supervisors~~, and that the board of Directors (the "**Board**") ~~and the supervisory committee of the Company (the "Supervisory Committee")~~must prepare ballots suitable for the adoption of the cumulative voting mechanism. The secretary of the Board shall give instructions and explanations on the cumulative voting mechanism and the method of filling in the ballot papers.

**Article 8** The election of independent non-executive Directors, non-executive Directors and executive Directors ~~and Supervisors~~ shall be conducted by separate voting:

(i) The number of votes that each shareholder is entitled to receive for the election of independent non-executive Directors shall be equal to the product of the number of shares held by him/her multiplied by the number of independent non-executive Directors to be elected, and such votes may only be casted for the Company's independent non-executive Director candidates;

(ii) For the election of non-executive Directors, each shareholder is entitled to a number of votes equal to the product of the number of shares held by him/her multiplied by the number of non-executive Directors to be elected, which votes can only be casted for the Company's non-executive Director candidates;

(iii) For the election of executive Directors, each shareholder shall be entitled to a number of votes equal to the product of the number of shares held by him/her multiplied by the number of executive Directors to be elected, which votes shall be casted only for the Company's executive director candidates.~~;~~

~~(iv) In the election of Supervisors, each shareholder shall be entitled to a number of votes equal to the product of the number of shares held by him/her multiplied by the number of Supervisors to be elected, which votes may only be casted for the Company's Supervisor candidates.~~

**Article 9** The number of votes in the cumulative voting mechanism shall be determined as follows:

(i) The product of the number of voting shares held by each shareholder multiplied by the number of Directors ~~or Supervisors~~ to be elected at the annual general meeting shall be the cumulative number of votes casted by such shareholder;

(ii) In the event of multiple rounds of election at a shareholders' meeting, the cumulative votes of shareholders shall be recalculated on the basis of the number of Directors ~~or Supervisors~~ that should be elected in each round of election;

(iii) The secretary of the Board shall announce the cumulative votes of the shareholders before each round of cumulative voting, and shall immediately conduct a check when any shareholder, independent non-executive Director, ~~Supervisor,~~ scrutineer of the annual general meeting or witness attorney of the Company disagrees with the announced results.

**Article 10** The following voting mechanism shall be followed when shareholders vote:

(i) When casting votes, shareholders shall indicate in the voting column for each executive Director, non-executive Director, independent non-executive Director ~~or Supervisor~~ candidate they elect the cumulative number of votes they cast for such executive Director, non-executive Director, independent non-executive Director ~~or Supervisor~~ candidate. Votes are casted only in favor of the election, and there are no dissenting votes or abstentions;

(ii) All shareholders are entitled to cast their cumulative votes separately or in total for any candidate for executive Director, non-executive Director, independent non-executive Director ~~or Supervisor~~ according to their own wishes (proxies shall comply with the instructions of the power of attorney of the principal); provided that the number of candidates for executive Director, non-executive Director, independent non-executive Director ~~or Supervisor~~ voted for shall not exceed the number of executive Director, non-executive Director, independent non-executive Director ~~or Supervisor~~ that should be elected, otherwise all votes cast by such shareholder shall be deemed to be abstentions;

(iii) In the event that a shareholder exercises his/her voting rights centrally or dispersedly in accordance with the provisions of Article 8 of these Implementing Rules in respect of a particular executive Director, non-executive Director, independent non-executive Director ~~or Supervisor~~ candidate, but the total number of votes cast exceeds the number of his/her cumulative votes, the shareholder's votes shall be invalidated and deemed to be a waiver of such vote;

(iv) If the total number of votes exercised by a shareholder in respect of a particular executive Director, non-executive Director, independent non-executive Director ~~or Supervisor~~ candidate or candidates in a centralized or decentralized manner is equal to or less than the number of his/her cumulative votes, the votes of such shareholder shall be valid, and the difference between the cumulative votes and the actual number of votes cast shall be deemed to be forfeited.

**Article 11** After completion of voting, the tellers and scrutineers of the on-site shareholders' meeting shall count the votes, and the staff shall upload the results of the on-site voting to the internet voting service mechanism for consolidated counting, and after obtaining the results of the consolidated counting of the on-site voting and the internet voting, the consolidated votes obtained from the on-site voting and the internet voting for each candidate for Director ~~or Supervisor~~ shall be announced in the form of a resolution of the shareholders' meeting.

**Article 12** The election of Directors ~~or Supervisors~~ shall be determined in accordance with the order of the number of votes received by the candidates for Directors ~~or Supervisors~~, provided that the total number of votes received by the elected Directors ~~or Supervisors~~ shall be more than one-half of the total number of voting shares held by shareholders present at the general meeting of shareholders (in terms of the number of shares that have not been accumulated).

**Article 13** If two or more candidates receive the same total number of votes and such total number of votes is the least among those to be elected, and if the election of all of them will result in the election of more than the number of persons to be elected, a second round of election shall be held at such shareholders' general meeting in accordance with the prescribed procedures in respect of the candidates for Directors ~~or Supervisors~~ who have the same total number of votes as aforesaid, and in the event that the second round of election fails to determine the persons to be elected, a separate election shall be held at next shareholders' general meeting of the Company.

**Article 14** If the number of Directors ~~or Supervisors~~ elected is less than the number of Directors ~~or Supervisors~~ to be elected, and the number of all elected Directors ~~or Supervisors~~ of the Company is less than the statutory minimum as stipulated in the Company Law of the People's Republic of China or less than two-thirds of the number of the members of the Board ~~or the Supervisory Committee~~ as stipulated in the articles of association of the Company, then there shall be a second round of election for the candidates for re-election of the non-elected Directors ~~or Supervisors~~; and in the event that the aforesaid requirements are not yet met after the second round of election the shareholders' general meeting shall be convened again within sixty (60) days after the conclusion of this general meeting to elect the absent Directors ~~or Supervisors~~.

**Article 15** The Implementing Rules shall be implemented only after it has been approved by the shareholders' general meeting, and the same shall apply upon any amendment.

**Article 16** Matters not covered in the Implementing Rules shall be implemented in accordance with the relevant laws, regulations, rules, standardized documents and the articles of association of the Company; if the Implementing Rules conflict with any relevant laws, regulations, rules, standardized documents or the articles of association of the Company, they shall be implemented in accordance with the laws, regulations, rules, standardized documents and the articles of association of the Company in force at that time.

**Article 17** The terms "above" and "within" in this rule include the present number; the terms "over", "less than" or "more than" do not include this number.

**Article 18** The Implementing Rules are subject to interpretation of the Board.

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***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

**PHARMARON BEIJING CO., LTD.**
**(the "Company")**

**The Procedure for a Shareholder to Nominate a Person for Election as a Director**

The following procedure shall apply to the nomination of persons for directors by shareholders of the Company (the "**Shareholders**", each a "**Shareholder**") who have received the notice for a general meeting of the Company. The procedure shall be governed by the Articles of Association of Pharmaron Beijing Co., Ltd. (the "**Articles of Association**") and other applicable regulations and rules:

1. In accordance with Article 86~~110~~ of the Articles of Association, in the case of a re-election of the board of directors or an addition to the board of directors, Shareholders individually or jointly holding 1~~3~~% or more of the shares in the Company may nominate, without exceeding the number of persons to be elected, candidates for the positions of non-employee representative directors for the next session of the board of directors or a candidate for the additional position of non-employee representative director. Candidate for an independent non-executive director shall be nominated in accordance with the method and procedure as provided by laws, administrative regulations, ministerial rules, the listing rules of the stock exchange where shares in the Company are listed and the Articles of Association. Shareholders individually or jointly holding 1~~3~~% or more of the shares in the Company ~~shall~~ may propose the nomination for directors no later than ~~no earlier than the date of the notice of the general meeting and not later than~~ ten days before~~prior to~~ the general meeting and submit the proposal in writing to the chairperson of the meeting. The chairperson shall issue a supplemental written notice for the general meeting within two days upon the receipt of the proposal (i.e., no later than 8 days before the general meeting) to make public the content thereof[note 1]. And at the same time, the Company shall issue an announcement or supplementary circular to disclose the personal information of the nominated director candidates in accordance with Rule 13.51(2) of the Hong Kong Listing Rules. The convener shall submit such temporary proposal to the shareholders' meeting for deliberation, except where the temporary proposal violates the provisions of laws, administrative regulations, the listing rules of the company's stock listing place or the articles of association, or does not fall within the scope of the functions and powers of the shareholders' meeting.

2. Such supplemental written notice shall contain: (i) written notice of the intention to nominate a director candidate and the candidate's willingness to accept the nomination, and (ii) written information concerning the candidate. The candidate's information and curriculum vitae shall meet the requirements under Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

~~3.~~ ~~If such notice is received from a Shareholder after the issue of the notice for the general meeting, the Company shall issue a public announcement or supplemental circular to disclose the personal information of the candidates required by Rule 13.51(2) of the Listing Rules not later than seven days prior to the date of the general meeting.~~

3~~4~~. This procedure shall come into force on the date when approved by the general meeting of the Company.

~~*Note:*~~

~~1. In accordance with Rule 13.70 of the Listing Rules, if a shareholder nominates any candidate for director after the notice for the general meeting has been issued, the issuer shall publish an announcement or issue a supplemental circular at least seven days prior to the date of the general meeting, providing the shareholders with relevant information including the candidate's particulars.~~

***Note: If there is any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.***

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# Pharmaron Beijing Co., Ltd.
# 康龍化成(北京)新藥技術股份有限公司

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

**(Stock Code: 3759)**

## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2025

**NOTICE IS HEREBY GIVEN THAT** the first extraordinary general meeting of 2025 (the "**EGM**") of Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司) (the "**Company**") will be held at 6 Tai-He Road, Economic Technological Development Area, Beijing, the PRC on Thursday, December 18, 2025 at 2:30 p.m. for the purposes of considering and, if deemed appropriate, approving the following resolutions. In this notice, unless the context otherwise requires, capitalized terms and used herein shall have the same meanings as defined in the Company's circular (the "**Circular**") dated November 27, 2025.

### ORDINARY RESOLUTIONS

1. By-election of independent non-executive Director of the third session of the Board.
2. Amendments to the Related Party/Connected Transactions Management Policy.
3. Amendments to the External Guarantee Management Policy.
4. Amendments to the Independent Non-executive Directors Working Policy.
5. Amendments to the External Investment Management Policy.
6. Amendments to the Special Storage and Use of Proceeds Management Policy.
7. Amendments to the Rules for Implementing the Cumulative Voting Mechanism.
8. Amendments to the Procedure for a Shareholder to Nominate a Person for Election as a Director.

### SPECIAL RESOLUTIONS

9. Amendments to the Articles of Association.
10. Amendments to the Rules of Procedure for the General Meetings.
11. Amendments to the Rules of Procedure for the Board Meetings.

## CLOSURE OF REGISTER OF MEMBERS

H Shareholders who intend to attend the EGM are required to deposit the share certificates accompanied by relevant transfer documents at the Company's H Shares Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, December 12, 2025. H Shareholders whose names appear on the register of members of the Company on Monday, December 15, 2025 shall be entitled to attend and vote at the EGM. The register of members of the Company will be closed from Monday, December 15, 2025 to Thursday, December 18, 2025 (both days inclusive), during which period no transfer of Shares will be registered.

By order of the Board
**Pharmaron Beijing Co., Ltd.**
**康龍化成(北京)新藥技術股份有限公司**
**Dr. Lou Boliang**
*Chairman*

Beijing, the PRC
November 27, 2025

*As at the date of this notice, the Board of Directors comprises Dr. Lou Boliang, Mr. Lou Xiaoqiang and Ms. Zheng Bei as executive Directors; Mr. Li Jiaqing and Ms. Wan Xuan as non-executive Directors; Ms. Li Lihua, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.*

*Notes:*

(1) All votes of resolutions at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.pharmaron.com) in accordance with the Listing Rules.

(2) Any shareholders entitled to attend and vote at the EGM can appoint one or more proxies to attend and vote at the EGM on his/her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and type of shares in respect of which each proxy is so appointed.

(3) Shareholders shall appoint their proxies in writing. The form of proxy shall be signed by the shareholder or his/her/its attorney who has been authorized in writing. If the shareholder is a corporation, the form of proxy shall be affixed with the corporation's seal or signed by its director, or its attorney duly authorized in writing. If the form of proxy is signed by the attorney of the shareholder, the power of attorney or other authorization document shall be notarized. For H Shareholders, the aforementioned documents must be lodged with the H Shares Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time appointed for holding the EGM (i.e. 2:30 p.m. on Wednesday, December 17, 2025 (Hong Kong time)) or any adjournment thereof in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a shareholder of the Company from attending the EGM online, provided that they shall not be able to cast their votes online.

(4) Shareholders shall produce their identification documents when attending the EGM.

(5) If a proxy attends the EGM on behalf of a shareholder, he/she should produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her attorney, which specifies the date of its issuance. If a representative of a corporate shareholder attends the EGM, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the Board of directors or other authority or other notarized copy of any authorization documents issued by such corporate shareholder.

(6) The EGM is expected to last for half a day. Shareholders who attend the EGM (in person or by proxy) shall bear their own traveling, accommodation and other expenses.

(7) The contact of the Company:

Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司)
Address: 6 Tai-He Road, Economic Technological Development Area, Beijing, the PRC
Postal Code: 100176
Tel: 86 010-57330087
Contact Person: LI Shing Chung Gilbert
Fax: 86 010-57330087