Shanghai Bao Pharmaceuticals Co., Ltd.

Terms of Reference for the Audit Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 For the purpose of enhancing the decision-making function of the Board of Directors of Shanghai Bao Pharmaceuticals Co., Ltd. (the "Company"), reinforcing the effective supervision of management by the Board of Directors of the Company and improving the corporate governance structure, the Company has established the Audit Committee under the Board of Directors and formulated the terms of reference in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules, A Guide for Effective Audit Committees of the Hong Kong Institute of Certified Public Accountants, the Articles of Association of Shanghai Bao Pharmaceuticals Co., Ltd. (the "Articles of Association") applicable after the issuance of H Shares and other relevant laws, administrative regulations and normative documents.

Article 2 The Audit Committee is a specialized working body established by the Board of Directors pursuant to the resolution of the shareholders' general meeting, its main duties include inspecting the financial position of the Company, reviewing the financial information of the Company, making judgement on the truthfulness, completeness and accuracy of the financial information, examining the implementation and effectiveness of the internal control system, and it is mainly responsible for the Company's communication with and supervision and verification of external audits, oversight of internal audits, evaluation and improvement of the internal control system of the Company, and making recommendations thereon, as well as conducting risk assessment on, among others, major investment projects being operated by the Company. The Audit Committee of the Board of Directors shall report its work to the Board of Directors.

Chapter 2 Composition

Article 3 The Audit Committee shall comprise at least three directors and shall be made up of odd number of members, all members must be non-executive directors, with a majority (more than half) of the members being independent non-executive directors. The chairman of the Audit Committee shall be served by an independent non-executive director. Among the members of the Audit Committee, there shall be at least one independent director who is an accounting professional (possessing appropriate professional qualifications, or possessing appropriate accounting or relevant financial management expertise, as stipulated in Rule 3.10(2) of the Hong Kong Listing Rules).

A partner of the Company's current external audit institution shall not serve as a member of the Audit Committee within two years from the day of terminating his/her capacity of being a partner of such audit institution, or from the day he/she ceases to have financial interest in that external audit institution, whichever is later.

Article 4 The chairman and other members (collectively, the "members") of the Audit Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent non-executive directors or more than one-third of all directors, and shall be elected by a majority of all members of the Board of Directors, they shall be appointed through election, and dismissed, by the Board of Directors.

Article 5 The Audit Committee shall have one convener, being the chairman of the committee, who shall be an independent non-executive director, to be appointed by the Board of Directors, and shall be responsible for presiding over the work of the Audit Committee. If the chairman of the committee is unable or fails to perform his/her duties, an independent non-executive director jointly elected by more than half of the committee members shall perform on his/her behalf.

Members of the Audit Committee must satisfy the following conditions:

(1) are not subject to prohibition on serving as company directors as stipulated in laws and regulations, such as the Company Law, or the Articles of Association;

(2) are familiar with relevant laws and administrative regulations of the State, have good business ethics and conduct, possess relevant professional knowledge on remuneration, and are familiar with the Company's operation and management;

(3) comply with the principles of honesty and good faith, with integrity and self-discipline, perform duties with loyalty and diligence, protect the interests of the Company and the shareholders through working actively;

(4) have relatively strong comprehensive analysis and judgement abilities, possess the ability to work independently;

(5) other conditions as required under other laws, regulations or the Articles of Association.

Persons who do not satisfy the qualifications of appointment as stipulated in the aforesaid items shall not be elected as members of the Audit Committee. If the circumstances unfit for appointment as stipulated in the aforesaid items arise during the term of office of a member of the Audit Committee, such member shall resign proactively or shall be removed by the Board of Directors of the Company.

Article 6 The main duties and authorities of the chairman of the Audit Committee are:

(1) to convene and preside over meetings of the committee, and sign resolutions of the meeting;

(2) to oversee the daily work of the committee, and propose to convene an extraordinary meeting;

(3) to lead and guide the committee to ensure the effective operation and duty performance of the committee;

(4) to review, finalize and sign the reports of the Audit Committee and other important documents;

(5) to ensure that each issue discussed by the committee will have clear and definite conclusion (conclusion includes approval, rejection or re-discussion with supplementary materials);

(6) to determine the agenda of each meeting of the committee;

(7) to ensure that all members attending the meeting of the committee understand the matters being discussed by the committee, and to ensure that the members are provided with complete and reliable information;

(8) to report work to the Board of Directors on behalf of the Audit Committee;

(9) other duties and authorities stipulated in the terms of reference.

Article 7 The term of office of the members of the Audit Committee shall be the same as the term of office of the directors. Upon expiration of the term of office of a member, he/she may be re-elected for re-appointment. During the term of office if any member ceases to serve as a director or an independent director of the Company, or if any member who should possess the capacity of an independent non-executive director or non-executive director ceases to have the qualifications as required under the relevant laws, regulations, Hong Kong Listing Rules or the Articles of Association, such member will be disqualified automatically, and the Board of Directors shall replace the member according to the rules stated herein. Members of the Audit Committee may resign prior to the expiration of the term of office by submitting a resignation report in writing to the Board of Directors. The resignation report shall explain the reasons of resignation and give the necessary explanations on any matters that are required to be brought to the attention of the Board of Directors of the Company.

If the composition of the Audit Committee fails to satisfy the requirements as stipulated in Article 3 and Article 5 of the terms of reference, the Board of Directors shall inform The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") immediately, and explain in details about the reasons of failing to satisfy the relevant requirements in the form of an announcement according to the requirements of the Hong Kong Listing Rules, and shall rectify the composition within three months from the date of failure to satisfy the aforesaid stipulated requirements according to the provisions of Article 3 and Article 5 of the terms of reference, and the term of office of the refilled members shall end upon expiration of the term of office of such member serving as a director. Before the expiration of the term of office of a member, unless the circumstances unfit for appointment as stipulated in the Company Law, the Articles of Association or the Hong Kong Listing Rules occur, such member shall not be dismissed without a reason.

Article 8 The main duties and authorities of the members are:

(1) attending meetings of the committee as scheduled, expressing opinions on matters discussed in the meetings, and exercising voting rights; proposing topics for discussion at the meetings of the committee;

(2) may attend or sit in the relevant meetings of the Company as observers, conduct investigation and research, and obtain the required relevant information such as reports, documents and materials, for the purpose of performing their duties;

(3) fully understanding the duties of the committee and their own duties as members of the committee, being familiar with the Company's operation and management conditions, business activities and development progress relating to their duties to ensure their duty performance capabilities;

(4) fully ensuring the time and efforts for performing their duties;

(5) other duties and authorities stipulated in the terms of reference.

Chapter 3 Duties and Authorities

Article 9 The main duties and authorities of the Audit Committee are:

(1) making recommendation on the appointment of external audit institution, conducting annual review on the performance of the external audit institution, submission of summary report to the Board of Directors on engaging external audit institution to conduct audit work of the Company for the current year, and making proposal to the Board of Directors on the recommendations of appointment, re-appointment or dismissal of the external audit institution for the next year, approval of the remuneration and terms of appointment of the external audit institution, and handling any relevant matters relating to the resignation or dismissal of the external audit institution, any opposing opinions of the Board of Directors of the Company on the screening, appointment, resignation or dismissal of external audit institutions conducted by the Audit Committee shall be set out in the Corporate Governance Report by the Company in which a statement made by the Audit Committee to explain its recommendation and the reasons for the opposing opinions of the Board of Directors of the Company will be included;

(2) acting as a representative between the Company and the external audit institution, and being responsible for the communication between the internal audit department of the Company and the external audit institution, including to review and monitor whether the external audit institution is independent and objective according to applicable standards and whether the audit procedures are effective; prior to commencing the audit procedures, conducting discussion with the external audit institution on the nature, scope, method and reporting obligations of the audit for the current year, and negotiating with the external audit institution to confirm the timeline arrangement for auditing the financial statements for the current year, and supervising the external audit institution to submit the audit report within the agreed time frame, etc., if there are more than one external audit institutions participating in the audit, ensuring that they have mutual coordination;

(3) formulating policies on the provision of non-audit services by external audit institutions (including their related entities) according to working needs for implementation. If the Audit Committee considers that taking any action is necessary or any improvement must be made, it should report and make recommendations to the Board of Directors;

The related entities of an external audit institution mentioned herein include any entity which is under common control, ownership or management with the external audit institution employed by the Company, or a third party who has reasonable knowledge of all relevant information may under reasonable circumstances consider that such entity belongs to any organization in any part of the domestic or international business of the external audit institution employed by the Company. The Audit Committee shall ensure that provision of non-audit services by the external audit institution will not jeopardize its independence or objectivity. With respect to non-audit services, the Audit Committee shall consider the following aspects:

1. in terms of capability and experience, whether the provision of non-audit services by such external audit institution is appropriate;

2. whether precautionary measures are in place to ensure that the objectivity and independence of the external audit institution will not be affected by its provision of such services;

3. the nature of the non-audit services, the level of the relevant fees, and with respect to the external audit institution, the level of individual service fees and aggregated service fees; and

4. the standard of determining the remuneration of auditors.

The Audit Committee shall report to the Board of Directors on any necessary action to be taken or any matter for improvement, and propose the steps to be taken;

(4) examining the Company's accounting policy, financial position, financial reporting procedure and financial control; reviewing the completeness, accuracy and fairness of the Company's financial statements and the Company's quarterly reports (if intended for publication), interim reports and annual report and accounts, and reviewing the significant opinions on financial reporting contained in the aforesaid statements and reports, and reviewing the disclosure of the Company's financial information. Prior to submitting the relevant statements and reports to the Board of Directors, the following matters in particular shall be reviewed: whether any changes have occurred in the Company's accounting policy, practice and estimates for the reporting period, matters involving significant judgements, material adjustments to be made as requested by the external audit institution after auditing the accounts, the Company's going concern assumption or any qualified opinions, whether the accounting method has complied with accounting standards and whether provisions relating to financial reporting of the Company Law, the Hong Kong Listing Rules and other applicable laws and regulations are complied with;

Regarding the items mentioned above that are required to be focused in review, the members of the Audit Committee need to communicate with the Board of Directors, senior management, the internal audit department and the external audit institution in a timely manner. The members of the Audit Committee shall convene at least two meetings a year with the external audit institution without attendance by executive directors (except those invited by the Audit Committee). The members of the Audit Committee are required to study the significant or unusual matters reflected or need to be reflected in the Company's report and accounts, and shall duly consider the matters raised by the Company's accounting and finance department, regulatory authorities or the auditors;

(5) discussing the questions and queries raised by the external audit institution after it has reviewed the Company's half-yearly accounts and audited the Company's annual accounts, as well as other issues hoped to be discussed by the external audit institution (if necessary, may carry out in the absence of the management);

(6) examining the Company's financial policy, internal audit system, internal control system and risk management system, providing opinions and recommendations on improvements, and:

1. examining the Company's financial and accounting policies, practices and any related changes;

2. monitoring the preparation process of periodic financial reports (quarterly reports (if any), interim financial reports, annual financial reports), and reviewing the relevant information such as the periodic financial reports and financial results announcements;

3. discussing with the management and evaluating the effectiveness of the financial control, internal control and risk management systems, to ensure that the management has discharged its duties by establishing effective financial control, internal control and risk management systems; the content of discussion shall include whether the Company's resources and the qualifications and experience of employees in the accounting and financial reporting functions are sufficient, and whether the training courses received by the relevant employees and the budget for the accounting and financial reporting functions is enough, if the annual report contains a statement on the internal control system of the Company, such statement shall be reviewed before submission to the Board of Directors for consideration and approval;

4. conducting research proactively or as assigned by the Board of Directors on important investigation findings relating to internal control issues and the relevant measures adopted by the management;

5. ensuring that the work of the Company's audit department and the external audit institution are coordinated; and ensuring that the audit department of the Company has sufficient internal resources for operation, has appropriate authority and position, and reviewing and monitoring the efficacy of the audit department of the Company;

6. evaluating the operation, financial and accounting policies and practices of the Company and subsidiaries (if applicable in future);

7. reviewing the inspection statement or management proposal issued by the external audit institution, the material queries raised by the external audit institution on accounting records, financial accounts or monitoring system and the responses from the management;

8. formulating policies jointly with the Board of Directors on the appointment of external audit institution by the Company and on former employees, and monitoring the application of such policies. The Audit Committee shall consider whether the relevant circumstances have jeopardized or seem to jeopardize the judgement and independence of the external audit institution on audit work;

9. acting as the principal representative between the Company and the external audit institution and being responsible for monitoring the relationship between them;

10. ensuring that the Board of Directors has responded in a timely manner on the inspection statement or management proposal provided to the management by the external audit institution;

11. formulating and reviewing the corporate governance policy and practice of the Company, and making recommendations to the Board of Directors;

12. evaluating and monitoring the training and continuous professional development for directors and senior management;

13. evaluating and monitoring the policy and practice of the Company in complying with laws and regulatory provisions;

14. supervising the work of the Company's internal audit department, providing opinions and recommendations on the appraisal and changes of the person-in-charge of the Company's internal audit department;

15. supervising employees of the Company on potential misconduct or improprieties possibly occur in financial reporting, internal control or other aspects;

16. examining the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report;

17. reporting to the Board of Directors on any of the abovementioned relevant issues, and conducting research on other issues arranged by the Board of Directors;

18. reporting to the Board of Directors on the matters as set out in code provision D3.3 under Part 2 of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules; and

19. conducting research on other issues as defined by the Board of Directors.

(7) the Audit Committee shall establish relevant procedures to ensure fair and independent investigations to resolve the following matters:

1. receiving and handling complaints which are known and relating to the Company's accounting, internal control or audit matters, and ensuring the confidentiality thereof;

2. receiving and handling complaints or anonymous reporting on the misconduct of employees possibly occurred in relation to accounting and auditing matters, internal control or other aspects, and ensuring the confidentiality thereof; examining the procedures through which concerns may be raised secretly on the misconduct of employees of the Company possibly occurred in financial reporting, internal control or other aspects, and ensuring appropriate arrangements are in place to enable the Company to conduct fair and independent investigations on such matters and take appropriate follow-up actions.

(8) making recommendations and ensuring the Board of Directors to adopt effective remedial measures to rectify the Company's failure to establish an Audit Committee in compliance with the Hong Kong Listing Rules.

(9) completing other tasks as assigned by the Board of Directors.

(10) performing other duties as conferred by laws, regulations, normative documents, regulatory authorities such as the Hong Kong Stock Exchange and the Securities and Futures Commission of Hong Kong, the Articles of Association and the Rules of Procedure for the Board of Directors.

The senior management of the Company and the relevant departments shall adopt cooperative and supportive attitude towards the Audit Committee by actively providing sufficient and timely materials to enable the directors of the Audit Committee in making decisions under the circumstances of being well-informed of the relevant information. The data to be provided by the management must be complete and reliable. The finance department shall provide financial and accounting information such as financial reports and working capital reports to the Audit Committee on regular basis and truthfully, and report timely on major business and operating activities, to cooperate actively with the work of the Audit Committee, and shall conscientiously hear the recommendations and requests made by the Audit Committee.

The terms of reference of the Audit Committee shall be published on the website of the Hong Kong Stock Exchange and the website of the Company to explain its role and the powers delegated to it by the Board of Directors.

Article 10 If the Audit Committee is of the views that material deficiencies or material risks exist in the internal control of the Company, the relevant responsible department shall be supervised to formulate rectification measures and set the rectification timeline to conduct follow-up review on internal control and oversee the implementation of the rectification measures, and disclose the completion progress of rectification in a timely manner.

Article 11 The Audit Committee is accountable to the Board of Directors. Proposals of the Audit Committee shall be submitted to the Board of Directors for consideration and decision. The Audit Committee shall cooperate with the auditing activities conducted by the Supervisory Committee.

Article 12 The Audit Committee shall provide all researches and discussion, materials and information to the Board of Directors in the forms of reports, recommendations and summary conclusions to facilitate research and decision-making by the Board of Directors.

Chapter 4 Work Procedures

Article 13 The internal audit department, which is responsible for conducting internal audits within the Company, shall report directly to the Audit Committee and serve as its daily administrative office.

Article 14 The Audit Department shall be responsible for preparing the preliminary work for the Audit Committee's decision-making and providing the Audit Committee with the following written materials from the Company:

(1) The Company's relevant financial reports;

(2) Work reports issued by internal and external audit institutions;

(3) External audit contracts and relevant work reports;

(4) Information regarding the Company's external disclosures;

(5) Related/connected transaction agreements, audit reports on major related/connected transactions, and comments from related/connected-party investigations;

(6) Financial and legal materials relating to material investment projects;

(7) Work reports on the Company's internal control system and its implementation status;

(8) Other relevant materials.

The Audit Committee shall perform its primary duties under the Articles of Association based on the materials provided by the daily administrative office.

Article 15 Working procedures of the Audit Committee:

(1) At Audit Committee meetings, the Audit Committee shall discuss the internal audit work plan, review the Company's financial reports, evaluate reports submitted by the Audit Department, and examine quarterly (if applicable), interim, and annual financial reports. The Audit Committee may make decisions based on expert opinions from professional institutions and submit matters requiring Board approval for deliberation, including but not limited to:

1. Evaluation of the external audit firm's performance, appointment and replacement of the external audit firm, and approval of its remuneration and engagement terms;

2. Assessment of whether the Company's internal control system and internal auditing system are effectively implemented, and whether the Company's financial reports are complete and true;

3. Determination of whether the Company's externally disclosed financial reports and other information are objective and truthful, and whether material related/connected transactions are in compliance with the requirements of applicable laws and regulations;

4. Performance evaluations of the Company's finance department and its responsible personnel, as well as the audit department and its responsible personnel;

5. Other relevant matters.

(2) In the process of preparing and disclosing the annual financial report of the Company, the Audit Committee shall follow the following working rules and procedures:

1. After the fiscal year-end, promptly coordinate with the external audit firm responsible for auditing the Company's financial reports for that fiscal year (the "Annual Audit CPA") to determine the audit schedule;

2. Monitor the Annual Audit CPA to submit the audit report within the agreed timeframe;

3. Review the financial and accounting statements prepared by the Company before the Annual Audit CPA commences its audit work;

4. Review the Company's financial accounting statements after the Annual Audit CPA issues a preliminary audit opinion;

5. Convene Audit Committee meetings to review the financial reports, provide recommendations on the re-appointment or replacement of the Annual Audit CPA for the following year, and evaluate the Annual Audit CPA firm's performance of the Company's audit work for the current year, producing a summary report.

The chairman of the Audit Committee or, in his/her absence, another Audit Committee member who is an independent non-executive director, shall attend the Company's Annual General Meeting and respond to shareholders' questions regarding the activities and responsibilities of the Audit Committee.

Chapter 5 Rules of Procedures

Article 16 Meetings of the Audit Committee shall be classified as regular meetings and extraordinary meetings. Regular meetings shall be held at least twice a year and once each quarter, and shall take place prior to the regular meeting of the Board of Directors of the Company to discuss the opinions and recommendations to be submitted to the Board of Directors. Extraordinary meetings may be proposed by two or more members of the Audit Committee. The Board Secretary of the Company shall notify all members three days prior to the meeting; however, the notice period may be waived with the unanimous consent of all members. The convening of an extraordinary meeting is not subject to the aforementioned notice period, but the convener shall provide an explanation at the meeting. Meetings shall be chaired by the chairman of the Audit Committee. If the chairman is unable to attend, an independent director may be appointed to chair the meeting.

Article 17 Meetings of the Audit Committee shall be held with the attendance of more than two-thirds of its members (including members who have authorized others in writing to attend on their behalf), and at least one attendee must be an independent non-executive director. Each member has one vote, and resolutions must be approved by more than half of all members.

If any member of the Audit Committee has a conflict of interest in the matters under discussion, the member shall recuse himself/herself. If, as a result of such recusal, the Audit Committee is unable to form a valid review opinion, the relevant matters shall be submitted directly to the Board of Directors for consideration.

Members shall attend meetings in person and express clear opinions on the matters discussed. Members who are unable to attend may authorize another member to attend and express opinions on their behalf by submitting a written and signed Power of Attorney. The Power of Attorney shall specify the proxy's name, the matters entrusted, the scope of authorization, and the validity period, and must be signed or sealed by the member. It shall be submitted to the meeting chairman before voting begins. A member who neither attends nor appoints a proxy shall be deemed to have abstained from voting at that meeting.

Each member may serve as a proxy for no more than one other member. If an independent director is unable to attend in person, he/she shall appoint another independent director to attend on his/her behalf.

Article 18 Meetings of the Audit Committee may be held in person or through appropriate means such as teleconferencing or videoconferencing.

Resolutions made at the meeting must be approved by more than half of all members and shall be signed by those present. Each member has one vote, which may be cast as "for," "against," or "abstain." In the event of a tie between affirmative and negative votes, the chairman of the Audit Committee shall have one additional casting vote.

Voting may be conducted by a show of hands or by poll. With the unanimous consent of all Committee members, meetings may also be convened by written correspondence.

Article 19 When necessary, the Audit Committee may invite the Company's directors, supervisors, and other senior executives to attend the meeting. However, non-committee members shall not have voting rights on the proposals being considered.

Article 20 The Company shall provide the Audit Committee with sufficient resources to perform its duties. The working expenses of the Audit Committee shall be included in the Company's budget. When necessary, the Audit Committee may engage external professional institutions to provide expert opinions for its decision-making, and the reasonable expenses incurred shall be borne by the Company.

Article 21 The convening procedures, voting methods and resolutions of the Audit Committee meetings must be in compliance with the requirements of the relevant laws, regulations, the Hong Kong Listing Rules, the Articles of Association and the terms of reference.

Article 22 Written minutes shall be prepared for all meetings of the Audit Committee and shall be signed by the members attending the meeting. The minutes shall provide a detailed record of the matters considered and the resolutions adopted, including any concerns or objections raised by the Directors. An initial draft and the final draft of the meeting minutes shall be circulated to all committee members within a reasonable time after the meeting. The initial draft is for members' comments, and the final draft is for their record-keeping. After being signed by the attending Committee members, the minutes shall be circulated to all members of the Board of Directors. The minutes shall be kept by the Board Secretary of the Company in accordance with the Company's document management system. The minutes shall be made available for inspection at any reasonable time upon reasonable notice from any director. The retention period shall be no less than 10 years during the existence of the Company. Resolutions of the Audit Committee shall take effect upon being signed by the members present at the meeting. No amendment or alteration may be made to effective resolutions unless the legal procedures stipulated by applicable laws and regulations, the Articles of Association, and the terms of reference are observed.

The minutes of the Audit Committee meetings shall include, at a minimum: the date and place of the meeting and the name of the convener; the names of the persons attending the meeting, including those attending by proxy; the agenda of the meeting; the key points of members' speeches; the voting method and results for each resolution or proposal; other matters that should be recorded in the minutes.

Article 23 Resolutions passed and the corresponding voting results at Audit Committee meetings shall be reported to the Company's Board of Directors in writing.

Article 24 Members attending the meeting shall maintain confidentiality regarding the matters discussed. Except as required by applicable laws, regulations, or regulatory authorities, they shall not disclose any relevant information without authorization, nor may they use such information for personal benefit or engage in insider dealing on behalf of themselves or others. Any violation shall result in full legal liability.

Chapter 6 Coordination and Communication

Article 25 During intervals between Board meetings, if the Audit Committee has any material or special matters that need to be submitted to the Board of Directors for consideration, it may submit a written report to the Board of Directors through the Board Secretary, and may propose the chairman of the Board of Directors to convene a Board meeting for discussion.

Article 26 Any written report submitted by the senior management to the Audit Committee shall be signed by the general manager or the executive officers responsible for relevant matters and submitted to the Audit Committee through the Board Secretary.

Article 27 Written reports submitted by the Audit Committee to the Board of Directors shall be signed by the chairman of the Audit Committee or another Committee member and submitted through the Board Secretary.

Article 28 During intervals between Audit Committee meetings, if the senior management has any material or special matters that need to be submitted to the Audit Committee for consideration, it may submit a written report to the Audit Committee through the Board Secretary, and may propose the chairman of the Board of Directors of the Audit Committee to convene a meeting for discussion.

Article 29 The chairman of the Audit Committee, or a member authorized by him/her, shall report to the Directors on the work of the Audit Committee since the last regular Board meeting or provide a special report on specific matters.

Chapter 7 Supplementary Provisions

Article 30 Unless otherwise specified, the terms used in the terms of reference shall have the same meanings as those defined in the Articles of Association. The term "independent director" in the terms of reference shall have the same meaning as "independent non-executive director" under the Hong Kong Listing Rules.

Article 31 The terms of reference shall take effect upon approval by the Board of Directors and shall become effective on the date the Company's overseas-listed shares (H Shares) are listed on the Hong Kong Stock Exchange. Any amendments to the terms of reference shall take effect upon approval by the Board of Directors.

Article 32 Any matters not covered in the terms of reference shall be implemented in accordance with relevant national laws and regulations, the Hong Kong Listing Rules, and the Articles of Association. In the event of any inconsistency between the terms of reference and relevant national laws and regulations, the Hong Kong Listing Rules, or the Articles of Association, the latter shall prevail, and necessary amendments shall be made promptly and submitted to the Board of Directors for consideration and approval.

Article 33 The right to amend and interpret the terms of reference resides with the Board of Directors of the Company.