
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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Beijing Biostar Pharmaceuticals Co., Ltd.

北京華昊中天生物醫藥股份有限公司

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

(Stock code: 2563)

**(1) 2025 ANNUAL RESULTS & DIVIDEND;
(2) CONNECTED TRANSACTIONS;
(3) APPOINTMENT OF DIRECTOR & AUDITOR;
(4) GENERAL & REPURCHASE MANDATES;
(5) CANCELLATION OF THE SUPERVISORY COMMITTEE AND
AMENDMENTS TO ARTICLES OF ASSOCIATION;
(6) SHARE OPTION SCHEME;
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

Capitalised terms used in this cover page have the same meanings as those defined in this circular.

The notice convening the AGM of the Company to be held at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC on Friday, 26 June 2026 at 3:00 p.m. is set out on pages 21 to 26 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.biostar-pharm.com).

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM (i.e. not later than 3:00 p.m. on 25 June 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

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

28 May 2026

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2025 Annual Report”	the annual report of the Company for the year ended 31 December 2025 published on 28 April 2026
“Adoption Date”	the date on which the Share Incentive Scheme is approved and adopted by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be held at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC on Friday, 26 June 2026 at 3:00 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	audit committee of the Board
“Authorised Person”	chairman of the Board or general manager authorized by the chairman of the Board
“Board” or “Board of Directors”	the board of directors of the Company
“Business Day(s)”	any day on which securities are traded on the Stock Exchange
“China” or “PRC”	the People’s Republic of China for the purpose of this circular and for geographical reference only, except where the context requires, references in this circular to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan Region
“Company”	Beijing Biostar Pharmaceuticals Co., Ltd. (北京華昊中天生物醫藥股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (Stock Code: 2563)
“Company Law”	the Company Law of the PRC
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	<p>in relation to the Share Option Scheme, any person belonging to the following classes of participants:</p> <ul style="list-style-type: none">(a) any director of the Company or any of its subsidiaries;(b) any Employee; and(c) any Service Provider

DEFINITIONS

“Employee(s)”	any employee of the Company or any of its subsidiaries
“Exercise Price”	the price at which each Share subject to an Option may be subscribed for on the exercise of that Option
“Grantee”	any Eligible Participants who accepts an Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) his personal representative(s)
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“H Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase H Shares not exceeding 10% of the total number of H Shares (excluding Treasury Shares, if any) in issue as at the date of passing the proposed resolution approving the H Share Repurchase Mandate at the AGM, details of which are set out in the notice of the Annual General Meeting
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Latest Practicable Date”	22 May 2026, being the latest practicable date prior to the date 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, as amended or supplemented from time to time
“Nomination Committee”	the nomination committee of the Board
“Offer”	means an offer of the grant of an Option
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any contractor, supplier, agent, consultant and/or adviser, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer who provide assurance, or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary shares in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme proposed for adoption by the Company at the AGM, in its present or any amended form
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for an aggregate of the Subscription Shares by the Subscriber on the terms and subject to the conditions set out in the respective Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 6 May 2026
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules as amended from time to time
“Trustee(s)”	any other trustee(s) from time to time appointed by the Company under the Trust Deed to manage the Share Option Scheme, or any additional or substitute trustee(s)
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
“%”	percent



Beijing Biostar Pharmaceuticals Co., Ltd.
北京華昊中天生物醫藥股份有限公司

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

(Stock code: 2563)

Executive Directors:

Dr. Tang Li (Tang Li博士)

*(Chairperson, Executive Director,
Chief Scientific Officer and
Chief Marketing Officer)*

Dr. Qiu Rongguo (Qiu Rongguo博士)

Mr. Zhang Cheng (張成先生)

Dr. Guan Jin (關津博士)

Non-executive Directors:

Mr. Tang Jin (唐進先生)

Ms. Dai Xuefen (戴雪芬女士)

Independent Non-executive Directors:

Mr. Shiu Shu Ming (蕭恕明先生)

Dr. Ye Chengang (葉陳剛博士)

Registered Office:

1202B, 12/F, Building 3

No. 22 Ronghua Middle Road

Beijing Economic-Technological

Development Area,

Beijing, PRC

*Head Office and Principal Place of
Business in the PRC:*

1202B, 12/F, Building 3

No. 22 Ronghua Middle Road

Beijing Economic-Technological

Development Area

Beijing, PRC

Principal Place of Business in Hong Kong:

Unit 02, 8/F,

Tung Che Commercial Centre

246 Des Voeux Road West

Hong Kong

28 May 2026

To the Shareholders

Dear Sir or Madam,

- (1) 2025 ANNUAL RESULTS & DIVIDEND;
(2) CONNECTED TRANSACTIONS;
(3) APPOINTMENT OF DIRECTOR & AUDITOR;
(4) GENERAL & REPURCHASE MANDATES;
(5) CANCELLATION OF THE SUPERVISORY COMMITTEE AND
AMENDMENTS TO ARTICLES;
(6) SHARE OPTION SCHEME;
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary for the AGM in order to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision in the circumstance where sufficient and necessary information is available, we have provided detailed information to Shareholders in this circular.

II. RESOLUTIONS

1. 2025 Annual Results and Final Dividend

(a) *2025 Audited Consolidated Financial Statements*

An ordinary resolution will be proposed at the AGM to consider and approve the audited consolidated financial statements for the year ended 31 December 2025, the full text of which is set out in the 2025 Annual Report.

(b) *2025 Annual Report*

An ordinary resolution will be proposed at the AGM to consider and approve the 2025 Annual Report. The 2025 Annual Report has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.biostar-pharm.com).

(c) *2025 Profit Distribution Proposal*

An ordinary resolution will be proposed at the AGM to approve the profit distribution proposal of the Company for the year ending 31 December 2025. The Company did not record a net profit for the year ended 31 December 2025. In light of the Company's operating performance and in consideration of future development needs, the Board does not recommend the distribution of a final dividend for the year ended 31 December 2025.

The profit distribution proposal of the Company for the year ended 31 December 2025 is as follows:

No profit will be distributed for the year 2025.

(d) *2025 Report of the Board*

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board for the year ended 31 December 2025, the full text of which is set out in Appendix II to this circular.

LETTER FROM THE BOARD

(e) 2025 Duty Report of the Independent Directors

An ordinary resolution will be proposed at the AGM to consider and approve the duty report of the the independent directors for the year ended 31 December 2025, the full text of which is set out in Appendix III to this circular.

(f) 2025 Report of the Supervisory Committee

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Supervisory Committee for the year ended 31 December 2025, the full text of which is set out in Appendix IV to this circular.

2. Proposed ratification of connected transactions

An ordinary resolution will be proposed at the AGM to consider and ratify the connected transactions for the year ended 31 December 2025, the full text of which is set out in the 2025 Annual Report.

3. Appointment of Director and Auditor

(a) 2026 Directors' Remuneration Package

An ordinary resolution will be proposed at the AGM to approve the Directors' remuneration package for the year ending 31 December 2026. The remuneration of executive Directors and non-executive Directors shall be determined based on their respective positions or management roles within the Company and in accordance with the Company's remuneration management policies. Their fixed annual remuneration shall not exceed 120% of their respective total remuneration for the year ended 31 December 2025. Year-end bonuses shall be determined based on the results of annual performance evaluations. Each independent non-executive Director shall receive an annual director's fee of RMB150,000, which is determined based on, among other factors, the responsibilities assumed by each of the independent non-executive Directors and prevailing market rates among companies of comparable size and business nature.

(b) Appointment of Independent Non-Executive Director of the Second Session of the Board

An ordinary resolution will be proposed at the AGM to consider the appointment of Dr. Zhu Xiaodong ("**Dr. Zhu**") as the independent non-executive Director of the Company, the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration and Appraisal Committee of the Board. It is proposed that Dr. Zhu will receive a remuneration of RMB150,000 per annum (tax inclusive).

The proposed appointment of Dr. Zhu is subject to the approval by the Shareholders at the AGM by way of an ordinary resolution and will take effect, if approved, from the conclusion of AGM.

LETTER FROM THE BOARD

Biographical details of Dr. Zhu are as follows:

Dr. Zhu Xiaodong (朱曉東), aged 54, a Chinese national with permanent residency overseas, holds a Doctorate degree in Molecular Virology from the Institute of Microbiology, Chinese Academy of Sciences. Dr. Zhu graduated from Hebei University in 1994, and obtained a Master from School of Chinese Academy of Sciences in 2000. Dr. Zhu was selected for the Beijing “Haiju Project” for high-level talents and recognized as a Zhongguancun “High-end Leading Talent” in 2012. In 2016, he was honored as an “E-Town New Innovation Project · Yiqilin Talent” in the first session and appointed as a Beijing Overseas High-level Talent and Specially Recruited Expert. Dr. Zhu also serves as a specially recruited professor at Ningxia Medical University and the School of Pharmaceutical Sciences of Hebei University.

From May 2021 to May 2024, Dr. Zhu served as the General Manager of Xuanzhu Combio Technology Co., Ltd (軒竹康明生物科技有限公司), Head of Biomacromolecule R&D and Deputy General Manager at Xuanzhu Biopharmaceutical Co., Ltd. (軒竹生物股份有限公司). From July 1994 to August 1997, he served as an assistant engineer at the New Drug R&D Center of North China Pharmaceutical (華北製藥新藥研發中心). From October 2004 to May 2012, he was a postdoctoral fellow and assistant Specialist at the University of California, San Francisco (UCSF).

Save as disclosed above, (i) Dr. Zhu has not held any directorship in any other listed companies in Hong Kong or overseas, nor has he held any other major appointments or professional qualifications in the past three years; (ii) Dr. Zhu does not hold any other positions in the Company or any of its subsidiaries; (iii) Dr. Zhu does not have any interests in the shares of the Company as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) Dr. Zhu has no relationship with other Directors, supervisors, senior management, substantial shareholders, or controlling shareholders of the Company.

Furthermore, Dr. Zhu has confirmed that there is no other information relating to his appointment that is required to be disclosed pursuant to Rules 13.51(2) (h) to (v) of the Listing Rules, nor is there any other matter relating to his appointment that needs to be brought to the attention of the shareholders of the Company.

Dr. Zhu has also confirmed that (i) he meets the independence criteria relating to each of the factors set out in Rules 3.13(1) to (8) of the Listing Rules; (ii) he has no past or present financial or other interests in the business of the Company or its subsidiaries, nor is he connected with any of the core connected persons of the Company (as defined in the Listing Rules); and (iii) there are no other factors at the time of his appointment that may affect his independence.

LETTER FROM THE BOARD

The Board and the Nomination Committee have assessed and reviewed Dr. Zhu's written confirmation of independence to the Company pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules, and considered that Dr. Zhu meets the said independence guidelines and he is independent from the Company.

(c) *Re-appointment of Auditor*

An ordinary resolution will be proposed at the AGM to consider and approve the re-appointment of WUYIGE Certified Public Accountants LLP as the auditor of the Company for the year ending 31 December 2026, with term of re-appointment from the date of approval at the AGM until the conclusion of the next annual general meeting of the Company. The audit fee for the year 2026 will be determined by reference to the audit fee for the year 2025 (RMB1.5 million), and shall be negotiated and agreed among the Board, or any person delegated by the Board (as authorized by the Shareholders in general meeting), and WUYIGE Certified Public Accountants LLP, taking into account factors such as the Company's business operations, scope of audit and audit timetable.

4. General & Repurchase Mandates

(a) *Proposed Issue Mandate*

A special resolution will be proposed at the AGM to approve the grant of the proposed issue mandate, which if granted, will allow the Directors to allot, issue and deal with Shares up to 20% of the total number of Shares in issue as at the date of passing the relevant resolution. Subject to the passing of the special resolution approving the proposed issue mandate and on the basis that no Shares are issued or repurchased prior to the AGM, the exercise of the proposed issue mandate in full would enable the Company to issue a maximum of 72,917,600 Shares. The grant of the proposed issue mandate will provide the Directors with flexibility to issue Shares when it is in the interest of the Company to do so. As at the Latest Practicable Date, save for the Subscription as disclosed in the announcement of the Company dated 7 May 2026 and the supplemental announcement of the Company dated 21 May 2026, the Directors had no present intention to issue any Shares pursuant to the proposed issue mandate. The Company intends to issue 25,000,000 Shares if it is granted by the Shareholders at the AGM.

LETTER FROM THE BOARD

Effects on Shareholding Structure

Reference is made to the announcement entitled “SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE” (the “**Announcement**”) published by the Company on 7 May 2026. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement. The effects on the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) immediately upon the Closing (assuming there is no change in the number of issued Shares up to the Closing Date) are set out below:

	As at the Latest Practicable Date		Immediately upon the Closing (assuming there is no change in the number of issued Shares up to the Closing Date)	
	Number of issued Shares	Approximate percentage in the issued share capital of the Company (%) ⁽¹⁾	Number of issued Shares	Approximate percentage in the issued share capital of the Company (%) ⁽¹⁾
Shareholders				
Dr. Tang Li	40,505,885 ⁽²⁾			
	20,392,815 ⁽³⁾			
	19,220,863 ⁽⁴⁾			
	14,002,034 ⁽⁵⁾	27.25	99,336,297	25.50
	5,000,724 ⁽⁶⁾			
	213,976 ⁽⁷⁾			
	3,592,932 ⁽⁸⁾	0.99	3,592,932	0.92
	205,585 ⁽⁹⁾	0.06	205,585	0.05
Dr. Qiu Rongguo	102,929,229 ⁽¹⁰⁾	28.23	102,929,229	26.42
	205,585 ⁽¹¹⁾	0.06	205,585	0.05
Subscriber	4,170,800	1.14	29,170,800	7.49
Other Shareholders	257,282,386	70.57	257,282,386	66.04
Total number of Shares	364,588,000	100%	389,588,000	100%

Notes:

- (1) The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.
- (2) Baygen QT Inc. directly held 40,505,885 Shares (representing approximately 11.11% of the issued share capital). As Baygen QT Inc. is controlled by Dr. Tang, Dr. Tang is deemed to be interested in such Shares under the SFO.
- (3) Zhuhai Jingrong Haoyuan Investment Partnership (Limited Partnership) (珠海京蓉昊緣投資合夥企業(有限合伙)) directly held 20,392,815 Shares (representing approximately 5.59% of the issued share capital). As Zhuhai Jingrong Haoyuan Investment Partnership (Limited Partnership) is controlled by Dr. Tang, Dr. Tang is deemed to be interested in such Shares under the SFO.

LETTER FROM THE BOARD

- (4) Zhuhai Huajin Haoyuan Enterprise Management Partnership (Limited Partnership) (珠海華錦昊緣企業管理合夥企業(有限合夥)) directly held 19,220,863 Shares (representing approximately 5.27% of the issued share capital). As Zhuhai Huajin Haoyuan Enterprise Management Partnership (Limited Partnership) is controlled by Dr. Tang, Dr. Tang is deemed to be interested in such Shares under the SFO.
- (5) Zhuhai Huaxin Haoyuan Commercial Management Partnership (Limited Partnership) (珠海華欣昊緣商業管理合夥企業(有限合夥)) directly held 14,002,034 Shares (representing approximately 3.84% of the issued share capital). As Zhuhai Huaxin Haoyuan Commercial Management Partnership (Limited Partnership) is controlled by Dr. Tang, Dr. Tang is deemed to be interested in such Shares under the SFO.
- (6) Zhuhai Huarong Haoyuan Enterprise Management Partnership (Limited Partnership) (珠海華蓉昊緣企業管理合夥企業(有限合夥)) directly held 5,000,724 Shares (representing approximately 1.37% of the issued share capital). As Zhuhai Huarong Haoyuan Enterprise Management Partnership (Limited Partnership) is controlled by Dr. Tang, Dr. Tang is deemed to be interested in such Shares under the SFO.
- (7) Within the corporate interests held by Dr. Tang, 213,976 Shares are directly held by Beijing Beijinyuan Technology Co., Ltd. (北京北進緣科技有限公司). As Beijing Beijinyuan is controlled by Dr. Tang, she is deemed to be interested in such Shares under the SFO.
- (8) Dr. Tang held 3,592,932 Shares as beneficial owner in her personal capacity.
- (9) Dr. Qiu, the spouse of Dr. Tang, held 205,585 Shares. By virtue of the SFO, Dr. Tang is deemed to be interested in the Shares held by her spouse.
- (10) Dr. Tang, the spouse of Dr. Qiu, held 102,929,229 Shares. By virtue of the SFO, Dr. Qiu is deemed to be interested in the Shares held by his spouse.
- (11) Within the corporate interests held by Dr. Qiu, 205,585 Shares are directly held by Beijing Beijinyuan Technology Co., Ltd. (北京北進緣科技有限公司). As Beijing Beijinyuan is controlled by Dr. Tang, he is deemed to be interested in such Shares under the SFO.

As at the Latest Practicable Date, the Subscription has not yet been completed and is subject to the satisfaction of certain conditions precedent. Further details regarding the Subscription are set out in the Announcement.

(b) Repurchase Mandate

In order to ensure flexibility and discretion to the Board, in the event that it becomes desirable to repurchase any H Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for a general mandate to repurchase H Shares. At the AGM, a special resolution will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to repurchase H Shares in the share capital of the Company up to 10% of issued H Shares (excluding Treasury Shares, if any) as at the date of the passing of the proposed special resolution in relation to such general mandate, an explanatory statement on the H Share repurchase mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

The Company Law (to which the Company is subject to) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) using shares for employee stock ownership plan or share incentives; (d) the repurchase is made at the request of its shareholders who disagree with shareholders' resolutions in connection with a merger or division of the company; (e) the repurchased shares are used for the corporate bonds convertible into shares of the listed company; or (f) the repurchase is necessary for maintaining the value of the listed company and the interests of its shareholders. Pursuant to the Articles of Association, the Company shall not repurchase its shares except under any of the following circumstances: (a) reducing the Company's registered capital; (b) merging with other companies holding shares of the Company; (c) using the shares as employee stock plan or share incentive; (d) requiring the Company for acquiring their shares from Shareholders who have voted against the resolutions passed at a shareholders' general meeting on the merger or division of the Company; (e) use of shares for conversion of convertible corporate bonds issued by the Company; (f) necessary if the Company wishes to maintain the value of the Company and the interests of the Shareholders; or (g) in circumstances permitted by law or administrative regulations. other circumstances stipulated by laws, administrative regulations, departmental rules and the securities regulatory rules of place where the Company's shares are listed.

The Listing Rules permit shareholders of a joint stock limited company duly incorporated in the PRC to grant a general mandate to its directors to repurchase H shares of such company that are listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in general meeting.

As the H Shares are traded on the Stock Exchange in Hong Kong dollars, the amount payable by the Company upon any repurchase of its H Shares will, therefore, be paid in Hong Kong dollars.

The H Share Repurchase Mandate will be conditional upon: (a) the passing of the special resolution approving the grant of the H Share Repurchase Mandate at the AGM; (b) the obtaining of the approvals of the relevant regulatory authorities as required by the laws, rules and regulations of the PRC (if applicable); and (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under the Articles of Association.

The H Share Repurchase Mandate, if approved at the AGM, would expire on the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant resolution;

LETTER FROM THE BOARD

- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws, rules and regulations to be held; or
- (c) the date on which the authority set out in the relevant resolution approved at a general meeting is revoked or varied by a special resolution of the Shareholders in a general meeting.

The Directors wish to state that they have no immediate plan to repurchase any H Shares pursuant to the H Share Repurchase Mandate.

5. Cancellation of the Supervisory Committee and Amendments to the Articles of Association

At the AGM, a special resolution will be proposed to consider and approve the cancellation of the Supervisory Committee and amend the Articles of Association and its appendices for the purpose of restructuring the organizational structure, strengthening the protection of the rights and interests of the Company's minority shareholders, abolishing the Supervisory Committee of the Company, and stipulating that the Audit Committee of the Board shall exercise the functions and powers of the Supervisory Committee in accordance with the revised Company Law of the PRC, which took effect on 1 July 2024, the full text of the Amendments to the Articles of Association are set out in Appendix V to this circular.

The legal advisers to the Company as to the PRC law and Hong Kong law have confirmed that the proposed amendments to the Articles of Association conform with the requirements under the PRC laws and the Listing Rules, respectively. The Company further confirms that there is nothing unusual about the proposed amendments to the Articles of Association for a PRC company whose H shares are listed on the Stock Exchange.

6. Share Option Scheme

Adoption of Share Option Scheme

The Board is pleased to announce that, on 6 May 2026, the Board has resolved to propose adoption of the Share Option Scheme for the approval by the Shareholders at the AGM. A summary of the principal terms of the Share Option Scheme is set out in Appendix VI to this circular. To enable the Company to grant share options as part of its incentives and rewards to the Eligible Participants for the growth and development of the Group, the Board proposed the adoption of the Share Option Scheme with terms in compliance with Chapter 17 of the Listing Rules. The Directors consider that the adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Other details of the Share Option Scheme are set out below:

Purpose

The purpose of the Share Option Scheme is to (i) establish a medium-to-long-term incentive and constraint mechanism for the Grantees, aligning the interests of the Grantees closely with shareholder value, ensuring that the conduct of the Grantees remains consistent with the strategic objectives of the Company, and promoting the sustainable development of the Company; (ii) attract, retain, and motivate the talents required for achieving the Company's strategic objectives through the introduction of the Share Incentive Scheme; and (iii) foster a corporate culture and the philosophy of continuous shared development between the Grantees and the Company.

Eligibility of Eligible Participants

According to the Company Law of PRC and other relevant laws, regulations, normative documents, and the Articles of Association of the Company, combined with the Company's actual situation, In this Share Option Scheme the incentive targets will be determined basis on who will contribute or have contributed to the Company:

- (a) directors and employees of the Company or any of its subsidiaries, who must be in office during the implementation period of the Scheme;
- (b) directors and employees of the holding companies, fellow subsidiaries, or associated companies of the Company, who must be in office during the implementation period of the Share Option Scheme; and
- (c) persons (including but not limited to independent consultants and key business advisers) who have consistently and continuously provide services beneficial to the long-term development of the Company in its daily operations. The eligibility criteria for incentives and the number of grants for such service providers shall be determined by the Board at its absolute discretion, taking into account factors such as their substantial contributions to the Company's core business development (for example, successfully advancing key pipeline research and development, achieving important business milestones, providing irreplaceable professional technical guidance, etc.).

LETTER FROM THE BOARD

Vesting period

- (a) *Standard Vesting Period:* Pursuant to the Scheme, the Options granted to the Grantees shall be subject to a vesting period of no less than 12 months (i.e., the Grantee must hold the Options for at least 12 months before they become vested and exercisable).
- (b) *Vesting Schedule:* The Options granted are generally divided into three batches for vesting over a three-year period, following a uniform vesting schedule for every 12-month period.
- (c) *Vesting Conditions:* The vesting of the Options is subject to the Grantee remaining in employment or service with the Group and the achievement of specific performance targets as set out in the performance appraisal under Article 4.5 of the Share Option Scheme.
- (d) *Exceptions for Shorter Vesting Period:* Notwithstanding the 12-month minimum requirement, the Board or the Authorized Person may, at its/his absolute discretion, determine a shorter vesting period under the specific circumstances set out in Article 4.3(c) of the Share Option Scheme, including:
 - (i) “make-whole” grants to new joiners to replace forfeited awards from their previous employers;
 - (ii) grants made in batches within one year due to administrative or compliance delays;
 - (iii) awards with mixed or accelerated vesting arrangements (e.g., uniform vesting within 12 months); and
 - (iv) awards with performance-based vesting conditions instead of time-based vesting.

The Board considers that such circumstances allow flexibility for the Company to (i) provide competitive terms to attract and induce valuable talent to join the Group; (ii) address instances where the 12-month vesting period requirement would not be practicable or fair due to administrative or technical reasons; (iii) reward exceptional performers with accelerated vesting; and (iv) motivate individuals based on performance metrics rather than time-based vesting criteria. Therefore, the Board is of the view that the vesting period requirements (including the circumstances in which a shorter vesting period may apply) are appropriate and align with the purpose of the Share Option Scheme.

LETTER FROM THE BOARD

- (e) *Accelerated Vesting*: In the event of a change of control of the Company or other special circumstances (such as death or disability), the Board may exercise its discretion to accelerate the vesting of all or part of the unvested Options in accordance with section “Termination of Employment Relationship” under the Share Option Scheme.

Duration

Subject to the fulfilment of the conditions above and the termination provisions in the Share Option Scheme, the Share Option Scheme shall be valid and effective until close of business on the date which falls 10 years after the Adoption Date, after which period no further Options shall be granted but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme.

Exercise Price

The Exercise Price shall be at least the higher of: (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the Options, which must be a Business Day; (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) Business Days immediately preceding the date of grant of the Options; and (c) the nominal value (or par value) of a Share; provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.

Performance Targets

The exercise of Options may be subject to certain performance targets. Such performance targets are determined based on the Company’s performance indicators (such as revenue growth rate, profit targets, return on net assets, and progress in the project pipeline) or individual performance evaluations. The proportion of Options that may be exercised by an Eligible Participant shall be determined by their semi-annual or annual individual or team performance appraisal results as follows:

- (a) *Grade A*: 100% of the annual or semi-annual portion of the Options shall be exercisable;
- (b) *Grade B*: 50% of the annual or semi-annual portion of the Options shall be exercisable; and

LETTER FROM THE BOARD

- (c) *Grade C or below:* No portion of the annual or semi-annual Options shall be exercisable.

Lapse of Options

An Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the earliest of the occurrence of any of the following events:

- (a) any breach of laws, regulations, the Articles of Association or internal management rules of the Company by the Grantee;
- (b) any involvement in bribery, corruption, theft or disclosure of the Group's confidential information or trade secrets;
- (c) the Grantee being convicted of any criminal offense; or
- (d) any other conduct which, in the opinion of the Board, has a material adverse effect on the interests or reputation of the Group.

Clawback Mechanism

If any of the events as set out in the section headed "Lapse of Options" occurs, or if there is a material misstatement in the financial statements of the Company, or if the Board considers that the Grantee's misconduct has caused damage to the Company's reputation, the Board and Authorised Person shall have the right to exercise a clawback against the relevant Grantee.

The Board and Authorised Person may, at its absolute discretion, to:

- (a) require the Grantee to repay all or part of the net proceeds (after tax) realized from the exercise of any Options;
- (b) instruct the Trustee to compulsorily recover, cancel, or dispose of any unexercised or unvested incentive shares under the name of the Grantee, with any proceeds therefrom belonging to the Company; and/or
- (c) cancel all or part of the outstanding Options (whether vested or unvested) granted to such Grantee.

Conditions

The Share Option Scheme is conditional on:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any Options;

LETTER FROM THE BOARD

- (b) the passing of the resolution(s) by the Shareholders at the AGM to approve and adopt the Share Option Scheme;
- (c) the Board grants the company's chairman or the General Manager authorized by the Chairman to formulate, implement, and terminate this Share Option Scheme; and
- (d) The company's chairman or the general manager authorized by the chairman shall be the executive manager of this Share Option Scheme, responsible for the grant plan of each phase of rewards, and determine the basis of eligibility of any of the Eligible Participants and the grant date of each phase of rewards. They shall review from time to time on the basis of each Eligible Participants' contribution or potential contribution to the development and growth of the Group based on the vesting schedule and performance conditions.

Maximum Number of H Shares Available

- (a) *Scheme Mandate Limit:* The total number of Shares which may be issued in respect of all Options to be granted under this Scheme shall not exceed 10% of the total number of issued H Shares (excluding treasury shares) of the Company as at the Adoption Date (the "Scheme Mandate Limit").
- (b) *Employee Sublimit:* The total number of shares involved in awards granted or to be granted to an Eligible Participant (including exercised, cancelled, and unexercised awards) shall not exceed 1% of the issued share capital of the company.
- (c) *Service Provider Sublimit:* The total number of Shares which may be issued in respect of all Options to be granted to the Service Providers under this Scheme shall not exceed 2% of the Scheme Mandate Limit.
- (d) *Individual Limit:* The total number of H Shares issued and to be issued in respect of all Options granted to any Eligible Participants in any 12-month period shall not exceed 1% of the issued share capital of the Company.
 - (i) *For Employee Participants:* Not to exceed 1% of the total issued share capital of the Company in any 12-month period.
 - (ii) *For Service Providers:* Not to exceed 0.2% of the total issued share capital of the Company in any 12-month period.

LETTER FROM THE BOARD

- (e) *Refreshment of Mandate:* During the term of the Scheme, the Company may seek Shareholders' approval to refresh the Scheme Mandate Limit when such limit has been fully utilized or is near exhaustion, provided that the refreshed limit shall not exceed 10% of the total number of issued Shares (excluding treasury shares) as at the date of the Shareholders' approval of the refreshment. Any Options previously granted but not yet exercised shall not be counted for the purpose of the refreshed limit.
- (f) *Calculation Note:* For the avoidance of doubt, Shares underlying any Options which have lapsed or been cancelled shall not be counted towards the calculation of the above limits.

Restrictions on granting Options

No Offer shall be made after an inside information (as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) event has occurred or an inside information matter has been the subject of a decision or inside information has come to the Company's knowledge, until (and including) the trading day after such inside information has been published. In particular, during the period commencing 30 days immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year or half year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of actual publication of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. An Offer may not be made to an Eligible Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares pursuant to the Model Code, or any corresponding code or securities dealing restrictions adopted by the Company.

LETTER FROM THE BOARD

General mandate to the Board and/or Authorised Person to handle matters pertaining to the Share Option Scheme

A special resolution will be proposed to consider and authorize the Board and/or the Authorized Person to handle all matters pertaining to the Share Option Scheme with full authority. Such mandate includes, but is not limited to, interpreting the Share Option Scheme rules, determining the Eligible Participants and terms of Options, establishing the trust and instructing the Trustee, applying for the listing of new Shares, and making necessary amendments to the Articles of Association. The mandate shall remain valid for as long as the Share Option Scheme is in effect.

III. ANNUAL GENERAL MEETING

The AGM will be held at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC on Friday, 26 June 2026 at 3:00 p.m., at which resolution will be proposed for the Shareholders to consider and, where appropriate, approve the proposed matters set out in the notice of the AGM.

The register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, in order to determine the eligibility of Shareholders who are entitled to attend and vote at the AGM to be held on Friday, 26 June 2026. Shareholders whose name appear on the register of members of the Company on Friday, 26 June 2026 will be entitled to attend and vote at the AGM.

In order to be eligible to attend and vote at the AGM, all transfers accompanied by relevant share certificates and transfer forms must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 22 June 2026.

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

To the best of the Directors' knowledge, information and belief, none of the Shareholders are required to abstain from voting at the AGM.

LETTER FROM THE BOARD

IV. RECOMMENDATION

The Board considers that each of the resolutions proposed at the AGM is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all the resolution proposed at the AGM as set forth in the notice of the AGM.

Yours faithfully,

By order of the Board

Beijing Biostar Pharmaceuticals Co., Ltd.

北京華昊中天生物醫藥股份有限公司

Dr. Tang Li

Chairperson and Executive Director



Beijing Biostar Pharmaceuticals Co., Ltd.

北京華昊中天生物醫藥股份有限公司

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

(Stock code: 2563)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 AGM of Beijing Biostar Pharmaceuticals Co., Ltd. (the “**Company**”) will be convened and held at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC on Friday, 26 June 2026 at 3:00 p.m. (the “**AGM**”) for the following purposes:

AS ORDINARY RESOLUTIONS

1. To consider and approve the audited consolidated financial statements for the year ended 31 December 2025.
2. To consider and approve the annual report of the Company for the year ended 31 December 2025.
3. To consider and approve profit distribution proposal of the Company for the year ended 31 December 2025.
4. To consider and approve the report of the board of directors (the “**Board**”) of the Company for the year ended 31 December 2025.
5. To consider and approve the duty report of independent non-executive Director for the year ending 31 December 2025.
6. To consider and approve report of the supervisors committee of the Company for the year ended 31 December 2025.
7. To consider and ratify the connected transaction for the year ended 31 December 2025.
8. To consider and approve Company’s directors’ remuneration package for the year ending 31 December 2026.
9. To consider and appoint Dr. Zhu Xiaodong as the independent non-executive Director.
10. To consider and approve the appointment of WUYIGE Certified Public Accountants LLP as the auditor of the Company for the year ending 31 December 2026, and to authorize the Board to determine their remuneration.

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AS SPECIAL RESOLUTIONS

11. To consider and, if thought fit, passing the following resolution as a special resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Board of directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares in the share capital of the Company (including any sale or transfer of Treasury Shares (which shall have the meaning ascribed to it under the Listing Rules) and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Board of directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and treasury shares sold and/or transferred or agreed conditionally or unconditionally to be sold and/or transferred by the Board of directors of the Company pursuant to the approval in paragraph (a), otherwise than (i) pursuant to a Rights Issue or (ii) on the exercise of the options granted under any share option scheme adopted by the Company or (iii) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company in force from time to time, shall not exceed 20% of the total number of the issued Shares of the Company (excluding Treasury Shares, if any) as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:
 - (i) **“Relevant Period”** means the period from the passing of this Resolution until whichever is the earlier of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
 - (3) the revocation or variation of this Resolution by an ordinary resolution of shareholders of the Company in general meeting.

NOTICE OF AGM

- (ii) **“Rights Issue”** means an offer of shares open for a period fixed by the Board of directors of the Company to holders of shares, or any class of shares, whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Board of directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).
 - (iii) Any reference to an allotment, issue, grant, offer or disposal of shares shall include the sale or transfer of Treasury Shares in the capital of the Company to the extent permitted by, and subject to the provisions of, the Listing Rules and applicable laws and regulations.”
 - (e) the Board of directors shall, subject to the approvals of the relevant authorities and the exercise of the power granted under paragraph (a) above in accordance with the Company Law and other applicable laws and regulations of the PRC, increase the Company’s registered capital corresponding to the relevant number of shares allotted upon the exercise of the powers granted under paragraph (a) of this Resolution, provided that the registered capital of the Company shall not exceed 120% of the amount of registered capital of the Company as at the date of passing of this Resolution;
 - (f) the Board of directors be and they are hereby authorised to amend, as they may deem appropriate and necessary, relevant articles of the Articles of Association of the Company in respect of the total share capital, shareholding structure and other matters, and to complete the relevant statutory registration and filing procedures (if applicable) both within and outside the PRC, in order to reflect the change in the share capital structure of the Company in the event of an exercise of the powers granted under paragraph (a) to allot and issue new shares.
12. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“THAT:

- (a) the general mandate that H Shares in issue of the Company are repurchased by the Board of Directors at its discretion and in a timely manner, subject to the fluctuation and changes of the capital markets and the share price of the Company during the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

NOTICE OF AGM

- (b) the total amount of repurchase of H Shares that were publicly issued by the Company shall not exceed 10% of the total number of the Company's H Shares (excluding Treasury Shares, if any) in issue as at the date of passing of this resolution at the AGM (i.e. the total amount of H Shares repurchased shall not exceed 10% of the total number of H Shares in issue as at the date of passing of this resolution at the AGM). The funds of repurchase are funds which fulfill the requirements of regulatory policies and regulations, including self-owned funds and self-raised funds. The articles of association of the Company confer the Company rights to repurchase H Shares. The funds of repurchase include internal resources of the Company that can be legally allocated for such purpose in accordance with the articles of association and applicable PRC laws, rules and regulations;
- (c) to formulate, approve and implement specific repurchase plan, including but not limited to the price, type, batch, amount and time of execution of the repurchase of Shares, as well as to handle the relevant procedures, such as notifying the creditors of the Company and publishing announcements and dealing with matters relating to the exercise of their rights by creditors (if involved) in accordance with the provisions of the Company Law and the articles of association, and signing other documents or agreements relevant to the repurchase of Shares;
- (d) if applicable, carry out the cancellation procedures for repurchased H Shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad; or if applicable, carry out the necessary procedures for converting the repurchased H Shares as Treasury Shares, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad;
- (e) if there are new provisions in laws and regulations or from the securities regulatory authorities relating to the share repurchase policies, or if there are changes in market conditions, unless it is required under the relevant laws and regulations, requirements of the regulators or the articles of association of the Company for a re-vote by the general meeting(s), the Board may adjust the plan for repurchase and continue to deal with relevant matters of repurchase of Shares in accordance with requirements of relevant laws and regulations and regulators as well as the market conditions and the actual situation of the Company; and

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- (f) for the purpose of this resolution: “H Shares” means the overseas listed foreign invested ordinary share in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars; “Relevant Period” means the period from the passing of this resolution until the earliest of:
- i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or other applicable laws, rules and regulations to be held; or
 - iii. the revocation or variation of the authority given under the above-mentioned resolution by a special resolution of the Shareholders in a general meeting.
13. To consider and, if thought fit, pass a special resolution to cancel the Supervisory Committee and amend the Articles of Association.
14. To consider and, if thought fit, pass a special resolution to adopt the Share Option Scheme.
15. To consider and, if thought fit, pass a special resolution to authorise the Board and/or Authorisation Person to handle matters pertaining to the Share Option Scheme.

By order of the Board
Beijing Biostar Pharmaceuticals Co., Ltd.
北京華昊中天生物醫藥股份有限公司
Dr. Tang Li
Chairperson and Executive Director

Beijing, 28 May 2026

Notes:

1. Individual shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual shareholders shall produce their effective proof of identity and form of proxy. A corporate shareholder should attend the meeting by its legal representative or proxy appointed by the legal representative. A legal representative who wishes to attend the meeting should produce his/her identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed to attend the meeting, the proxy should produce his/her identity card and an authorisation instrument duly signed by the legal representative of the corporate shareholder.
2. The register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both days inclusive), during which period no transfer of shares in the Company will be effected. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be on Friday, 26 June 2026. For the purpose of determining the entitlement of the Shareholders to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 22 June 2026.

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3. Any shareholder entitled to attend and vote at the AGM is entitled to appoint one or more person(s) (if the shareholder holds two or more issued shares of the Company (the “Share(s)”), whether (each of) such person is a shareholder of the Company or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the AGM.

The instrument appointing a proxy must be signed by the shareholder or his/her attorney duly authorised in writing. For a corporate shareholder, the proxy instrument must be affixed with the common seal or signed by its director or attorney duly authorised in writing.

If the power of attorney of the proxy is signed by the authorised person of the appointer under a power of attorney or other authorisation document(s) given by the appointer, such power of attorney or other authorisation document(s) shall be notarised and served at the same time as the power of attorney. To be valid, the form of proxy, together with a notarially certified copy of the power of attorney or other authorisation document(s), must be delivered to the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 24 hours before the designated time for the holding of the AGM (i.e. not later than 3:00 p.m. on Thursday, 25 June 2026) or any adjournment thereof (as the case may be).

In case of registered joint holders of any Shares, any one of the registered joint holders can vote on such Shares at the AGM in person or by proxy as if he/she is the only holder entitled to vote. If more than one registered joint holders attend the AGM in person or by proxy, only the vote of the person whose name appears first in the register of members of the Company relating to such Shares (in person or by proxy) will be accepted as the sole and exclusive vote of the joint holders.

After the completion and return of the form of proxy and the power of attorney, you can attend and vote in person at the AGM or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

4. According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be proposed at the AGM will be voted on by poll. Results of the poll voting will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.biostar-pharm.com) upon the conclusion of the AGM.
5. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.

As at the date of this circular, the Board comprises (i) Dr. Tang Li, Dr. Qiu Rongguo, Mr. Zhang Cheng and Dr. Guan Jin as executive Directors; (ii) Mr. Tang Jin and Ms. Dai Xuefen as non-executive Directors; and (iii) Mr. Shiu Shu Ming and Dr. Ye Chengang as independent non-executive Directors.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information for them to make an informed decision on whether to vote for or against a special resolution to be proposed at the AGM in relation to the H Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company consisted of 364,588,000 H Shares with a nominal value of RMB1.00 each. There was no Share which is held as Treasury Shares.

As at the Latest Practicable Date, the total number of Shares issued by the Company was 364,588,000 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 36,458,800 H Shares, being up to 10% of the total issued Shares of the Company (excluding treasury shares) as at the date of passing the relevant resolution(s).

2. REASONS FOR REPURCHASE OF H SHARES

The Directors believe that the granting of the H Share Repurchase Mandate is in the best interest of the Company and its Shareholders. Subject to market conditions and funding arrangements at the time, the repurchase of H Shares may increase the net asset value per share and/or earnings per share and will only be made where our Directors believe that such repurchase will benefit the Company and Shareholders.

3. EXERCISE OF H SHARE REPURCHASE MANDATE

Upon the passing of the special resolution set out in the notice of the AGM, the Directors will be granted the H Share Repurchase Mandate which takes effect until the Relevant Period (as defined in the notice of AGM). In addition, the H Share Repurchase Mandate is subject to obtaining approval from the relevant regulatory authorities in China in accordance with the laws, regulations and rules of the PRC.

4. FUNDING OF REPURCHASE

In repurchasing H Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the laws of the PRC and/or any other applicable laws, as the case may be.

In accordance with the laws of the PRC or administrative regulations and subject to the approval of relevant authority, the Company is entitled by its Articles of Association to repurchase H Shares. The Company shall not repurchase H Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. IMPACT OF REPURCHASE

The Directors are of the view that, in the light of the financial position disclosed in the most recently published audited accounts of the Company for the year ended 31 December 2025, there will not be any material adverse impact on the Company's working capital or gearing levels in the event of the exercise of the H Share Repurchase Mandate in full at any time during the Relevant Period. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors in due course with the circumstances then prevailing considered and in the best interests of the Company.

6. STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall be held as treasury shares or cancelled. The Company may cancel any H Shares it repurchased and/or hold them as treasury shares subject to market conditions and its capital management needs at the relevant time of the repurchases as well as applicable laws and regulations. Should the H Shares repurchased by the Company be cancelled, all the relevant share certificates shall be cancelled and destroyed and the Company will ensure that the documents of title of the repurchased H Shares are cancelled and destroyed as soon as practicable following settlement of any such repurchase. Should the H Shares repurchased by the Company be held as treasury shares, the listing of all H Shares which are held as treasury shares shall be retained, and the Company will ensure that the treasury shares are appropriately identified, segregated and retained in accordance with applicable laws and regulations.

7. PRICES OF H SHARES

The highest and lowest prices per H Share at which H Shares have traded on the Stock Exchange during each of the past 12 months preceding the Latest Practicable Date (inclusive) were as follows:

Month	Highest HK\$	Lowest HK\$
2025		
May	4.41	4.41
June	4.41	4.41
July	10.58	4.51
August	9.63	7.5
September	9.46	8.3
October	9.12	2.4
November	3.60	2.95
December	4.95	2.58
2026		
January	4.89	3.06
February	4.00	3.45
March	3.86	3.50
April	4.5	3.5
May (<i>up to the Latest Practicable Date</i>)	5.25	4.18

8. GENERAL INFORMATION

Each of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently does not intend to sell any H Shares to the Company following the approval by the Shareholders of granting the H Share Repurchase Mandate.

The Directors will exercise the power of the Company to repurchase H Shares pursuant to the H Share Repurchase Mandate in compliance with the Listing Rules and applicable laws of the PRC.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the granting of the H Share Repurchase Mandate is approved by the Shareholders.

The Company has confirmed that neither the explanatory statement nor the proposed share repurchase has any unusual features.

The Company may cancel such H Shares repurchased or hold them as Treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares.

9. TAKEOVERS CODE

If as a result of a repurchase of Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As of the Latest Practicable Date, to the best knowledge and belief of the Directors, Dr. Tang Li, Dr. Qiu Rongguo, Baygen QT Inc., Beijing BeiJinYuan (北京北進緣), ZhuHai HuaXin(珠海華欣), Zhuhai HuaJin (珠海華錦), ZhuHai JingRong (珠海京蓉) and ZhuHai HuaRong (珠海華蓉), as a single largest group of Shareholders, are able to exercise or control the exercise of voting rights attaching to a total of 103,134,814 Shares, representing 28.29% of the issued share capital of the Company (excluding the Treasury Shares), which include (a) 3,592,932 Shares held by Dr. Tang Li (directly held, where Dr. Qiu Rongguo is the settlor and a beneficiary), (b) 40,505,885 Shares held by Baygen QT Inc., (c) 419,561 Shares held by Beijing BeiJinYuan, (d) 14,002,034 Shares directly held by ZhuHai HuaXin, (e) 19,220,863 Shares directly held by Zhuhai HuaJin, (f) 20,392,815 Shares directly held by ZhuHai JingRong, and (g) 5,000,724 Shares directly held by ZhuHai HuaRong.

Assuming that there is no issue of Unlisted Shares and H Shares between the Latest Practicable Date and the date of a repurchase, to the best knowledge and belief of the Directors, if the Share Repurchase General Mandate is exercised in full, the aggregate percentage shareholding of the single largest group of Shareholders in the Company would increase to approximately 30.08% of the then issued share capital of the Company. Such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent so as to trigger a mandatory offer. In addition, the Directors do not have any intention to exercise the proposed Repurchase Mandate to the effect that it will result in the public float to fall below the percentage as required under the Listing Rules or such other minimum percentage agreed by the Stock Exchange from time to time.

Save as disclosed above, the Directors are not aware of any consequences which will arise under either or both of the Takeovers Code and any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate.

10. H SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any H Shares (whether on the Stock Exchange or otherwise) during the six months ended on the Latest Practicable Date.

In 2025, the Board of Beijing Biostar Pharmaceuticals Co., Ltd. (hereinafter referred to as the “Company”), in strict accordance with relevant laws and regulations, including the Company Law of the PRC and the Securities Law of the PRC, as well as the provisions of the Articles of Association and the rules of procedure for meetings of the Board, discharged its duties faithfully and diligently with a view to safeguarding the interests of all shareholders, and exercised its functions proactively and effectively. The Board duly implemented all resolutions of the general meetings, performed its work with due diligence, and ensured the sound operation and sustainable development of the Company. The report on the key work and major activities of the Board for 2025 are set out below for shareholders’ consideration:

I. REVIEW OF THE WORK OF THE BOARD DURING THE REPORTING PERIOD

(I) Operational Overview of the Company

In 2025, the Board of Directors of the Company strictly complied with various laws, regulations, and rules issued by regulatory authorities, and performed its duties with due diligence. Under the leadership of the Board, the Company and its employees responded proactively to the challenges arising from the anti-corruption initiatives in the healthcare sector. All operations were carried out in a standardized and orderly manner, and the Company made steady progress with certain positive developments achieved.

The Company continued to make significant progress in various areas, including advancement of R&D pipeline, strategic marketing cooperation, publication of academic results, and intellectual property layout, and reached major milestones and made achievements as follows:

1. *Advancement of R&D pipeline*

We are a synthetic biology-driven biopharmaceutical company committed to developing innovative drugs in oncology. We have successfully developed three core technology platforms which focus on the R&D of microbial metabolite new drugs. As of the end of the current Reporting Period, we had one commercialized product and 19 R&D pipeline projects. Our core product, Utidelone Injection, received approval from the National Medical Products Administration (NMPA) in 2021 for its indication, the treatment of relapsed or metastatic breast cancer patients who have received at least one anthracycline- or taxane-containing chemotherapy regimen in combination with capecitabine. This ended a nearly two-decade absence of independently-developed domestic Class 1 innovative chemotherapy drugs in China. As of the end of the current Reporting Period, Utidelone Injection was the only approved chemotherapy drug developed using synthetic biology technology, and it was also the sole microtubule inhibitor oncology drug with a new molecular structure that has been approved worldwide since 2010.

Given the properties and advantages of Utidelone, such as the ability to cross the blood-brain barrier, broad anti-cancer spectrum, high oral bioavailability, low hematological toxicity and the ability to overcome multidrug resistance mechanisms, during the current Reporting Period, we vigorously made arrangements for the expansion of new indications of Utidelone, the clinical development of its oral formulation and other aspects both domestically and internationally. For Utidelone Injection, two pivotal registrational clinical trials for breast cancer and lung cancer brain metastasis have been commenced in the U.S. and China respectively with positive progress. We have completed the phase II clinical study for solid tumors, and obtained promising clinical data in, among other cancers, gastric and esophageal cancers. Such data will guide our phase III studies at a later stage. Meanwhile, we have deployed new R&D pipelines, including the phase II clinical study for the first-line treatment of advanced pancreatic cancer. Such indication was granted orphan drug designation by U.S. Food and Drug Administration (FDA). For the Utidelone Capsule, we have successfully completed the phase I clinical study in China and the U.S., which has shown good efficacy and safety profile along with high oral bioavailability. The Phase II clinical study of Utidelone Capsule in combination with capecitabine for the treatment of advanced breast cancer in China has been successfully completed. The results demonstrate that, compared with Utidelone Injection, the capsule formulation achieves comparable or even superior efficacy benefits in terms of progression-free survival (PFS), objective response rate (ORR), and other key endpoints. On the safety profile, it significantly reduces the incidence and severity of peripheral neurotoxicity which is a characteristic adverse effect of microtubule inhibitors and certain other chemotherapeutic agents, lowering the rate of Grade 3 peripheral neuropathy from 25.1% to 2%, with no cases of Grade 4 peripheral neuropathy observed. Meanwhile, it fully preserves Utidelone's well-established advantage of low hematological toxicity. Utidelone Capsule represents an innovative, domestically developed modified new drug in China and marks the world's first solid oral formulation of a microtubule-stabilizing agent. We are of the view that Utidelone Capsule represents an enhancement in cancer treatments, as it provides more convenience and better compliance from patients, eases the financial burden on patients, and could facilitate combination with other anticancer drugs to open up opportunities for new therapies. Therefore, the Company has exerted much effort in the subsequent phase II/III clinical pipeline of Utidelone Capsule, including the phase III clinical study for strengthened triple-negative breast cancer (TNBC) adjuvant treatment, the phase II/III international multi-center clinical study for advanced gastric cancer, the phase II/III international multi-center clinical study for advanced ovarian cancer and other large studies with enrollment underway.

Meanwhile, the Company is actively building a next-generation antibody-drug conjugate (ADC) technology platform with fully independent intellectual property rights. This platform focuses on systematic innovation around two core elements: a differentiated payload system and linkers. Unlike prevailing ADC products that widely adopted payloads such as monomethyl auristatin E (MMAE) or topoisomerase I (Topo I) inhibitors, this platform innovatively employs the Company's proprietary synthetic

biology-derived product Utidelone and other epothilone derivatives as the core toxin molecules, which can be selectively combined with Topo I inhibitors to develop dual-payload or multi-payload ADC drugs. Utidelone and other epothilone derivative payloads belong to the class of epothilone-based microtubule-stabilizing agents. They exhibit potent antitumor activity, excellent cell membrane permeability, potential to overcome Pglycoprotein (P-gp)-mediated multidrug resistance in tumor cells, a well-defined mechanism of action, and a favorable safety profile, conferring significant differentiated competitive advantages in the ADC field. Preclinical studies are currently advancing vigorously, with the goal of reaching the investigational new drug (IND) enabling stage in 2026.

As of the end of the Reporting Period, the latest R&D pipeline chart of the Company is as follows (note: the pipeline chart excludes certain completed studies or investigator-initiated trials (IITs)):

Assets	Indication	Combo	Dev. Area	Pre-clinical	IND	Ph1	Ph2	Ph3	Launched
Utidelone Injection (UTD1)	mBC	Xeloda	🇨🇳						
	mBC	Xeloda	🌐						
	BC neoadjuvant	Chemo	🇨🇳	vs Taxane					
	NSCLC	Mono	🇨🇳	vs Taxane					
	NSCLC	Mono	🌐	vs Taxane					
	Pancreatic cancer	Chemo	🇨🇳	ODD					
	NSCLC BM	VEGFi	🇨🇳	Pivotal					
	BC BM	Xeloda	🇺🇸	Pivotal; ODD					
Utidelone Capsule (UTD2)	mBC	Xeloda	🇨🇳						
	TNBC adjuvant intensive	Xeloda	🇨🇳						
	GC	Chemo ± PD-1	🌐	Phase 2-3; ODD					
	PROC	Mono	🇨🇳	Phase 2-3					
	PROC	VEGRi	🇨🇳						
	PROC	VEGRi	🇺🇸						
	Soft tissue sarcoma	Chemo	🇨🇳						
ADC	Solid tumor	TBD	TBD						
BG22	Solid tumor	TBD	TBD						
BG18	Solid tumor	TBD	TBD						
BG44	Solid tumor	TBD	TBD						

*Utidelone Injection*Phase III clinical trial of Utidelone Injection for HER2- breast cancer neoadjuvant therapy

This study is a superiority design with head-to-head comparison against docetaxel. Anthracycline (AC) in combination with taxanes is currently a standard neoadjuvant treatment for patients with HER2- breast cancers, nevertheless its efficacy and safety profile are limited. Based on the background that Utidelone Injection was approved for the treatment of advanced breast cancer, we believe that it can be applied to early breast cancer treatment and can benefit more cancer patients, meanwhile expanding our market share. As of the end of the Reporting Period, we have enrolled nearly 90% of the target number of patients, and the incidence rate of collected adverse events was low, and these adverse events were easily manageable, indicating good safety profile of Utidelone Injection in combination with AC. Efficacy data will be obtained after reaching a sufficient number of evaluable cases and completing statistical analysis. All patients are expected to be enrolled by mid-2026. We believe that our product has the potential to become a preferred neoadjuvant chemotherapy option for HER2- breast cancer (particularly the TNBC).

Phase II clinical trial of Utidelone Injection for solid tumors (in combination with PD-1 for the first-line treatment of advanced gastric and esophageal cancers) in China (completed)

According to the data of the first stage of the phase II clinical trial, the CBR of Utidelone monotherapy for advanced gastric cancers (GC) and esophageal cancers (ESCC) reached 53% and 70%, with ORR of 20% and 40%, respectively. Hence, we conducted the second-stage study of Utidelone in combination with PD-1 for the first-line treatment of GC and ESCC, and completed this study during the Reporting Period. Utidelone plus PD-1 inhibitor and chemotherapy demonstrated promising efficacy and acceptable safety as first-line treatment for GC and ESCC. There were 27 eligible patients enrolled in the GC cohort and 23 patients were evaluable for efficacy. 5 patients were still receiving treatment (up to 23 cycles). The ORR was 65.2% and CBR was 100%. The mPFS was >6.1 months. There were 20 eligible patients enrolled in the ESCC cohort and 18 patients were evaluable for efficacy. 6 patients were still receiving treatments (up to 12 cycles). The ORR was 33.3% and CBR was 100%. The safety profiles were good for both cohorts, with no treatment-related deaths. Latest study findings have been presented as a poster at the 2025 American Society of Clinical Oncology (ASCO) annual meeting.

- Phase II clinical trial of Utidelone Injection in combination with bevacizumab for HER2 negative breast cancer with brain metastasis (investigator-initiated trial)

The results of this clinical trial were published in the JAMA Oncology during the Reporting Period. Utidelone can cross blood-brain barrier, enabling it to reach a high drug concentration in brain tissues, thereby playing a role in preventing and treating brain metastases. The primary objective of this study was to investigate the efficacy and safety of Utidelone combined with bevacizumab in the treatment of advanced breast cancer brain metastases. From 5 May 2022 to 25 October 2023, a total of 47 patients were recruited. Among them, 35 patients had untreated CNS lesions, while 12 had progressive brain metastases after local radiotherapy. In terms of safety profile, the most common grade 1-2 adverse events (AEs) were peripheral neuropathy, decreased neutrophil count, etc. No grade 3 or higher treatment-related AEs occurred. Regarding efficacy, the CNS-ORR was 42.6%. As of 20 May 2024, the median progression-free survival (PFS) was 7.7 months, and the median overall survival (OS) was 15.1 months.

Phase II clinical trial of Utidelone Injection in combination with bevacizumab and etoposide for the treatment of HER2- negative breast cancer with brain metastases (investigator-initiated trial)

The results of this clinical trial were presented orally at the 2025 ASCO annual meeting. The study was designed to investigate the efficacy and safety of Utidelone in combination with bevacizumab and chemotherapy in the treatment of breast cancer brain metastases with a view to finding new treatments that can control intracranial tumors and prolong survival for this group of patients. A total of 34 patients were enrolled in the study, with a median age of 51. Among them, the median number of prior lines of chemotherapy was 3, 10 patients were treated with bevacizumab, and 9 patients were treated with local treatment targeting brain metastases. As of 2 December 2024 (10.4 months median follow-up), the median overall PFS was six months. In terms of safety, the overall tolerability of this combination treatment regimen was good, with most treatment-emergent adverse events (TEAEs) being grade 1-2, manageable and reversible. Nearly two-thirds of the patients completed more than 6 cycles of treatment. The grade 3-4 TEAEs occurred in the study were limited to peripheral neuropathy and bone marrow suppression, with an incidence rate of less than 10%.

Phase II clinical trial of Utidelone Injection in combination with bevacizumab for the treatment of HER2- positive breast cancer with brain metastases (investigator-initiated trial)

The results of this clinical trial were presented as a poster at the 2025 San Antonio Breast Cancer Symposium. The primary objective of the study was to evaluate the efficacy and safety of Utidelone in combination with bevacizumab in the treatment of HER2-positive advanced breast cancer with brain metastases. Between May 2022 and April 2025, 50 evaluable patients were enrolled. In patients who had progressed on prior trastuzumab and TKI (pyrotinib) therapy, with more than half having received previous ADC treatment, the combination of Utidelone plus bevacizumab demonstrated substantial intracranial antitumor activity: the central nervous system objective response rate (CNS-ORR) reached 54.0%, and the intracranial disease control rate (CNS-DCR) was as high as 92.0%. The median overall progression-free survival (PFS) was 8.6 months (95% CI: 7.0-10.2), and the median CNS progression-free survival (CNS-PFS) was 15.1 months (95% CI: 8.2-22.0). The regimen exhibited a favorable safety profile, with most adverse events being mild to moderate (grade 1-2) and overall manageable, and no treatment-related deaths were observed. Notably, this regimen did not incorporate any novel anti-HER2 targeted agents yet still achieved such pronounced efficacy, suggesting that Utidelone possesses excellent blood-brain barrier penetration and exerts synergistic effects in combination with bevacizumab.

Pivotal phase II clinical trial of Utidelone Injection in combination with bevacizumab for the treatment of lung cancer brain metastasis

Given Utidelone's performance in aforementioned clinical trials, we have initiated this pivotal Phase II registration clinical trial of Utidelone Injection in combination with bevacizumab for the treatment of lung cancer brain metastases. The study has successfully completed the safety lead-in phase and has now progressed to the expansion phase. Patient enrollment is proceeding smoothly, with encouraging early efficacy signals and a manageable safety profile already observed. Specific data will be available following accrual of a sufficient number of evaluable patients and completion of the planned statistical analysis.

Pivotal phase II clinical trial of Utidelone Injection in combination with capecitabine for the treatment of breast cancer brain metastasis in the United States

This study adopts a two-stage design and plans to enroll approximately 120 subjects in total, with the primary endpoint being the central nervous system objective response rate (CNSORR). The trial is being conducted collaboratively by nearly 20 leading U.S. cancer centers, including the MD Anderson Cancer Center, the Johns Hopkins Sidney Kimmel Comprehensive Cancer Center, City of Hope-Duarte, the Robert H. Lurie Comprehensive Cancer Center of Northwestern University, the University of Colorado Hospital, Augusta University, and the University of California, Los Angeles. During the Reporting Period, we have successfully completed the informed consent and dosing procedures for several patients. This marks the first use of Utidelone Injection in a U.S. patient population, representing an important step in the Company's internationalization strategy.

Phase II clinical study of Utidelone Injection as first-line treatment for unresectable advanced pancreatic cancer

Pancreatic cancer is a highly malignant tumor, and the combination regimen with gemcitabine remains its primary clinical treatment approach. However, pancreatic cancer cells are prone to developing resistance to gemcitabine, resulting in suboptimal treatment outcomes. Utidelone has shown significant inhibition of pancreatic cancer cell proliferation and colony formation ability, demonstrating strong antitumor activity in pancreatic cancer models. When used in combination with gemcitabine, Utidelone significantly reduces the IC50 value of gemcitabine, and the combined antitumor activity is superior to the traditional combination of paclitaxel and gemcitabine. As of the date of this report, 20 patients with unresectable and locally unfit advanced pancreatic cancer were enrolled in the study, with 11 having completed the first efficacy assessment. Among these, 3 patients achieved partial remission (PR), and 5 patients had stable disease (SD). The objective remission rate (ORR) was 27.27%, and the disease control rate (DCR) was 72.72%. The median overall survival (mOS) was 9.57 months. In terms of safety, most adverse events were grade 1-2. The data demonstrates that Utidelone in combination with gemcitabine offers favorable survival benefits and disease control rates for the first-line treatment of advanced pancreatic cancer patients, and has the potential to address the treatment gap in pancreatic cancer, emerging as a new treatment option. During the Reporting Period, we were also granted an orphan drug designation by the FDA for the treatment of pancreatic cancer with Utidelone.

Phase II clinical study of Utidelone Injection monotherapy in soft tissue sarcoma

At the 2025 European Society for Medical Oncology Congress (ESMO 2025), we presented data from a phase II clinical study of Utidelone monotherapy in patients with advanced or metastatic soft tissue sarcoma (STS). From 19 August 2022, to 3 March 2025, a total of 27 patients were enrolled, including 15 with leiomyosarcoma, 3 with dedifferentiated liposarcoma (DDLPS), 3 with epithelioid sarcoma, 2 with angiosarcoma, and 4 with other sarcoma subtypes. Among evaluable patients, 2 (7.4%) achieved partial response (PR), and 19 (70.4%) achieved stable disease (SD), resulting in an ORR of 7.4% and a DCR of 77.8%. The median PFS was 4.6 months (95% CI: 3.6-5.6), with a 12-month OS rate of 80%. In terms of safety, most of treatment-related adverse events (TRAEs) were grade 1-2 and manageable/reversible, with no treatment-related deaths reported. These results indicate that Utidelone exhibits promising clinical efficacy and a favorable safety profile in patients with advanced or metastatic STS previously treated with anthracyclines and TKIs, positioning it as a potential new treatment option for advanced STS.

Phase III clinical trial of Utidelone Injection for the treatment of advanced NSCLC in China

Enrollment in this study has reached nearly half of the planned target. However, in light of evolving competitive dynamics in this indication and slower-than-anticipated patient enrollment, the Company has strategically reprioritized its pipeline. Consequently, enrollment in this study has been temporarily suspended. The decision to restart or terminate the study will be made based on future circumstances.

Utidelone Capsule

During the Reporting Period, the pipeline related to Utidelone Capsule progressed rapidly, as we successfully completed its phase I clinical study in the United States and the phase II clinical study in China, and carried out a number of phase II/III large clinical studies globally.

Utidelone Capsule phase I clinical trial in China (completed)

The primary objective of this study, the first clinical study of Utidelone Capsule in China, is to examine the safety profile and tolerability of Utidelone Capsule for Chinese patients with advanced solid tumors, and the secondary objectives include evaluating the efficacy of Utidelone Capsule and its absolute bioavailability compared to Utidelone Injection. During the Reporting Period, the study has been completed, in which patients were treated with Utidelone Capsule monotherapy at starting dose of 50 mg/m²/d-5day (2 patients), with escalation to 75 mg/m²/d-5 day and 75 mg/m²/d-7day (3 patients for each) in a 21-day cycle. No patient experienced dose-limiting toxicity (DLT) and the most common ≥ Grade 3 AE was diarrhea appeared at 75 mg/m²/d-7day, but recovered within 24 hours after supportive treatment. 75 mg/m²/d-5day was recommended as monotherapy dose. Population pharmacokinetic (PopPK) modeling analysis further confirmed that the median AUC achieved with Utidelone Capsules at 75 mg/m²/d reaches 80% of the mean/median AUC observed with the approved dose of the Utidelone Injection as specified in the prescribing information. 6 patients were evaluable for efficacy with 3 PR (1 for each for cohort) and 3 SD, with DoT of 2-13 cycles. Most TEAEs were Grade 1/2, no AEs led to death or patient withdrawal. The AUC_{inf} of 30 mg/m² Utidelone Injection and 60 mg/m² Utidelone Capsule was 2974.82 h*ng/mL and 1870.48 h*ng/mL, respectively, demonstrating a bioavailability F% of 31.8%.

Phase II clinical trial of Utidelone Capsule in combination with capecitabine for the treatment of advanced breast cancer in China (completed)

The study is a continuation of the phase I clinical study of Utidelone Capsule in China, evaluating the efficacy, safety and pharmacokinetic profile of Utidelone Capsule combined with capecitabine for patients with advanced metastatic breast cancer. This study enrolled a total of 50 patients, all of whom (100%) had received prior taxane or anthracycline therapy; 86% had visceral metastases, 84% had ≥ 2 metastatic sites, and 42% had received ≥ 3 prior lines of antitumor therapy. 96% were HER2-negative breast cancer, with 72% HR-positive/HER2-negative subtype and 24% triple-negative breast cancer. 42 patients (84%) had received prior endocrine therapy, and 35 (70%) had received prior CDK4/6 inhibitor therapy. Among the 44 evaluable patients, 27 achieved PR, of whom 23 had confirmed PR, yielding a confirmed ORR of 52.3% and a DCR of 88.6%. The confirmed ORR in the HER2-negative population was 53.5%. In the 44 patients, the median PFS was 8.25 months, the median duration of response (DoR) was 7.62 months, and the median treatment cycles were 9 (range: 1–21). As of 8 October 2025, 16 patients remained on treatment. These results indicate that Utidelone Capsule plus capecitabine demonstrates efficacy comparable to or better than Utidelone Injection plus capecitabine (as reported in the 2018 ASCO oral presentation: ORR of 49.8%, DCR of 65.8%, median treatment cycles of 6) for the treatment of advanced breast cancer. In terms of safety, compared with Utidelone Injection plus capecitabine, the Utidelone Capsule plus capecitabine regimen substantially reduced the incidence and severity of peripheral neuropathy, with grade 3 events decreasing from 25.1% to 2%, while grade 3 hematologic toxicity remained low at 12%. The incidence of adverse events leading to treatment discontinuation was also markedly lower, decreasing from 29.6% to 4%. In summary, the fully oral dual chemotherapy regimen of Utidelone Capsule plus capecitabine tablets provides comparable or superior therapeutic benefit while improving safety and patient compliance. It eliminates the burden of 5 consecutive days of intravenous infusion, premedication for hypersensitivity prevention, and injection-related adverse reactions associated with intravenous formulations, offering patients a more convenient administration method, enhanced safety profile, and substantial clinical value.

Phase II clinical trial of Utidelone Capsule in combination with capecitabine for the treatment of advanced breast cancer in China (investigator-initiated trial)

This study is a single-arm, phase II investigator-initiated clinical study designed to enroll patients with recurrent or metastatic HER2-negative breast cancer who had previously received taxane- and/or anthracycline-containing chemotherapy regimens. Participants received combination therapy with Utidelone Capsules plus capecitabine to evaluate efficacy and safety. A total of 39 patients were enrolled. The median age was 56 years; 75.8% of patients had ≥ 2 metastatic sites, the median number of prior treatment lines was 2, 87.9% had received prior taxane therapy, and

75.8% had received prior anthracycline therapy. Among the 37 evaluable patients, 18 achieved PR, of whom 15 had confirmed PR. The unconfirmed ORR was 48.6%. As of the latest follow-up, 6 patients remained on treatment, including 4 patients who had been on therapy for more than 1 year. The incidence of any $\geq$ grade 3 Utidelone Capsule-related treatment- TRAEs was below 10%. No grade 3 or higher peripheral neuropathy was observed, and no treatment-related deaths occurred.

Utidelone Capsule phase I clinical trial in the United States (completed)

The primary objective of this study, the first to enter human clinical studies of Utidelone Capsule worldwide, is to examine the safety profile and tolerability of Utidelone Capsule for patients with advanced solid tumors in the United States, and secondary objectives include evaluating the efficacy and PK behavior of Utidelone Capsule. The study has been completed. Patients were treated with Utidelone Capsule monotherapy. The starting dose was 5-day 25 mg/m²/d for 2 patients, with planned escalation to 5-day 50, 75, 100 mg/m²/d and 7-day 70 mg/m²/d for 2, 6, 3 and 2 patients, respectively in a 21-day cycle. All patients had received prior treatment in advanced settings with maximal 9 lines. Two DLTs of Grade 3 and Grade 4 diarrhea occurred, one at 5-day 100 mg/m²/d and one at 7-day 70 mg/m²/d. MTD was determined to be 5-day 75 mg/m²/d. 11 patients were evaluated for efficacy with an outcome of 1 CR (ovarian cancer), 1 PR (ovarian cancer), 7 SD (testicular Sertoli cell tumor, NSCLC×2, pancreatic adenocarcinoma×2, appendiceal adenocarcinoma and soft tissue sarcoma), with the longest DoT of 12 cycles. The ORR was 18.2% and the CBR was 81.8%. The most frequent TEAEs were Grade 1/2, including diarrhea, fatigue, nausea, peripheral sensory neuropathy, vomiting, and decreased appetite ($\geq$ 20% incidence rate), which recovered with supportive treatments. This study demonstrates encouraging anti-tumor activity with manageable safety of Utidelone Capsule in patients with heavily pre-treated advanced solid tumors. The latest research findings have been presented as a poster at the 2025 ASCO annual meeting.

International multi-center phase II/III clinical study of Utidelone Capsule in combination with fluoropyrimidine and platinum for the first-line treatment of locally advanced or metastatic gastric or gastroesophageal junction adenocarcinoma

The phase II study, which is proposed to enroll 78 subjects, is planned to be conducted in China and the United States, with the primary objective of evaluating the safety, efficacy and pharmacokinetic profile of Utidelone Capsule combined with other drugs. The phase III study, which is proposed to enroll 700 subjects, is planned to be conducted in China, the United States, Asia, Europe, and other countries and regions, with the primary endpoint being the overall survival (OS), and the secondary endpoints including progression-free survival (PFS), ORR and safety. The phase II/III clinical IND has been approved by the FDA and CDE, and the patient enrollment is progressing vigorously.

Phase II/III clinical study of Utidelone Capsule monotherapy for patients with platinum-resistant advanced epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer

The phase II study is proposed to enroll 72 subjects, with the primary objective of evaluating the safety profile, efficacy, and pharmacokinetic profile of different dosing regimens of Utidelone Capsule monotherapy in the target patients. The phase III study is proposed to enroll 480 subjects to evaluate the efficacy and safety of Utidelone Capsule compared to the chemotherapy selected by researchers for patients with platinum-resistant advanced epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer. The phase II/III clinical IND has been approved by the CDE, and the patient enrollment is progressing vigorously.

Phase II clinical study of Utidelone Capsule in combination with bevacizumab for patients with platinum-resistant advanced epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer in the United States

This phase II study consists of a safety lead-in phase and an expansion phase, with a planned enrollment of approximately 70 subjects. The primary objective is to evaluate the safety, efficacy, and pharmacokinetic profile of Utidelone Capsules in combination with bevacizumab in the target patient population. The clinical IND application received FDA approval in November 2025 and is currently in the study initiation and startup phase.

Phase II clinical study of Utidelone Capsule in combination with fruquintinib capsules for the treatment of platinum-resistant recurrent ovarian cancer

This study is being conducted at Fudan University Shanghai Cancer Center. It plans to enroll approximately 35 patients, with the primary objectives to evaluate the ORR of Utidelone Capsules in combination with fruquintinib capsules in patients with platinum-resistant recurrent ovarian cancer, fallopian tube cancer, or primary peritoneal cancer. To date, more than half of the planned patients have been enrolled. Efficacy evaluation has been completed in 14 patients, with the following results: 1 CR, 8 PR, and 5 cases of SD. This yields an ORR of 64.3% and a DCR of 100%, with a median PFS of 7 months, which indicate favorable overall safety profile. Final data will be available following accrual of a sufficient number of evaluable patients and completion of the planned statistical analysis.

Phase III clinical study of Utidelone Capsule combined with capecitabine in adjuvant intensive treatment for early TNBC that did not achieve complete pathological remission after neoadjuvant treatment

Adjuvant chemotherapy options for TNBC patients are very limited. Utidelone Capsule can improve medication compliance and reduce patient's hospital stay, enhance convenience, support long-term treatment, and substantially lower clinical

treatment costs for patients. Meanwhile, Utidelone's previous safety data supports its long-term administration, which is beneficial for long-term adjuvant intensive treatment. The study is planned to enroll 440 patients with early TNBC who had previously received neoadjuvant chemotherapy and had not achieved complete pathological remission after surgery, in order to evaluate the 3-year invasive disease free survival (IDFS) rate, overall survival (OS) rate and safety profile of Utidelone Capsule in combination with capecitabine compared to the capecitabine monotherapy for adjuvant treatment of early TNBC patients that had not achieved complete pathological remission after neoadjuvant treatment. Currently, the enrollment of the study is progressing vigorously.

Utidelone antibody drug conjugate

The Company is building a next-generation antibody-drug conjugate (ADC) technology platform with fully independent intellectual property rights. This platform focuses on systematic innovation around two core elements: a differentiated payload system and linkers. Unlike prevailing ADC products that commonly use widely adopted payloads such as MMAE or Topo I inhibitors, this platform innovatively employs the Company's proprietary Utidelone and other epothilone derivatives as the core toxin molecules, which can be selectively combined with Topo I inhibitors to develop dual-payload or multi-payload ADC drugs. Utidelone and other epothilone derivative payloads belong to the class of epothilone-based microtubule-stabilizing agents. They exhibit potent antitumor activity, excellent cell membrane permeability, potential to overcome P-glycoprotein (P-gp)-mediated multidrug resistance in tumor cells, a well-defined mechanism of action, and a favorable safety profile, conferring significant differentiated competitive advantages in the ADC field.

Regarding linker selection, the Company has conducted systematic optimization and structural design of the linker moiety. Through site-specific conjugation and structure-based engineering, a higher and more controlled drug-to-antibody ratio (DAR) has been achieved while maintaining excellent in vivo stability. It also enables targeted modulation of the release kinetics of different payloads. A higher DAR is expected to significantly improve the payload delivery efficiency per antibody molecule, thereby enhancing cytotoxic potency against tumor cells while expanding the therapeutic window through optimized pharmacokinetic profiles. This platform is designed to address key clinical challenges associated with traditional ADCs including insufficient efficacy, the emergence of resistance, and safety constraints, providing a more promising therapeutic alternative for patients with solid tumors and refractory malignancies.

Preclinical studies are currently advancing vigorously, with the goal of reaching the IND-enabling stage in 2026.

2. *Strategic marketing cooperation*

During the Reporting Period, the cooperation with Qingdao Baheal Medical INC.* (青島百洋醫藥股份有限公司) in terms of marketing service for Utidelone Injection was further strengthened. We are of the opinion that the Group will take this opportunity to integrate resources more efficiently, further expand the market space of its core products, maximize the scientific and commercial value of the Group's technology platform, accelerate the research and development and implementation of more pipeline projects, and lay a solid foundation for the sustainable development and value creation of the enterprise through cooperation with companies with excellent commercialization capabilities.

3. *Intellectual property*

During the Reporting Period, we successively secured PCT patent grants for oral formulations of Utidelone in Canada and South Korea, and for Utidelone liposomes in Europe. Notably, we obtained a U.S. PCT grant for the genetically engineered microbial strains used in the fermentative production of Utidelone. The molecular structure of Utidelone is highly complex, making efficient large-scale production and industrialization via total chemical synthesis or semi-synthesis exceedingly difficult. Furthermore, chemically synthesized products exhibit significant disparities compared to those produced through microbial fermentation of genetically engineered strains in terms of quality standards, pharmacological properties, production costs, and clinical safety. The patented genetically engineered strain was developed using the Company's proprietary synthetic biology platform, enabling the industrialized production of Utidelone through fermentation processes. As this genetically engineered strain is both the prerequisite and the core starting material for Utidelone production, this patent grant creates a formidable global barrier to entry for generics. Consequently, the entry of generic Utidelone into the market is rendered virtually impossible until the patent expires in 2041.

We have also aggressively expanded our patent strategy through new applications and entries into the national phase, including patents relating to antibody-drug conjugates of Utidelone or its derivatives, PCT patents related to Utidelone cyclodextrin inclusion complex, PCT patents related to Utidelone for the treatment of various solid tumor indications, and albumin-bound Utidelone nanoparticles related PCT patents.

(II) The Board Performed Its Duties diligently and Fulfilled its Responsibilities Effectively

During 2025, the Board convened a total of seven meetings, five meetings of the Audit Committee, four meetings of the Nomination Committee, one meeting of the Remuneration Committee, one meeting of the Strategic Committee and one meeting between the independent non-executive Directors and the chairman of the Board. The meetings primarily considered the following matters, and all directors attended the meetings on time.

Time	Sessions of meetings	Resolutions considered
2025.4.3	The 1st meeting of the Audit Committee in 2025	1. Resolution on the proposed resignation of KPMG as the auditor of the Company
2025.4.3	The 1st meeting of the Nomination Committee in 2025	1. Resolution on the election of independent non-executive Director of the second session of the Board
2025.4.3	The 3rd meeting of the 2nd session of the Board	1. Resolution on the proposed resignation of KPMG as the auditor of the Company 2. Resolution on the election of independent non-executive Director of the second session of the Board 3. Resolution on the adjustment of members of the special committees of the Board
2025.4.25	The 2nd meeting of the Audit Committee in 2025	1. Resolution on the appointment of Daxin Global (HK) CPA Limited as the auditor of the Company
2025.4.25	The 2nd meeting of the Nomination Committee in 2025	1. Resolution on the nomination of Ms. Dai Xuefen as a candidate for non-executive Director of the second session of the Board of the Company

Time	Sessions of meetings	Resolutions considered
2025.4.25	The 4th meeting of the 2nd session of the Board	<ol style="list-style-type: none"> 1. Resolution on the application for the conversion of domestic unlisted shares into overseas listed foreign shares (H shares) and their listing on the Main Board of The Stock Exchange of Hong Kong Limited 2. Resolution on the authorization of matters related to the application for the conversion of domestic unlisted shares into overseas listed foreign shares (H shares) and their listing on the Main Board of The Stock Exchange of Hong Kong Limited 3. Resolution on the amendments to the Articles of Association of the Company 4. Resolution on the formulation of the Management Measures for Proceeds of Beijing Biostar Pharmaceuticals Co., Ltd. 5. Resolution on the election of Ms. Dai Xuefen as a non-executive Director of the second session of the Board of the Company 6. Resolution on the appointment of Daxin Global (HK) CPA Limited as the auditor of the Company 7. Resolution on the adjustment of members of the special committees of the Board 8. Resolution on the proposal to convene the 2025 first extraordinary general meeting of the Company
2025.5.26	The 5th meeting of the 2nd session of the Board	<ol style="list-style-type: none"> 1. Resolution on the application for the conversion of domestic unlisted shares into overseas listed foreign shares (H shares) and their listing on the Main Board of The Stock Exchange of Hong Kong Limited

Time	Sessions of meetings	Resolutions considered
2025.6.30	The 3rd meeting of the Audit Committee in 2025	<ol style="list-style-type: none"> 1. Resolution on the report on description of risk management and internal control and effectiveness of implementation 2. Resolution on the audited financial report and client representation letter for the year ended 31 December 2024 3. Resolution on the annual results announcement for the year ended 31 December 2024 4. Resolution on the adequacy of resources, staff qualifications and experience of the Company's accounting and financial reporting functions, and the adequacy of training programs and budget for staff
2025.6.30	The 3rd meeting of the Nomination Committee in 2025	<ol style="list-style-type: none"> 1. Resolution on the structure, size, composition and diversity of the Board 2. Resolution on the board diversity policy and nomination policy 3. Resolution on the independence of the independent non-executive Directors 4. Resolution on the re-election of Directors
2025.6.30	The 1st meeting of the Remuneration and Appraisal Committee in 2025	<ol style="list-style-type: none"> 1. Resolution on the remuneration package for the Directors and senior management of the Company for the year 2025
2025.6.30	The 1st meeting of the Strategy Committee in 2025	<ol style="list-style-type: none"> 1. Resolution on the development strategy of the Company for the year 2025

Time	Sessions of meetings	Resolutions considered
2025.6.30	The 6th meeting of the 2nd session of the Board	<ol style="list-style-type: none">1. Resolution on the report on description of risk management and internal control and effectiveness of implementation2. Resolution on the audited financial report and client representation letter for the year ended 31 December 20243. Resolution on the annual results announcement for the year ended 31 December 20244. Resolution on the 2024 annual report of the Company5. Resolution on the payment of a final dividend for the year ended 31 December 20246. Resolution on the remuneration package for the Directors and senior management of the Company for the year 20257. Resolution on the development strategy of the Company for the year 2025
2025.7.16	The 4th meeting of the Audit Committee in 2025	<ol style="list-style-type: none">1. Resolution on the change in accounting policies2. Resolution on the appointment of the auditor of the Company for the year 2025

Time	Sessions of meetings	Resolutions considered
2025.7.16	The 7th meeting of the 2nd session of the Board	<ol style="list-style-type: none"> 1. Resolution on the 2024 work report of the Board of the Company 2. Resolution on the 2024 work report of the General Manager of the Company 3. Resolution on the change in accounting policies 4. Resolution on the appointment of the auditor of the Company for the year 2025 5. Resolution on the grant of a general mandate to the Board to repurchase H shares of the Company 6. Resolution on the proposal to convene the 2024 annual general meeting of the Company
2025.8.28	The 5th meeting of the Audit Committee in 2025	<ol style="list-style-type: none"> 1. Resolution on the interim financial report for the six months ended 30 June 2025 2. Resolution on the interim results announcement for the six months ended 30 June 2025 3. Resolution on the interim report for the six months ended 30 June 2025 4. Resolution on the payment of an interim dividend for the six months ended 30 June 2025 5. Resolution on the 2024 internal control and monitoring review report

Time	Sessions of meetings	Resolutions considered
2025.8.28	The 8th meeting of the 2nd session of the Board	<ol style="list-style-type: none"> 1. Resolution on the interim financial report for the six months ended 30 June 2025 2. Resolution on the interim results announcement for the six months ended 30 June 2025 3. Resolution on the interim report for the six months ended 30 June 2025 4. Resolution on the payment of an interim dividend for the six months ended 30 June 2025 5. Resolution on the 2024 internal control and monitoring review report
2025.12.29	The 4th meeting of the Nomination Committee in 2025	<ol style="list-style-type: none"> 1. Resolution on the Board Diversity Policy of Beijing Biostar Pharmaceuticals Co., Ltd. 2. Resolution on the Employee Diversity Policy of Beijing Biostar Pharmaceuticals Co., Ltd.
2025.12.29	The 9th meeting of the 2nd session of the Board	<ol style="list-style-type: none"> 1. Resolution on the Board Diversity Policy of Beijing Biostar Pharmaceuticals Co., Ltd. 2. Resolution on the Employee Diversity Policy of Beijing Biostar Pharmaceuticals Co., Ltd.

All Directors performed their duties diligently and responsibly, and actively fulfilled their obligations as directors, and gave full play to their professional skills and decision-making capabilities, providing strong support for the work of the Senior Management. The Directors played an important role in promoting the self-construction of the Board, research on the Company's development strategies, and the expansion of the Company's business scope, fully demonstrating the Board's role in strategic guidance and scientific decision-making.

(III) Strict Implementation of Resolutions of the General Meetings to Effectively Safeguard Shareholders' Interests

In 2025, two general meetings were convened by the Board. In accordance with the requirements of Company Law of the PRC and the Articles of Association, the Company made decisions on significant matters and considered the relevant resolutions, all of which were approved.

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| 2025.5.2 | Special general meeting | <ol style="list-style-type: none">1. Resolution on the election of Mr. Shiu Shu Ming and Dr. Ye Chengang as independent non-executive Directors of the second session of the Board2. Approval for the election of Ms. Dai Xuefen as a non-executive Director of the second session of the Board of the Company3. Approval for the application for the conversion of domestic unlisted shares into overseas listed foreign shares (H shares) and their listing on the Main Board of The Stock Exchange of Hong Kong Limited4. Approval for the authorization of matters related to the application for the conversion of domestic unlisted shares into overseas listed foreign shares (H shares) and their listing on the Main Board of The Stock Exchange of Hong Kong Limited5. Approval for the appointment of Daxin Global (HK) CPA Limited as the auditor of the Company6. Approval for the amendments to the Articles of Association of the Company |
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2025.8.25	Annual general meeting	<ol style="list-style-type: none">1. Resolution on the 2024 work report of the Board of the Company2. Resolution on the 2024 work report of the Supervisory Committee of the Company3. Resolution on the audited financial report for the year ended 31 December 20244. Resolution on the 2024 annual report of the Company5. Resolution on the remuneration package for the Directors of the Company for the year 20256. Resolution on the remuneration package for the Supervisors of the Company for the year 20257. Resolution on the payment of a final dividend of the Company for the year ended 31 December 20248. Resolution on the appointment of the auditor of the Company for the year 20259. Resolution on the grant of a general mandate to the Board to repurchase H shares of the Company
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In 2025, the Board of the Company strictly implemented various resolutions of the general meetings, which safeguarded the legitimate rights and interests of all shareholders.

(IV) Strengthening Communication with the Supervisory Committee and the Management

In 2025, the Board enhanced its communication and information exchange with the Supervisory Committee and the management through various means, including circulation of written resolutions, convening meetings, receiving briefings, and conducting on-site inspections. On one hand, all supervisors and senior management members were invited to attend the Board meetings as attendees and were involved in the discussion of significant matters, thereby fully leveraging the supervisory function of the Supervisory Committee. The Board attached great importance to the opinions and suggestions put forward by the Supervisory Committee, which were carefully studied, reasonably adopted, timely improved, and responded to with clear feedback. On the other hand, the Board received periodic reports from the management and conducted site visits to gain a better understanding of the Company's operations and development, thereby facilitating timely, informed and effective decision-making by the Board.

II. BUSINESS OUTLOOK FOR 2026

In 2026, the Board will lead and guide all employees to integrate the Company's medium-to-long-term strategic development plans, adhering to the principle of balancing existing business models with research, development, production, and operation. With firm confidence, the Company will strive for progress while maintaining stability. The Company will continue to prioritize R&D, strengthen its core business and enhance management capabilities, and further improving its core competitiveness to achieving sustainable development. The specific plans are as follows:

We will further strengthen R&D efforts surrounding our product pipeline, and enhance the commercial value of products through in-house R&D as well as external collaboration.

Clinical trial of Utidelone Injection

In addition to advanced breast cancer, we will also actively advance the clinical progress in respect of other indications, such as breast cancer neoadjuvant, breast cancer and lung cancer brain metastases, and pancreatic cancer. We will continue to boost more indications of Core Product so as to extend our future market prospect.

Clinical trials of Utidelone Capsule

As the oral formulation of Utidelone, Utidelone Capsule provides patients with better convenience and adherence, and alleviates patients' economic burden. Based on the excellent data from the completed clinical studies of Utidelone Capsule in China and the U.S., we have exerted much effort in the subsequent phase II/III clinical pipeline of Utidelone Capsule, for which three large-scale studies including the phase III clinical study for strengthened TNBC adjuvant treatment, the phase II/III international multi-center clinical study for advanced gastric cancer, and the phase II/III international multi-center clinical study for advanced ovarian cancer, are vigorously undergoing the enrollment.

R&D of ADC products

Given the potential of Utidelone and its derivatives to become a good payload for ADC drugs and our progress in the preliminary explorations of ADC programs, we will use our best efforts to develop the ADC programs with Utidelone and its derivatives as payload drug program and advance it to the clinical stage as soon as possible, so as to further enrich our product portfolio and continuously increase the diversification and competitiveness of the Company's product pipeline.

Global activities

Putting great emphasis on accelerating the application and clinical progress of our pipeline in overseas markets, we will consistently push forward programs that have been approved for clinical trials, as well as introduce more clinical programs globally. In addition, we are actively selecting reliable global partners through out-licensing out of China rights or codevelopment of Utidelone Injection, Capsule and ADC projects. We believe that our strong

capabilities of R&D and manufacturing, coupled with our enriched commercial expertise, make us the preferred partner for global biopharmaceutical companies who share our goal of bringing innovative anti-cancer products to patients around the world.

Satisfying global needs by optimizing our production quality and capacity

We are committed to consolidating our strengths in terms of production and will continue to invest in high-caliber manufacturing equipment and optimal manufacturing environment so as to better satisfy our R&D and production needs while also achieving economies of scale and cost reduction during production. In anticipation of the rapid progress of our overseas clinical trials and commercialization, we will upgrade our production facilities in accordance with cGMP standard to serve as groundwork for the future delivery of our products on a global scale.

Extending brand recognition and market reach

We will further strengthen the in-depth cooperation with our partner Baheal Medical, consolidate both parties' resources in a more efficient way, and formulate a comprehensive, professional and differentiated academic promotion plan and commercialization development strategy to cover medical institutions in key provinces and cities nationwide, with a view to rapidly enhancing the market recognition and penetration of Utidelone Injection.

Speeding up technological innovation and commercialization by attracting, cultivating, and retaining top-tier talents

We place a high priority on selecting and retaining talents. To sustain our growth, we will continue to recruit top professionals in R&D, clinical development, and commercialization. We are committed to providing our employees with comprehensive career development and learning opportunities, guidance from veterans, clear career development paths, competitive remuneration, and a collaborative and supportive working environment to achieve a corporate culture that attracts and retains like-minded, top-tier talents.

III. WORK PLAN OF THE BOARD FOR 2026

(I) Broadening perspectives and enhancing corporate governance

The Board will continue to review and, where appropriate, adopt advanced corporate governance principles and frameworks in both international and domestic markets, and draw on best practices in corporate governance. Addressing areas for improvement in the Company's corporate governance and implement corresponding enhancement measures, strengthen the collection and processing of information for decision-making, and optimize decision-making proposals. Furthermore, the Board will continuously refine its rules of procedures, improve the scientific decision-making mechanism, and constantly improve the Company's corporate governance standards.

(II) Improving Internal Control Systems and strengthening risk management

In 2026, the Board will continue to enhance and standardize the Company's internal control systems in strict compliance with applicable laws and regulations. The Board will further guide the management in optimizing departmental and position structures, scientifically dividing duties and authorities, and striving to establish an internal control organizational structure characterized by "defined roles and responsibilities, mutual coordination and appropriate checks and balances, and seamless integration". Meanwhile, building on the existing internal systems, the Company will summarize experience, draw lessons, expand the coverage of the internal control system, and refine risk control points, thereby promoting the continuous enhancement of the internal control management level.

(III) Strengthening Communication with Shareholders, the Management, and Regulatory Authorities

In 2026, the Board will take practical measures to further strengthen communication with Shareholders and the management. The Board will strive to institutionalize and regularize such communication to ensure a smooth information flow, improving the relevance and effectiveness of the Board's decisions and enhancing the implementation of Board resolutions.

Meanwhile, the Board of the Company will continue to enhance its engagement with relevant government authorities and regulatory bodies, so as to promote constructive interaction with regulators by establishing effective two-way communication channels.

In 2026, the Board will strengthen the forward-looking perspective and proactivity of its work, actively respond to changes in the external operating environment, and base its efforts on striving for progress while maintaining stability and seeking excellence through progress. The Board will continuously improve decision-making efficiency and quality, heighten risk awareness, enhance development quality, and improve operation and management. Furthermore, the Board will promote the implementation of strategies and enhance capital management capabilities to continuously improve the Company's core competitiveness and sustainable development capacity. We will make further progress towards becoming a well-managed, efficient and high-quality enterprise with strong accountability and innovation capability.

The above report is hereby presented for your consideration.

The Board of Beijing Biostar Pharmaceuticals Co., Ltd.

SHIU SHU MING
2025 ANNUAL REPORT ON THE PERFORMANCE OF DUTIES
BY INDEPENDENT NON-EXECUTIVE DIRECTOR

Dear Shareholders:

On 23 May 2025, I was elected as an independent non-executive director of Beijing Biostar Pharmaceuticals Co., Ltd. (hereinafter referred to as the “Company”) at the 2025 extraordinary general meeting. In my capacity as an independent non-executive director, I have exercised the rights conferred upon me by the Company with prudence and diligence, in strict accordance with the Company Law, the Articles of Association, the Administrative Measures for Independent Non-executive Directors of Listed Companies, and other relevant laws and regulations. I have carefully reviewed all proposals submitted to the board of directors, fully performed my independent role, and safeguarded the overall interests of the Company as well as the legitimate rights and interests of minority shareholders. The report on my performance of duties as an independent non-executive director during the Reporting Period is as follows:

I. ATTENDANCE AT MEETINGS

Since my election as an independent non-executive director of the Company, a total of five Board meetings were held in 2025. I attended all such meetings on time and carefully deliberated on all proposals submitted to the Board. Except for matters where I was required to abstain from voting due to conflicts of interest, I voted in favor of all proposals and did not cast any negative votes or abstentions, nor did I raise any objections. I am of the view that the convening and holding of the Board meetings in 2025 complied with statutory procedures, and that all material operational decision-making matters were duly considered and approved in accordance with the relevant procedures, and were lawful and valid.

II. EXPRESSION OF INDEPENDENT OPINIONS

In 2025, I expressed independent opinions on matters including the remuneration of the Company’s directors and senior management, the directors, and the change of auditors.

III. WORK PERFORMED FOR THE PROTECTION OF INVESTORS’ LEGITIMATE RIGHTS AND INTERESTS

1. Supervision of Corporate Governance and Operation Management

During the reporting period, I conducted investigations and assessments of the Company’s corporate governance systems and their implementation, production and operation management, the establishment and effectiveness of internal controls, and the management’s execution and follow-up of resolutions passed by the shareholders’ meeting and the board of directors. I carefully listened to reports from relevant personnel and carried out on-site

inspections to stay informed of the Company's daily operations and potential operational risks in a timely manner. Furthermore, I also thoroughly reviewed the proposals and relevant materials for each Board meeting and exercised my voting rights independently and prudently.

2. Supervision of Information Disclosure

During the reporting period, I paid close attention to and supervised the Company's information disclosure practice. I urged relevant personnel to ensure disclosure work in strict compliance with applicable laws and regulations, guaranteeing that the Company's disclosures are true, accurate, timely, complete and fair, thereby effectively safeguarding the interests of all shareholders of the Company.

3. Diligent Performance of Duties as an Independent Non-executive Director

During the reporting period, I performed my duties as an independent non-executive director with due diligence and attended Board meetings on time. Regarding major matters requiring Board deliberation and decision-making, I required the Company to provide relevant materials in advance for further review and, where necessary, made inquiries with relevant departments and personnel. On this basis, I exercised my voting rights independently, objectively, and prudently by leveraging my professional expertise, thereby contributing to the scientific and objective decision-making of the board and effectively protecting the legitimate rights and interests of the Company and its shareholders.

4. Continuous Learning and Self-Improvement

During the Reporting Period, I remained committed to studying the latest laws, regulations, and regulatory rules, continuously deepening my understanding of relevant regulations — particularly those related to the standardization of corporate governance structures and the protection of shareholders' rights and interests. I strove to enhance my professional capacity to perform my duties and protect the legitimate rights and interests of the Company and its shareholders, while continuously enhancing my awareness of safeguarding shareholders' interests.

IV. OTHER MATTERS

1. No proposal was made to convene any Board meeting or general meeting.
2. No independent engagement of external auditing firms or consulting institutions occurred.

MENG SONGDONG
2025 ANNUAL REPORT ON THE PERFORMANCE OF DUTIES
BY INDEPENDENT NON-EXECUTIVE DIRECTOR

Dear Shareholders:

On 29 April 2024, I was elected as an independent non-executive director of Beijing Biostar Pharmaceuticals Co., Ltd. (hereinafter referred to as the “Company”) at the 2023 Annual General Meeting. In my capacity as an independent non-executive director, I have exercised the rights conferred upon me by the Company with prudence and diligence, in strict accordance with the Company Law, the Articles of Association, the Administrative Measures for Independent Non-executive Directors of Listed Companies, and other relevant laws and regulations. I have carefully reviewed all proposals submitted to the board of directors, fully performed my independent role, and safeguarded the overall interests of the Company as well as the legitimate rights and interests of minority shareholders.

The report on my performance of duties as an independent non-executive director during the Reporting Period is as follows:

I. ATTENDANCE AT MEETINGS

Since my election as an independent non-executive director of the Company, a total of seven Board meetings were convened in 2025. I attended all such meetings in a timely manner and carefully considered all resolutions submitted to the Board. Save for matters in respect of which I was required to abstain from voting, I was of the view that none of the resolutions would prejudice the interests of the Company and its shareholders as a whole, particularly those of minority shareholders. Accordingly, I voted in favour of all such resolutions, and did not cast any dissenting votes or abstentions, nor did I raise any objections. I am of the view that the convening and conduct of the Board meetings of the Company in 2025 were in compliance with the applicable statutory procedures, and that all material operational and decision-making matters were duly considered and approved in accordance with the relevant procedures, and were lawful and valid.

II. EXPRESSION OF INDEPENDENT OPINIONS

In 2025, I expressed independent opinions on matters including the remuneration of the Company’s directors and senior management, the directors, and the change of auditors.

**III. WORK PERFORMED FOR THE PROTECTION OF INVESTORS’ LEGITIMATE
RIGHTS AND INTERESTS**

1. Supervision of Corporate Governance and Operation Management

During the Reporting Period, I reviewed and assessed the Company’s governance-related systems and their implementation, production and operation management, the establishment and execution of internal control system, as well as the management’s execution and follow-up

on resolutions passed at general meetings and Board meetings. I carefully considered reports from relevant personnel and conducted on-site inspections to keep abreast of the Company's daily operations and potential operational risks. Furthermore, I also thoroughly reviewed the proposals and relevant materials for each Board meeting and exercised my voting rights independently and prudently.

2. Supervision of Information Disclosure

During the reporting period, I paid close attention to and supervised the Company's information disclosure practice. I urged relevant personnel to ensure disclosure work in strict compliance with applicable laws and regulations, guaranteeing that the Company's disclosures are true, accurate, timely, complete and fair, thereby effectively safeguarding the interests of all shareholders of the Company.

3. Diligent Performance of Duties as an Independent Non-executive Director

During the Reporting Period, I performed my duties as an independent non-executive director with due diligence and attended Board meetings on time. Regarding major matters requiring Board deliberation and decision-making, I required the Company to provide relevant materials in advance for thorough review. When necessary, I raised inquiries with relevant departments and personnel. On this basis, I leveraged my professional expertise to exercise my voting rights independently, objectively, and prudently, thereby enhancing the scientific and objective nature of the Board's decision-making and effectively safeguarding the legitimate rights and interests of the Company and its shareholders.

4. Continuous Learning and Self-Improvement

During the Reporting Period, I remained committed to studying the latest laws, regulations, and regulatory rules and continuously deepened my understanding of relevant regulations, particularly those relating to corporate governance structures and the protection of shareholders' rights. I strove to enhance my professional capacity to perform my duties and protect the legitimate rights and interests of the Company and its shareholders, while continuously strengthening my awareness of safeguarding shareholders' interests.

IV. OTHER MATTERS

1. No proposal was made to convene any Board meeting or general meeting.
2. No independent engagement of external auditing firms or consulting institutions occurred.

YE CHENGANG
2025 ANNUAL REPORT ON THE PERFORMANCE OF DUTIES
BY INDEPENDENT NON-EXECUTIVE DIRECTOR

Dear Shareholders:

On 23 May 2025, I was elected as an independent non-executive director of Beijing Biostar Pharmaceuticals Co., Ltd. (the “Company”) at the extraordinary general meeting of the Company held in 2025. In my capacity as an independent non-executive director, I have exercised the rights conferred upon me with prudence and diligence, in accordance with the applicable requirements of the Company Law, the Articles of Association, the Administrative Measures for Independent Non-executive Directors of Listed Companies and other relevant laws and regulations. I have carefully considered all resolutions submitted to the Board, fully performed my role as an independent non-executive director, and safeguarded the overall interests of the Company as well as the legitimate rights and interests of minority shareholders.

The report on the performance of my duties as an independent non-executive director during the reporting period is as follows:

I. ATTENDANCE AT MEETINGS

Since my election as an independent non-executive director of the Company, a total of five Board meetings were convened in 2025. I attended all such meetings in a timely manner and carefully considered all resolutions submitted to the Board. Save for matters in respect of which I was required to abstain from voting, I was of the view that none of the resolutions would prejudice the interests of the Company and its shareholders as a whole, particularly those of minority shareholders. Accordingly, I voted in favour of all such resolutions, and did not cast any dissenting votes or abstentions, nor did I raise any objections. I am of the view that the convening and conduct of the Board meetings of the Company in 2025 were in compliance with the applicable statutory procedures, and that all material operational and decision-making matters were duly considered and approved in accordance with the relevant procedures, and were lawful and valid.

II. EXPRESSION OF INDEPENDENT OPINIONS

In 2025, I expressed independent opinions on matters including the remuneration of the Company’s directors and senior management, the directors, and the change of auditors.

**III. WORK PERFORMED FOR THE PROTECTION OF INVESTORS’ LEGITIMATE
RIGHTS AND INTERESTS**

1. Supervision of Corporate Governance and Operation Management

During the Reporting Period, I reviewed and assessed the Company’s governance-related systems and their implementation, production and operation management, the establishment and execution of internal control system, as well as the management’s execution and follow-up

on resolutions passed at general meetings and Board meetings. I carefully considered reports from relevant personnel and conducted on-site inspections to keep abreast of the Company's daily operations and potential operational risks. Furthermore, I also thoroughly reviewed the resolutions and relevant materials for each Board meeting and exercised my voting rights independently and prudently.

2. Supervision of Information Disclosure

During the reporting period, I paid close attention to and supervised the Company's information disclosure practice. I urged relevant personnel to ensure disclosure work in strict compliance with applicable laws and regulations, guaranteeing that the Company's disclosures are true, accurate, timely, complete and fair, thereby effectively safeguarding the interests of all shareholders of the Company.

3. Diligent Performance of Duties as an Independent Non-executive Director

During the Reporting Period, I performed my duties as an independent non-executive director with due diligence and attended Board meetings on time. Regarding major matters requiring Board deliberation and decision-making, I required the Company to provide relevant materials in advance for thorough review. When necessary, I raised inquiries with relevant departments and personnel. On this basis, I leveraged my professional expertise to exercise my voting rights independently, objectively, and prudently, thereby enhancing the scientific and objective nature of the Board's decision-making and effectively safeguarding the legitimate rights and interests of the Company and its shareholders.

4. Continuous Learning and Self-Improvement

During the Reporting Period, I remained committed to studying the latest laws, regulations, and regulatory rules and continuously deepened my understanding of relevant regulations, particularly those relating to corporate governance structures and the protection of shareholders' rights. I strove to enhance my professional capacity to perform my duties and protect the legitimate rights and interests of the Company and its shareholders, while continuously strengthening my awareness of safeguarding shareholders' interests.

IV. OTHER MATTERS

1. No proposal was made to convene any Board meeting or general meeting.
2. No independent engagement of external auditing firms or consulting institutions occurred.

In 2025, the Supervisory Committee of Beijing Biostar Pharmaceuticals Co., Ltd. (hereinafter referred to as the “Company”), in accordance with the provisions of the Company Law of PRC, the Securities Law of PRC, the Articles of Association of the Company, and the Rules of Procedure for the Supervisory Committee, upheld the principle of accountability to all shareholders, adhered to the principle of good faith, diligently performed its duties, and faithfully exercised the various powers and responsibilities granted by laws and regulations. The Supervisory Committee conducted inspections of the Company’s business decision-making procedures, legal operations, financial status, and internal management. Furthermore, it exercised effective supervision over the performance of duties by the Directors and senior management of the Company. These efforts played a proactive role in ensuring the standardized operation and development of the enterprise, thereby safeguarding the interests of the Company and the legitimate rights and interests of all shareholders. The report on the work of the Supervisory Committee during the reporting period is as follows:

I. REVIEW OF THE WORK OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

During the Reporting Period, the Supervisory Committee held a total of two (2) meetings. The procedures for convening and holding the meetings complied with the relevant provisions of the PRC Company Law, the Articles of Association, and the Rules of Procedure for the Supervisory Committee.

II. OPINIONS OF THE SUPERVISORY COMMITTEE ON THE STANDARDIZED OPERATION OF THE COMPANY IN 2025

During the Reporting Period, the Supervisory Committee of the Company, in accordance with the relevant provisions of the Company Law and the Articles of Association and proceeding from the perspective of effectively safeguarding the interests of the Company and the legitimate rights and interests of minority shareholders, diligently performed its duties. The Supervisory Committee conducted comprehensive supervision over the Company’s asset operations, operation and management, financial status, and the performance of duties by senior management. Having carefully deliberated on these matters, the Supervisory Committee is of the unanimous opinion that:

(I) Operation of the Company in Accordance with the Law

During the Reporting Period, the Supervisory Committee supervised the Company’s operations in accordance with the law and attended the Company’s Board meetings and general meetings as attendees. The Supervisory Committee exercised strict supervision over the Company’s decision-making procedures and the performance of duties by members of the Board and senior management. The Supervisory Committee is of the view that: the convening and holding of the Company’s general meetings and Board meetings were in compliance with the provisions of the Company Law, the Securities Law, the Articles of Association, and other relevant regulations. The decision-making procedures complied with the requirements of relevant laws, regulations, and the Articles of Association, and the contents of the relevant resolutions are legal and valid. No illegal or non-compliant business activities were identified.

The members of the Board and senior management of the Company performed their duties faithfully and diligently in accordance with the relevant national laws, regulations, and the Articles of Association. During the reporting period, no conduct by directors or senior management was found in the course of performing their duties or exercising their powers that violated laws, regulations, the Articles of Association, or that were detrimental to the interests of the Company and its shareholders.

(II) Inspection of the Company's Financial Status

During the Reporting Period, the Supervisory Committee conducted effective supervision and inspection of the Company's financial status. The Supervisory Committee is of the view that the Company has a well-established financial system and the financial policies and procedures are comprehensive. The Company's financial position is sound, with excellent asset quality. The recognition and measurement of revenue, expenses, and profits are true and accurate. The 2025 Annual Report truly, accurately, and completely reflects the actual situation of the Company, and contains no false records, misleading statements, or material omissions.

(III) Connected Transactions of the Company

The Supervisory Committee supervised and verified the connected transactions of the Company during 2025. The Supervisory Committee is of the view that the connected transactions followed the principles of fairness, openness, and justice. The pricing of such transactions was fair and reasonable, and there was no circumstance detrimental to the interests of the Company and the minority shareholders.

(IV) External Guarantees of the Company

During the Reporting Period, no external guarantees were provided by the Company.

The above report is hereby submitted for your consideration.

Supervisory Committee of Beijing Biostar Pharmaceuticals Co., Ltd.

**Articles of Association of
Beijing Biostar Pharmaceuticals Co., Ltd.**

~~(Applicable after the listing of H Shares)~~

~~(including all amendments up to 23 May 2025)~~ June 2026

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Articles of Association of Beijing Biostar Pharmaceuticals Co., Ltd.

(DRAFT)

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to safeguard the legitimate rights and interests of Beijing Biostar Pharmaceuticals Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (Revised in 2023) (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant regulations, and with reference to the Guidelines for Articles of Association of Listed Companies and relevant regulations of the China Securities Regulatory Commission (the “CSRC”) in relation to corporate governance.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other regulations of relevant laws, administrative regulations, departmental regulations in China.

The Company was established by Beijing Biostar Pharmaceuticals Co., Ltd. by way of full conversion, registered with the Administration for Market Regulation of Beijing Economic-Technological Development Area, and obtained Business License with the unified social credit code of 9111010874157874XP.

Article 3 The Company’s initial public offering of 14,588,000 overseas listed foreign shares (“H Shares”) in Hong Kong was filed with the China Securities Regulatory Commission (the “CSRC”) on June 12, 2024. The aforementioned H Shares were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on October 31, 2024.

Article 4 Registered name of the Company

Chinese name: 北京華昊中天生物醫藥股份有限公司

English name: Beijing Biostar Pharmaceuticals Co., Ltd.

Article 5 Domicile of the Company: ~~1202A,~~ 1202B, 12/F, Building 3 No. 22 Ronghua Middle Road (Street/Road), Beijing Economic Technological Development Area, Beijing, PRC

Postal code: 100023

Article 6 The registered capital of the Company is RMB364,588,000.

Article 7 The Company is a joint stock limited company with perpetual existence.

Article 8 The chairman of the Board of Directors is the legal representative of the Company and shall be elected or changed by a majority of all members of the Board of Directors.

The resignation of the chairman of the Board of Directors shall be deemed to be the resignation of the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty days from the date of resignation of the legal representative.

The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company. Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the laws or the Articles of Association.

Article 9 ~~The total assets of the Company are divided into shares of equal par value. The~~ shareholders shall be liable to the Company to the extent of the shares they subscribed, and the Company shall be liable for its debts to the extent of all of its property assets.

Article 10 The Articles of Association shall, as from the date when they come into effect, become a legally binding document regulating the organization and activities of the Company, as well as the relationship of rights and obligations between the Company and its shareholders and among the shareholders themselves, and shall have legally binding effect upon the Company and its shareholders, directors, ~~supervisors~~ and members of the senior management. According to the Articles of Association, shareholders may sue shareholders; shareholders may sue the Directors, ~~Supervisors~~, General Manager and other members of the senior management of the Company; shareholders may sue our Company, and our Company may sue shareholders, Directors, ~~Supervisors~~, General Manager and other members of the senior management.

Article 11 The other members of the senior management mentioned in the Articles of Association refer to the deputy general manager, secretary to the Board of Directors, financial officer (chief financial officer), chief scientific officer and chief marketing officer.

Article 12 The Company establishes a Communist Party organization to carry out the activities of the Communist Party in accordance with the provisions of the Constitution of the Communist Party of China (《中國共產黨章程》), and provides the necessary conditions for the activities of the Communist Party organization.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

Article 13 Business objectives of the Company: developing genuine innovative drugs in China to benefit cancer patients around the world, presenting itself outstandingly in the biotechnology field in China and becoming the leading company in the field of innovative natural microbial small molecules innovative drugs.

Article 14 Registered in accordance with the laws, the business scope of the Company: manufacturing of biological drugs (excluding proprietary Chinese medicines); wholesale of drugs, retail of drugs; research and development of biotechnology and biopharmaceuticals, provision of technology transfer, technology consultation, technology services, and technology training; import and export of goods and technology. (The market entities independently choose to operate projects and carry out business activities according to laws; projects that are required to be approved according to laws can only be conducted within the approved content after being approved by relevant authorities; business activities prohibited or restricted by industrial policies of the country and city are not allowed.)

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 15 The Shares of the Company take the form of registered stocks.

Article 16 The Shares of the Company shall be issued following the principles of open, fairness and justice, and each share in the same class shall have the same rights.

Shares issued at the same time and within the same class must be issued on the same conditions and at the same price, and the same price shall be paid for each share subscribed for by any entity or individual.

The unlisted domestic shares issued by the Company shall rank *pari passu* with the overseas listed shares in respect of any distribution by way of dividend (including distributions in cash and in specie) or otherwise. No powers shall be exercised to freeze or otherwise prejudice any of the rights attaching to any share by reason only that any person who is interested directly or indirectly therein has failed to disclose his/her interests to the Company.

After being filed with the securities regulatory authority of the State Council and approved by the Hong Kong Stock Exchange, all or part of the Company's unlisted domestic shares may be converted into overseas listed shares, and the overseas listed shares so converted may be listed and traded on an overseas stock exchange. The listing and trading of such converted shares on the overseas stock exchange shall also be subject to the regulatory procedures, regulations and requirements of the overseas stock market.

The conversion of unlisted shares into overseas listed shares and their listing and trading on overseas stock exchanges does not require a shareholders' general meeting and shall be voted on by the Board of Directors.

Article 17 All the shares issued by the Company shall have a par value denominated in Renminbi.

Article 18 The unlisted domestic shares issued by the Company are centrally deposited with China Securities Depository and Clearing Corporation Limited. The H shares issued by the Company shall primarily be deposited in the custodian company of the Hong Kong Securities Clearing Company Limited in accordance with the laws and practices for securities registration and depository of the place where the shares of the Company are listed, or may also be held by shareholders in their own names.

Article 19 The Company was established by way of promotion. The total number of shares upon establishment was 350,000,000 shares, all of which were Renminbi ordinary shares with a par value of RMB1 each. As at the Company was established, the number of shares subscribed by the promoters, their respective proportion to the total share capital, contribution method and time are set out as following:

No.	Name of shareholder	No. of subscribed share (shares)	Percentage of shareholding %	Method of contribution	Time of Contribution
1	BaygenQT Inc.	40,505,885	11.5731	Shares converted from net assets	2020.11.30
2	Beijing Baygen Technologies Ltd.*	419,561	0.1199	Shares converted from net assets	2020.11.30
3	Beijing Xin Sheng De Yuan Enterprise Management Co. Ltd.*	34,798,296	9.9424	Shares converted from net assets	2020.11.30
4	Beijing Dexin Botai Enterprise Management Centre (Limited Partnership)	24,475,926	6.9931	Shares converted from net assets	2020.11.30
5	Beijing Lapam Venture Capital Centre (Limited Partnership)*	13,969,660	3.9913	Shares converted from net assets	2020.11.30
6	Shenzhen Dachen Chuangfeng Equity Investment Enterprise (Limited Partnership)*	12,822,213	3.6635	Shares converted from net assets	2020.11.30
7	Beijing Chongde Hongxin Venture Capital Centre (Limited Partnership)*	15,529,256	4.4369	Shares converted from net assets	2020.11.30
8	Zhang Haiyan	11,118,115	3.1766	Shares converted from net assets	2020.11.30
9	Betta Pharmaceuticals Co., Ltd.	11,118,045	3.1766	Shares converted from net assets	2020.11.30
10	Beijing Zhongling Yanyuan Venture Capital Center (Limited Partnership)*	6,670,829	1.9060	Shares converted from net assets	2020.11.30
11	Tang Li	3,592,932	1.0266	Shares converted from net assets	2020.11.30
12	Zhuhai Xingkong Yaoguang Investment Partnership (Limited Partnership)*	4,023,535	1.1496	Shares converted from net assets	2020.11.30
13	Nanjing Gaoke Xinjun Growth Phase I Equity Investment Partnership (Limited Partnership)*	6,372,316	1.8207	Shares converted from net assets	2020.11.30
14	Sichuan Xintongde Big Data Industry Venture Capital Partnership (Limited Partnership)*	1,911,698	0.5462	Shares converted from net assets	2020.11.30

No.	Name of shareholder	No. of subscribed share (shares)	Percentage of shareholding %	Method of contribution	Time of Contribution
15	Chengdu Venture Capital Co., Ltd.*	3,122,434	0.8921	Shares converted from net assets	2020.11.30
16	Chengdu Jingrong Venture Capital Co., Ltd.*	1,274,465	0.3641	Shares converted from net assets	2020.11.30
17	Chengdu Chengchuang Zhilian Technology Partnership (Limited Partnership)*	63,719	0.0182	Shares converted from net assets	2020.11.30
18	SDIC VC Fund (Shanghai) of Technology Transfer and Commercialization (Limited Partnership)*	29,426,685	8.4076	Shares converted from net assets	2020.11.30
19	Efung Ruihua (Zaozhuang) Venture Capital Centre (Limited Partnership)*	16,370,448	4.6773	Shares converted from net assets	2020.11.30
20	Efung XIV (Zaozhuang) Venture Capital Centre (Limited Partnership)*	5,456,813	1.5591	Shares converted from net assets	2020.11.30
21	Matrix Partners China VI Hong Kong Limited	17,150,002	4.9000	Shares converted from net assets	2020.11.30
22	CCTC Zhongmin (Kunshan) Venture Capital Enterprise (Limited Partnership)*	1,559,087	0.4455	Shares converted from net assets	2020.11.30
23	Ningbo Meishan Free Trade Port Zone Qirui Investment Center (Limited Partnership)*	3,118,173	0.8909	Shares converted from net assets	2020.11.30
24	Shenzhen Qianhai Jiancheng Investment Co., Ltd.*	2,338,630	0.6682	Shares converted from net assets	2020.11.30
25	Tianjin Tianchuang Yongxin Enterprise Management Partnership (Limited Partnership)*	3,897,726	1.1136	Shares converted from net assets	2020.11.30
26	Chengdu Bio-City I Equity Investment Fund Partnership (Limited Partnership)*	2,338,630	0.6682	Shares converted from net assets	2020.11.30
27	Jinjiang Guangzhi Chuangke I Equity Investment Partnership (Limited Partnership)*	779,543	0.2227	Shares converted from net assets	2020.11.30
28	CCBI Jinding Investment (Tianjin) Co., Ltd.*	1,559,087	0.4455	Shares converted from net assets	2020.11.30
29	Zhuhai Huajin Haoyuan Enterprise Management Partnership (Limited Partnership)*	19,220,863	5.4917	Shares converted from net assets	2020.11.30
30	Zhuhai Jingrong Haoyuan Investment Partnership (Limited Partnership)*	25,393,539	7.2553	Shares converted from net assets	2020.11.30
31	Ningbo Meishan Free Trade Port Zone Jiusheng Investment Partnership (Limited Partnership)*	3,897,716	1.1136	Shares converted from net assets	2020.11.30
32	Foshan Zhiyao I Venture Capital Partnership (Limited Partnership)*	2,026,814	0.5791	Shares converted from net assets	2020.11.30
33	Xiamen Feiyu Yingchuang Industrial Investment Partnership (Limited Partnership)*	1,559,087	0.4455	Shares converted from net assets	2020.11.30
34	Shenzhen Zhongju Huixin Investment Centre (Limited Partnership)*	670,767	0.1916	Shares converted from net assets	2020.11.30
35	Foshan Hongtao Tongxuan Equity Investment Partnership (Limited Partnership)*	2,079,392	0.5941	Shares converted from net assets	2020.11.30

No.	Name of shareholder	No. of subscribed share (shares)	Percentage of shareholding %	Method of contribution	Time of Contribution
36	Langma No. 26 (Shenzhen) Venture Capital Centre (Limited Partnership)*	670,767	0.1916	Shares converted from net assets	2020.11.30
37	Langma No. 32 (Shenzhen) Venture Capital Centre (Limited Partnership)*	804,927	0.2300	Shares converted from net assets	2020.11.30
38	Langma No. 34 (Shenzhen) Venture Capital Centre (Limited Partnership)*	1,207,395	0.3450	Shares converted from net assets	2020.11.30
39	Jiaxing Xingkong Guiqi Equity Investment Partnership (Limited Partnership)*	2,682,990	0.7666	Shares converted from net assets	2020.11.30
40	Zhuhai Huaxin Haoyuan Business Management Partnership (Limited Partnership)*	14,002,034	4.0006	Shares converted from net assets	2020.11.30
Total		<u>350,000,000</u>	<u>100.00</u>		

Article 20 Upon the completion of the initial public offering of H Shares, the total number of shares of the Company shall be 364,588,000 shares, all of which are ordinary shares.

Article 21 The Company shall not provide any financial assistance by means of donation, loan, guarantee or other means for others to obtain the shares of the Company or the parent company thereof unless it carries out an employee stock ownership plan.

Subject to the provisions of laws, regulations, and securities regulatory rules of the places where the Company's shares are listed, for the benefits of the Company, the Company may, upon a resolution by the shareholders' general meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' general meeting, provide financial assistances for others to obtain the shares of the Company or the parent company thereof, provided that the total accumulative amount of the financial assistances shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds of all the directors.

In the event of any violation against the provisions of the preceding two paragraphs which causes losses to the Company, the responsible directors, ~~supervisors~~ and senior management shall be liable for compensation.

Section 2 Increase, Reduction and Repurchase of Shares

Article 22 According to the operation and development needs of the Company, subject to the applicable laws, regulations and securities regulatory rules of the places where the Company's shares are listed, the Company may increase the registered capital by the following ways upon approval by separate resolution of the shareholders' general meeting:

- (I) ~~public~~-unspecific issuance of shares;
- (II) ~~non-public~~-specific issuance of shares;
- (III) issuing of bonus shares to existing shareholders;
- (IV) capitalization of common reserve fund;
- (V) other means stipulated by laws and administrative regulations or approved by relevant regulatory authorities.

Subject to the applicable laws, regulations and securities regulatory rules of the places where the Company's shares are listed, the Board of Directors may, by authorization of the shareholders' general meeting, decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' general meeting.

Where the Board of Directors decides to issue shares pursuant to the preceding paragraph, and thus results in a change in the registered capital or the number of issued shares of the Company, the voting at the shareholders' general meeting may not be needed to revise such item set forth in the Articles of Association. Where the shareholders' general meeting authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds of all the Directors.

Article 23 The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in the Company Law, the Hong Kong Listing Rules and other relevant regulations and the Articles of Association.

Article 24 The Company shall not repurchase its shares except under any of the following circumstances:

- (I) reducing the Company's registered capital;
- (II) merging with other companies holding shares of the Company;
- (III) using the shares as employee stock plans or share incentives;

- (IV) requiring the Company for acquiring their shares from Shareholders who have voted against the resolutions passed at a shareholders' general meeting on the merger or division of the Company;
- (V) use of shares for conversion of convertible corporate bonds issued by the Company;
- (VI) necessary if the Company wishes to maintain the value of the company and the interests of the shareholders;
- (VII) other circumstances stipulated by laws, administrative regulations, departmental rules and the securities regulatory rules of place where the Company's shares are listed.

Article 25 The Company may repurchase its shares through public centralized trading or other ways recognized by laws, regulations, the Hong Kong Listing Rules and relevant regulatory authorities under the premise of complying with the securities regulatory rules of the places where the Company's shares are listed.

Article 26 Approval shall be obtained from the shareholders' general meeting when the Company is to repurchase its own shares under the circumstances (I) or (II) set out above; if the share repurchase is made under any of the circumstances stipulated in (III), (V) or (VI) of Article 24 of the Articles of Association, centralized trading shall be adopted publicly, and a resolution of the Board of Directors shall be made by a two-thirds majority of directors attending the meeting under the premise of complying with the applicable securities regulatory rules of the places where the Company's shares are listed. If it is otherwise provided in the securities regulatory rules of the places where the Company's shares are listed, such rules shall prevail in the premise of not violating the provisions of the Company Law, the Securities Law and other laws and regulations and the Guidelines for the Articles of Association of Listed Companies.

Following the purchase of its own shares by the Company in accordance with Article 24 of the Articles of Association, if the shares fall under the circumstances specified in item (I), they shall be canceled within 10 days from the date of purchase, provided that the applicable securities regulatory rules of the place where the Company's shares are listed have been observed; under the circumstances specified in items (II) and (IV), the shares shall be assigned or deregistered within six months; in the case of items (III), (V) and (VI), the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company, and shall be assigned or deregistered within three years. Where the securities regulatory rules of the place where the Company's shares are listed provide for otherwise, such rules shall prevail provided that they do not violate the laws and regulations such as the Company Law and the Securities Law, as well as other applicable domestic laws and regulations such as the Guidance on the Articles of Association of Listed Companies.

Any purchase of the Company's shares by the Company should adhere to the information disclosure obligations as stipulated in the Securities Law and the securities regulations and rules of the places where the Company's shares are listed.

Section 3 Transfer of Shares

Article 27 The shares of the Company may be transferred according to law, unless otherwise provided by laws, administrative regulations, departmental rules or securities regulatory rules of the place where the shares are listed.

Transfer of H shares shall be registered with the local share registration agency entrusted by the Company in Hong Kong.

Transfer of any H Shares shall be executed with a written instrument of transfer with a common format or other format accepted by the Board of Directors (including the standard transfer format or transfer form specified from time to time by Hong Kong Stock Exchange), which may only be signed by hand or (if the transferor or transferee is a company) affixed with the effective corporate seal. If the transferor or transferee is a recognized clearing house defined in the relevant provisions in force from time to time of the Hong Kong laws (hereinafter referred to as a “recognized clearing house”) or its agent thereof, the instrument of transfer may be signed by hand or by machine imprinted signatures. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

Article 28 The Company shall not accept its shares to be held as security under a pledge.

Article 29 Shares of the Company that were issued prior to a public offering shall not be transferred within one year from the date on which shares of the Company are listed and traded on the stock exchange.

The directors, ~~supervisors~~ and members of the senior management of the Company shall declare to the Company their shareholdings in the Company and the changes therein. The shares transferred each year during their term of office as determined at the time of his/her appointment shall not exceed 25% of the total number of shares they held in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company’s shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from the date on which they cease to be employed by the Company.

Where the listing rules of the places where the Company’s shares are listed provide otherwise in respect of the restrictions on the transfer of shares, such rules shall prevail.

Article 30 Any gains from sale of Company’s shares or other securities with an equity nature by the directors, ~~supervisors~~ and members of the senior management or shareholders holding 5% or more of the Company’s shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company, and the Board of Directors shall recover such gains from the abovementioned parties. However, unless the securities company which holds 5% or more of the Company’s shares as a result of underwriting the untaken shares in an offer, and there are other circumstances prescribed by the CSRC.

Shares or other securities with an equity nature held by directors, ~~supervisors~~, members of the senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents or children, or held under other people's accounts.

If the Board of Directors fails to comply with the provisions set forth in the first paragraph of this article, the shareholders are entitled to request the Board of Directors to comply with such within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the interest of the Company.

If the Board of Directors fails to comply with the provisions set forth in the first paragraph of this Article, the responsible directors shall bear joint liabilities in accordance with the law.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Section 1 Shareholders

Article 31 The Company shall set up a register of shareholders based on the certificates provided by the securities registration agency. The register of shareholders shall be sufficient evidence to the holding of the shares of the Company by a shareholder. The original copy of the register of H shareholders is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the places where the Company's shares are listed. If there are special provisions under the applicable laws, administrative regulations, departmental regulations, normative documents and the securities regulatory rules of the place where the Company's shares are listed on the closure of alternation of registration in the register of shareholders, those provisions shall prevail.

A shareholder shall enjoy rights and assume obligations according to the class of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

If a shareholder of overseas listed H shares loses share certificates and applies for a replacement issue, it may be handled in accordance with the laws, the rules of the stock exchanges or other relevant provisions of the storage site of the original copy of the register of H shareholders of the overseas listed H shares.

In respect of the joint shareholders of any shares, only the joint shareholder whose name stands first in the register of shareholders shall be entitled to receive from the Company a share certificate for the relevant shares, or to receive notices from the Company, and any notice served on the said person shall be deemed to have been served on all the joint shareholders of the relevant shares. Any one of such joint shareholders may sign a proxy form provided that, if more than one joint shareholders are present in person or by proxy, the vote made by the preferred joint shareholder, whether in person or by proxy, shall be accepted as the sole vote for the remaining

joint shareholders. For this purpose, the priority of the shareholders must be determined by the order in which the names of the joint shareholders stand in relation to the relevant shares on the register of shareholders of the Company.

Article 32 Where the Company holds a shareholders' general meeting, distributes dividends, undergoes liquidation or engages in other activities requiring the identification of the shareholders, the date of registration of shareholdings shall be determined by the Board of Directors or the convener of the shareholders' general meeting. The shareholders who appear on the register of shareholders after the close of trading on the date of registration of shareholdings are shareholders entitled to the corresponding rights and interests.

Article 33 shareholders of the Company shall be entitled to the following rights:

- (I) to receive dividends and profit distributions in other forms in proportion to the shares they hold;
- (II) to file a petition, convene, hold, attend or send proxies to attend the shareholders' general meetings and exercise their corresponding right to speak and vote according to laws (unless individual shareholders are required to waive their voting rights on certain matters in accordance with the relevant requirements of the place where the Company's securities are listed);
- (III) to supervise, present suggestions on or make inquiries about the operations of the Company;
- (IV) to transfer, make a gift of or pledge the Company's shares held by them in accordance with laws, administrative regulations and the Articles of Association;
- (V) to consult and copy the articles of association, the register of shareholders, counterfoils of corporate bonds, minutes of shareholders' general meetings, resolutions of the Board meetings, ~~resolutions of meetings of the Board of Supervisors~~ and the financial and accounting reports of the Company and its wholly-owned subsidiaries;
- (VI) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (VII) to request the Company to purchase their shares for the shareholders who object to the Company's resolution on merger or split-up made by the shareholders' general meetings;
- (VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 34 Shareholders requesting to inspect or make copies of materials of the Company shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations.

Where shareholders request for inspection of the relevant information or demand materials as provided for in the previous article, they shall submit a written request to the Company, stating the purpose of such inspection and provide the Company with written documents evidencing the class and number of shares in the Company they hold. Upon verification of the shareholder's identity and the purpose of the inspection, the Company shall provide information as requested by such shareholder in accordance with the provisions of relevant laws, administrative regulations, regulatory documents and these Articles of Association.

When inspecting and making copies of documents and information of the Company, the shareholders of the Company shall sign a non disclosure agreement with the Company before inspecting documents involving the Company's trade secrets and other documents required to be kept confidential. Shareholders and the accounting firms, law firms and other intermediaries appointed by them shall comply with the provisions of laws and administrative regulations relating to the protection of state secrets, trade secrets, privacy and personal information, and shall bear the legal responsibility for the disclosure of such secrets.

Article 35 If the content of the resolutions at the shareholders' general meetings and the board resolutions are in violation of laws and administrative regulations, such resolutions are invalid.

In the event that the convening procedure or voting formula of the shareholders' general meetings or meetings of the Board of Directors violates laws, administrative regulations or the Articles of Association, or the content of the resolutions violates the Articles of Association, shareholders are entitled to ask the people's court to overturn within 60 days after the resolution is made, except where the procedures for convening a meeting of the shareholders or the Board of Directors or the voting formula only has some minor defects, which produces no substantial effect on the resolution.

If relevant parties such as the Board and shareholders dispute the validity of a resolution of a shareholders' general meeting, they shall promptly file a lawsuit with the People's court. Before the People's court makes a judgement or ruling, such as to revoke a resolution, the relevant parties shall execute the resolution of the shareholders' general meeting. The Company, its directors and senior management shall perform their duties diligently to ensure the normal operation of the Company. If the People's court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, the regulations of the CSRC and stock exchanges, fully explain the impact of the judgement or ruling, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.

Any shareholder who fails to be notified to attend the shareholders' general meeting may, within 60 days as of the day when it knows or ought to know that the resolution of the shareholders' general meeting is made, request the people's court to cancel the resolution. If the right of cancellation is not exercised within one year as of the date when the resolution is made, it shall be extinguished.

Article 36 Under any of the following circumstances, a resolution of the shareholders' general meeting or the Board of Directors of the Company shall be invalid:

- (i) the resolution is adopted without holding a shareholders' general meeting or meeting of the Board of Directors;
- (ii) the shareholders' general meeting or meeting of the Board of Directors fails to vote on the resolution;
- (iii) the number of persons attending the meeting or the number of the voting rights held by them fails to reach the number as prescribed by the Company Law or the Articles of Association;
- (iv) the number of persons consenting to the resolution or the number of the voting rights held by them fails to reach the number as prescribed by the Company Law or the Articles of Association.

Article 37 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 other than a member of the audit committee of the Board (hereinafter as the "Audit Committee") in the course of performing their duties, they shall be liable for compensation. Where any director or senior management other than a member of the Audit Committee is under the preceding circumstance, the shareholders individually or jointly holding more than 1% of the shares of the Company for over 180 consecutive days shall have the rights to request in writing to ~~the Board of Supervisors~~ the Audit Committee to initiate legal proceedings in the people's court. Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by ~~the Board of Supervisors~~ 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.

In the event that ~~the Board of Supervisors~~ the Audit Committee and the Board of Directors refuse to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of our Company, the shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the people's court for the interest of our Company.

In the event of any other person infringes upon the legitimate rights and interests of our Company and causes losses thereto, the shareholder(s) specified in paragraph 1 of this article may file an action with the people's court pursuant to the provisions of the preceding two paragraphs.

If a director, supervisor or senior management of a wholly-owned subsidiary of the Company is under the circumstance specified in the preceding paragraph, or if the legitimate rights and interests of a wholly-owned subsidiary of the Company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company and the shareholders of a joint stock limited liability company separately or aggregately holding more than 1% of the total shares of the Company for over 180 consecutive days may request the Board of Supervisors or the board of directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

If a wholly-owned subsidiary of the Company does not have a supervisory committee or supervisors but has an audit committee, the provisions of Paragraphs 1 and 2 of this Article shall apply.

Article 38 In the event of a director or senior management person violates laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholder(s), the shareholder(s) may file an action with the people's court.

Where any director or senior management causes any damage to any other person in the performance of duties, the Company shall be liable for compensation. If any director or senior management is intentional or gross negligent, he/she shall also be liable for compensation.

~~Where any controlling shareholder or actual controller of the Company instructs any director or senior management to carry out any act damaging the interests of the Company or the shareholders, it shall bear joint liability with the director or senior management.~~

Article 39 shareholders of the Company shall assume the following obligations:

- (I) to abide by the laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) to pay ~~subscription monies~~ in share capital according to the shares subscribed and the method of subscription;
- (III) not to withdraw the shares capital unless required by the laws and administrative regulations;
- (IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company.

- (V) other obligations imposed by the laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where shareholders of the Company abuse the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for compensation. Where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

~~Article 40 The shareholders holding more than 5% of the Company's voting rights shall, in the event of a pledge of the shares held by them, report to the Company in writing on the date of such event.~~

~~Article 401 The controlling shareholders, actual controllers of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the requirements of the CSRC and stock exchanges to safeguard the interests of the Company.; directors, supervisors and senior management of the Company shall not take advantage of their associated relationship to damage the Company's interests. Any loss caused to the Company as a result of such violation shall be compensated.~~

The controlling shareholders and actual controllers of the Company are obliged to act in good faith to the Company and other shareholders. The controlling shareholders shall exercise their rights as capital contributors in strict accordance with the law and shall not impair the lawful rights and interests of the Company or of the public shareholders by means of the distribution of profits, reorganization of assets, external investment, fund occupation, loan guarantees, nor shall they make use of their controlling position to impair the interests of the Company or of the public shareholders.

Article 41 Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (I) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their connected relationship to prejudice the legitimate interests of the Company or other shareholders;
- (II) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings unilaterally;
- (III) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are expected to occur;

- (IV) not to appropriate the Company's funds in any way;
- (V) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-swing trading, market manipulation or other illegal and unlawful acts;
- (VII) not to prejudice the legitimate interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;
- (VIII) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (IX) laws, administrative regulations, regulations of the CSRC, rules of stock exchanges and other requirements of these Articles of Association.

If a controlling shareholder or de facto controller of the Company does not serve as a director of the Company but actually executes the Company's affairs, the provisions of these Articles of Association regarding the directors' fiduciary duty and duty to act with diligence shall apply.

If a controlling shareholder or de facto controller of the Company instructs a director or senior management member to engage in an act that is detrimental to the interests of the Company or its shareholders, he/she shall bear joint and several liability with the director or senior management member.

If a controlling shareholder or de facto controller pledges the shares of the Company held by him/her or at his/her actual disposal, he/she shall maintain the control of the Company and the stability of its production and operation.

A controlling Shareholder or de facto controller who transfers the shares of the Company held by him/her shall comply with the restrictive provisions of laws, administrative regulations, regulations of the CSRC and stock exchanges in relation to the transfer of shares and his/her undertakings in relation to the restriction on the transfer of shares.

Section 2 General Provisions for the Shareholders' General Meeting

Article 42 The shareholders' general meeting of the Company is composed of all shareholders. The shareholders' general meeting is the authority of the Company and shall exercise the following powers according to the laws:

- ~~(I) to decide the Company's operational directions and investment plans;~~
- ~~(II) to elect and replace directors and supervisors who are not staff representatives and to determine matters relating to the remuneration of the directors and supervisors;~~
- ~~(III) to consider and approve the reports of the Board of Directors;~~
- ~~(IV) to consider and approve the reports of the Board of Supervisors;~~

~~(V) to consider and approve the Company's annual financial budgets plans and final accounts plans;~~

~~(VIII)~~ to consider and approve the Company's profit distribution plans and loss recovery plans;

~~(IVH)~~ to make resolutions on increase or reduction of the Company's registered capital;

~~(VHH)~~ to make resolutions on the issuance of corporate bonds;

~~(VIIX)~~ to make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;

~~(VIIIX)~~ to amend the Articles of Association;

~~(VIIIIX)~~ to make resolutions on the issue of appointment or dismissal of accounting firms which undertakes the audit work of the Company;

~~(IXXH)~~ to consider and approve the guarantee issues required to be approved by the shareholders' general meeting as prescribed in the Articles of Association;

~~(XHH)~~ to consider the issues that the Company purchases or sells within one year any major assets of which the amount exceeds 30% of its latest audited total assets;

~~(XIV)~~ to delegate the Board of Directors to resolve on the issue of corporate bonds subject to compliance with relevant laws and regulations and the requirements of the securities regulatory rules of the place where the Company's shares are listed;

~~(XIIIV)~~ to consider and approve the changes to the use of proceeds;

~~(XIIIIV)~~ to review the share equity incentive plans and employee stock ownership plans;

~~(XIVH)~~ to consider other matters to be approved at the shareholders' general meeting as required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The shareholders' general meeting may delegate the Board of Directors to resolve on the issuance of corporate bonds.

The Company may, by resolution of the shareholders' general meeting, or by resolution of the Board as authorized by these Articles of Association or the shareholders' general meeting, issue shares and corporate bonds convertible into shares. The specific implementation of such issuance shall be in compliance with laws, administrative regulations, and regulations of the CSRC and stock exchanges.

Unless otherwise provided by laws, administrative regulations, regulations of the CSRC and stock exchanges, the aforesaid function of the shareholders' general meeting shall not be exercised by the Board or other institutions and individuals by way of delegation. Under necessary and

reasonable circumstances, regarding particular issues related to matters being resolved which are unable to be immediately decided upon in the general meeting, the Board can be authorized by the general meeting, to the extent permitted by law, administrative regulations and these Articles of Association, to make decision within the scope authorized by the general meeting.

Article 43 The following external guarantees of the Company shall be submitted to the shareholders' general meeting for approval after being considered and approved by the Board of Directors :

- (i) Any guarantee to be provided after the total amount of external guarantees provided by the Company and its subsidiaries has exceeded 50% of the Company's audited net assets of the latest period;
- (ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's audited total assets of the latest period;
- (iii) Any guarantee to be provided where the total guarantee amount within one year has exceeded 30% of the Company's audited total assets of the latest period;
- (iv) Any guarantee to be provided for a party with a gearing ratio of over 70%;
- (v) Any single guarantee with guarantee amount exceeding 10% of the Company's audited net assets of the latest period;
- (vi) Any guarantee to be provided for the shareholders, de facto controllers and their related parties;
- (vii) Other external guarantee matters that shall be decided at the shareholders' general meeting as required by the relevant laws and regulations or the securities regulations and rules of the places where the Company's shares are listed.

Where the shareholders' general meeting is considering the guarantee matters under item (iii) of the first paragraph of this Article, it is subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the shareholders' general meeting is considering the guarantee matter under item (vi) of the first paragraph of this Article, shall abstain from voting. Such matter is subject to the approval of more than half of the voting rights held by the other shareholders present at the meeting.

The provisions in items (i), (iv), and (v) of the first paragraph of this article may be waived when the Company provides guarantees for wholly-owned subsidiaries or for controlling subsidiaries where other shareholders of the controlling subsidiaries provide guarantees in the same proportion based on their equity interests they are entitled to, without prejudice to the interests of the Company.

When the Company provides guarantee to a related party, such guarantee should be based on reasonable commercial grounds, timely disclosure is required after the consideration and approval of Board of Directors, and submit it to the shareholders' general meeting for consideration. Where the Company provides guarantees for controlling shareholders, de facto controllers and their related parties, the controlling shareholders, de facto controllers and their related parties shall provide counter-guarantees.

Article 44 The shareholders' general meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months from the end of the preceding financial year.

Article 45 Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of occurrence:

- (i) When the number of directors falls short of the number required by the Company Law or is less than two-thirds of the number as stipulated in the Articles of Association;
- (ii) When the Company's unrecovered losses reach one-third of the total paid-up share capital;
- (iii) Upon the written request of the shareholders who hold 10% or more of the shares of the Company, individually or in aggregate;
- (iv) When the Board of Directors deems it necessary;
- (v) When the ~~Board of Supervisors~~ Audit Committee proposes to convene;
- (vi) Other circumstances as stipulated in laws, administrative regulations, departmental rules, the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association.

The shareholding proportion referred to in item (iii) above shall be calculated based on the number of shares held by the shareholders on the date of the written request.

If the extraordinary general meeting is convened in response to the provisions of the rules of the securities regulation of the place where the Company's shares are listed, the actual date of the extraordinary general meeting may be adjusted in accordance with the provisions of the relevant rules of the stock exchange where the Company's shares are listed (if applicable).

Article 46 The venue for convening a shareholders' general meeting shall be the domicile of the Company or other place as specified in the notice of the shareholders' general meeting.

After the notice of the shareholders' general meeting is issued, the venue of the shareholders' general meeting shall not be changed without justifiable reasons. If a change is necessary, the convenor shall make an announcement at least two working days prior to the date of the meeting and explain the reasons.

A meeting venue shall be set up and the shareholders' general meeting shall be convened by way of physical meetings. The Company will also provide the online method or other means to facilitate shareholders in participating the shareholders' general meeting under the premise of ensuring that the shareholders' general meeting is lawful and effective, and in accordance with the laws, administrative regulations, departmental rules and regulations, and the rules of the securities regulatory authorities in the place where the Company's shares are listed. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. In addition to setting up a meeting venue and holding an on-site meeting, the Company can also hold the general meeting by electronic communication.

Article 47 When holding a shareholders' general meeting, the Company shall engage lawyers or a share registrar to give legal opinions or advice on the following matters:

- (i) Whether the procedures of convening and holding the meeting comply with laws, administrative regulations and the Articles of Association;
- (ii) Whether the eligibility of the attendees and the convener of the meeting are lawful and valid;
- (iii) Whether the voting procedure and results of the meeting are lawful and valid;
- (iv) Legal opinions or advice issued in respect of other relevant issues at the request of the Company.

Section 3 Convening of Shareholders' General Meetings

Article 48 Shareholders' general meetings shall be convened by the Board of Directors, unless otherwise provided by law or by these Articles. The Board shall convene the shareholders' general meeting on time and within a prescribed period.

Article 49 With the approval of a majority of all independent non-executive directors, independent non-executive directors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days after receiving such a proposal from the independent non-executive directors.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. In the event that the Board of Directors does not agree to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

Article 50 The ~~Board of Supervisors~~ Audit Committee shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations,

the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of an extraordinary general meeting within 10 days after receiving such proposal.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the Audit Committee ~~Board of Supervisors~~.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, the Board of Directors shall be deemed as unable to perform or failed to perform its duty of convening a shareholders' general meeting, in which case the ~~Board of Supervisors~~ Audit Committee may convene and preside over a shareholders' general meeting by itself.

Article 51 Shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees with the convening of the extraordinary general meeting within 10 days after receiving such request.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such request, shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to propose to the ~~Board of Supervisors~~ Audit Committee to convene an extraordinary general meeting, and such proposal shall be made in writing.

In the event that the ~~Board of Supervisors~~ Audit Committee agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within 5 days after receiving such request. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

Failure of the ~~Board of Supervisors~~ Audit Committee to issue the notice of shareholders' general meeting within the prescribed time limit shall be deemed as failure of the ~~Board of Supervisors~~ Audit Committee to convene and preside over a shareholders' general meeting, and shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days are entitled to convene and preside over a shareholders' general meeting on their own initiatives.

Article 52 Where the ~~Board of Supervisors~~ Audit Committee or shareholders decide(s) to convene a shareholders' general meeting on their own initiatives, the Board of Directors shall be notified in writing, and records shall be filed with the stock exchange where the Company's shares are listed.

Prior to announcement on the resolutions passed at the shareholders' general meeting, the shareholding of the shareholders convening such meeting shall not be less than 10%.

The Audit Committee ~~Board of Supervisors~~ and the shareholders convening the meeting shall submit the relevant materials for proof to the securities supervisory and regulatory authorities in the place of registration of the Company and to the stock exchange in the place where the Company's shares are listed at the time of issuance of notice of the meeting and announcement on the resolutions passed at the meeting.

Article 53 For the shareholders' general meetings convened by the Audit Committee ~~Board of Supervisors~~ or shareholders on their own initiatives, the Board of Directors and its secretary will cooperate. The Board of Directors shall provide the register of members as at the date of registration of shareholdings.

Article 54 For the shareholders' general meetings convened by the Audit Committee ~~Board of Supervisors~~ or the shareholders on their own initiatives, the necessary expenses in relation to the meetings shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' General Meetings

Article 55 The content of the proposals shall be within the scope of the terms of reference of the shareholders' general meeting, and have clear subjects and specific resolutions, and shall comply with the relevant requirements of the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association. The proposal shall be submitted in writing or delivered to the convener.

Article 56 When the Company convenes a general meeting, the Board of Directors, the Audit Committee ~~Board of Supervisors~~, as well as shareholder(s) individually or jointly holding more than 1% of the shares of the Company, shall be entitled to put forward proposals to the Company.

Shareholders individually or collectively holding 1% or more of voting rights attached to the Company's share capital shall be entitled to propose provisional proposals and submit the same to the Board of Directors in writing 10 days prior to date of the meeting. Provisional proposals shall have clear agenda and specific resolutions. The Board of Directors shall dispatch a supplementary notice of the shareholders' general meeting and advise the contents of such provisional proposal within 2 days upon receipt of the proposal, and submit the provisional proposal to the shareholders' general meeting for consideration, unless the provisional proposal violates the laws, administrative regulations or provisions of the Articles of Association, or does not fall within the scope of the shareholders' general meeting. For the issuance of the supplemental notice of the shareholders' general meeting, if there are special provisions under the securities regulatory rules of the place

where the Company's shares are listed, such provisions shall prevail, provided that the Company Law, the Guidelines on the Bylaws of Listed Companies and other applicable provisions are not violated. If the securities regulations and rules of the places where the Company's shares are listed requires the general meeting to be postponed as a result of the supplemental notice, the convening of the general meeting shall be postponed in accordance with the requirements of such securities regulations and rules.

Other than the circumstances referred to in the preceding paragraph, after the convener issues the notice for the shareholders' general meeting, no changes shall be made to the proposals set forth in the notice of the general meeting and no further proposals shall be added.

The shareholders' general meeting shall not vote or resolve on proposals not set forth in the notice of the shareholders' general meeting or not in compliance with the requirements of Article 55 of the Articles of Association.

Article 57 The convener will inform each shareholder of the upcoming annual general meeting in writing (including by way of announcement) 21 days before the meeting, and will inform each shareholder of the upcoming extraordinary general meeting in writing (including by way of announcement) 15 days before the meeting, unless the notice of this meeting with the consent of all shareholders may not be limited by notice period and notice system.

When calculating the starting date of the "21 days" and the "15 days" aforementioned, the date of the meeting shall be excluded, but the date of the announcement of the meeting shall be included

Article 58 The notice of shareholders' general meeting shall include the following:

- (I) time, place and duration of the meeting;
- (II) the matters and proposals submitted to the meeting for consideration;
- (III) the notice shall state clearly that all shareholders are entitled to attend the shareholders' general meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not to be a shareholder of the Company;
- (IV) the date of registration of shareholdings for shareholders who are entitled to attend the general meeting;
- (V) the names and telephone numbers of the contact person for the meeting affairs;
- (VI) time and process of voting online or by other means.

Adequate and complete disclosure of all the specific details of the proposals shall be made in the notice and supplemental notice of a general meeting. If opinions of the independent non-executive directors are required for the proposed matters to be discussed, the notice of shareholders' general meeting or supplemental notices shall also disclose such opinions and their reasons.

Procedures for voting at the meeting shall be clearly stated in the notice of the shareholders' general meeting. Online voting or voting by other means shall commence no earlier than 3:00 p.m. on the day before the physical meeting but no later than 9:30 a.m. on the date of the physical meeting and shall not end earlier than 3:00 p.m. on the date of the conclusion of the physical meeting.

The gap between the date of registration of shareholdings and the date of the meeting shall be no more than 7 business days. The date of registration of shareholdings shall not be changed once confirmed.

Article 59 If the election of directors ~~or supervisors~~ is proposed to be discussed in the shareholders' general meeting, the notice of the shareholders' general meeting shall adequately disclose the detailed profiles of the candidates for directors ~~and supervisors~~, which should include at least the following:

- (I) if there are any circumstances in which the candidates are not allowed to be nominated as directors ~~or supervisors~~; whether they possess the qualifications required by the laws, administrative regulations, departmental rules, normative documents, the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association;
- (II) personal information such as educational background, work experience, concurrent positions;
- (III) whether they are connected with the Company, the controlling shareholders or de facto controllers of the Company
- (IV) the number of shares held in the Company;
- (V) whether they have been punished by the CSRC or other relevant authorities or been reprimanded by a stock exchange;
- (VI) the information required to be disclosed under the Hong Kong Listing Rules in relation to the new appointment, re-election or re-designation of Directors ~~or Supervisors~~.

Each candidate for director ~~or supervisor~~ shall be proposed by way of a separate proposal, except for those elected through a cumulative voting system.

Article 60 After the notice of shareholders' general meeting is issued, the shareholders' general meeting shall not be postponed or cancelled without a proper reason, and the proposals stated in the notice of shareholders' general meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue a notice and state the reasons at least 2 working days before the original date of the shareholders' general meeting. If the convener is the Board of Directors ~~or the Board of Supervisors~~, it shall hold a meeting to consider the matters in relation to the cancellation of the shareholders' general meeting. If there are special provisions

under the securities regulations and rules of the places where the Company's shares are listed regarding the procedures for postponing or canceling shareholders' general meetings, the provisions shall prevail provided that they do not violate the domestic regulatory requirements.

Section 5 Conducting the shareholders' General Meetings

Article 61 The Board of Directors of the Company and other conveners shall take all necessary measures to ensure that the shareholders' general meeting is conducted in an orderly manner. For conduct which interrupts the shareholders' general meeting, provoking troubles, and infringe the legitimate rights of the shareholders, the Company shall take measures to stop the conduct and shall report such to the relevant authorities in a timely manner for their investigation.

Article 62 All shareholders in the register as at the date of registration of shareholdings or their proxies shall be entitled to attend the general meeting, ~~and to speak~~ and exercise their voting rights at the meeting pursuant to the relevant laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed and the Articles of Association (unless individual shareholders are required to waive their voting rights on certain matters under the securities regulations and rules of the places where the Company's shares are listed).

A shareholder may attend, ~~speak~~ and vote at the shareholders' general meeting in person or by proxy. A proxy does not need to be a shareholder of the Company.

Article 63 Individual shareholders attending a shareholders' general meeting in person shall present their identity cards or other valid identity documents or proof. In the case of attending by proxies, the proxies shall present valid identity documents, the proxy forms from the shareholders and a copy of the appointing shareholder's valid identity documents.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the meeting. If the meeting is attended by the legal representatives, they shall produce their identity cards and valid proof of their status as legal representatives; if the meeting is attended by proxies of such legal representatives, such proxies shall present their identity cards and the written authorisation letter legally issued by the legal representative of the legal entity shareholder (except for shareholders who are recognized clearing houses or their proxies).

Article 64 The proxy form for appointing a proxy to attend the shareholders' general meeting issued by a shareholder shall include the following information:

- (I) name of the ~~proxy~~ appointing party and the class and number of the Company's shares held by him/her/it;
- (II) ~~whether~~ name of the proxy ~~has the voting right;~~
- (III) ~~separate~~ specific instructions as to vote for, against or abstain from voting on each matter to be considered at the general meeting;
- (IV) the issuing date and validity period of the power of attorney;

- (V) signature of the appointing shareholder or proxy entrusted in writing. If the appointing shareholder is a legal entity, the seal of the legal entity shall be affixed or it shall be signed by its Director or a duly authorised agent or officer.

~~**Article 65** The proxy form shall state whether the proxy may vote as he/she thinks fit in the absence of concrete instructions from the shareholder.~~

Article 656 Where a proxy form for appointing a voting proxy is signed by a person authorized by the appointing shareholder, the authorization letter or other authorization documents shall be notarized. Subject to the relevant laws, regulations and regulatory rules of the place where the shares of the Company are listed, the notarized authorization letter or other authorization documents and the proxy form shall be kept at the domicile of the Company or at such other places as designated in the notice of the meeting before the relevant meeting or within the time period specified by the Company.

~~Where the appointing shareholder is a legal entity, its legal representative or the person authorized by a resolution of its board of directors or other decision making body shall attend the Company's shareholders' general meetings as the representative of such appointing shareholder.~~

If the shareholder is a recognized clearing house (or its agent), such shareholder shall be entitled to authorize one or more persons it thinks fit to act as its proxy at any shareholders' general meeting or creditors' meeting. However, if more than one person is appointed as proxies, the proxy form shall clearly state the number and the class of shares represented by each of the proxies. The proxy forms shall be signed by the person authorized by the recognized clearing house. The proxies so appointed may represent the recognized clearing house (or its agent) in exercising its rights (without being required to present share certificate, certified proxy forms and/or further evidence to prove due authorization), and shall be entitled to the legal rights equivalent to those of the other shareholders, including the right to speak and vote, as if that proxy is an individual shareholder of the Company.

Article 667 A register for attendees at the meeting shall be compiled by the Company, which shall contain, among others, the name of the attendee (or the name of the organization), identity card number, ~~residential address,~~ the number of shares with voting rights held or represented by the attendee and name of the person (or the name of the organization) who attends the meeting by proxy.

Article 678 The convener and the lawyers engaged by the Company shall verify the legitimacy of the eligibility of the shareholders based on such register of shareholders provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the number of shares with voting rights that are held by them. The registration for the meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the physical meeting and the total number of shares with voting rights that they represent.

Article 689 ~~When a shareholders' general meeting is convened, all the directors, supervisors and the secretary to the Board of Directors shall attend the meeting, and the chief executive officer and other members of the senior management shall be present at such meeting, other than circumstances that they are unable to attend or be present due to objective reasons. If a shareholders' general meeting requires the attendance of Directors or senior management members, the Directors or senior management members shall do so and answer shareholders' inquiries.~~ Subject to the securities regulations and rules of the place where the Company's shares are listed, the aforementioned persons may ~~attend or~~ be present at the meeting via internet, video, telephone or other means with equivalent effect.

Article 6970 A general meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable to or fails to perform his or her duties, the vice chairman shall preside over the meeting. If both the chairman and the vice chairman are unable to or fail to perform their duties, a director jointly elected by more than half of the directors shall preside over the meeting.

~~The convener of the Audit Committee chairman of the Board of Supervisors shall preside over the shareholders' general meeting that is convened by the Audit Committee Board of Supervisors. If the convener of the Audit Committee chairman of the Board of Supervisors is unable to or fails to perform his or her duties, one member of the Audit Committee jointly elected by a majority of all members of the Audit Committee shall preside over the meeting. the vice chairman of the Board of Supervisors shall preside over the shareholders' general meeting. If both the chairman and vice chairman of the Board of Supervisors are unable to or fail to perform their duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.~~

A shareholders' general meeting convened by the shareholders shall be presided over by the convener or a representative elected by the conveners. If for any reason, the conveners fail to elect a representative to preside over the meeting, the shareholder (including his/her proxy) holding the largest number of voting shares among the conveners shall be the chairman of the meeting to preside over such meeting.

When the chairman of the shareholders' general meeting violates the rules of procedure when holding the meeting and as a result, the shareholders' general meeting is unable to continue, subject to the consent of the shareholders present at the meeting and representing with more than half of voting rights of all the shareholders attending the shareholders' general meeting, the shareholders' general meeting may nominate a person to act as the chairman of the meeting and such meeting may continue.

Article 704 The Company shall formulate the rules of procedure for the shareholders' general meeting which shall set out in details the calling, convening and voting procedures of a shareholders' general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the Board of Directors at the shareholders' general meeting. The authorization shall be clear and

specific. The rules of procedure for the shareholders' general meeting shall be prepared by the Board of Directors and approved by at the shareholders' general meeting, and shall be appended to the Articles of Association.

Article 712 In the annual general meeting, the Board of Directors ~~and the Board of Supervisors~~ shall report to the shareholders' general meeting their work done in the past year. Each independent non-executive director shall also present a work report.

Article 723 Directors, ~~supervisors~~ and members of the senior management shall explanation in relation to the enquiries and suggestions from the shareholders during the shareholders' general meeting, except for those involving trade secrets of the Company that cannot be publicized.

Article 734 The chairman of the meeting shall, prior to voting, declare the number of shareholders and proxies attending the meeting as well as the total number of their voting shares, which shall conform to the meeting's registration.

Article 745 The shareholders' general meeting shall have minutes prepared by the secretary to the Board of Directors.

Minutes shall record the following information:

- (I) time, venue and agenda of the meeting and name of the convener;
- (II) the name of the chairman of the meeting and the names of the directors, ~~supervisors, chief executive officer and other~~ members of the senior management ~~attending or~~ present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them, and its proportion in the total number of shares of the Company;
- (IV) the consideration process, summaries of speeches and voting result for each proposal;
- (V) the shareholders' questions, opinions or suggestions and the corresponding answers or explanations;
- (VI) names of the lawyer, vote counters and scrutinizer;
- (VII) other contents to be recorded in the minutes as considered by the Board of Directors or specified in the Articles of Association.

Article 756 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors present or in attendance at the meeting, ~~supervisors~~, secretary to the Board of Directors, conveners or their representatives and the chairman of the meeting shall sign on the minutes. The minutes of the meeting shall be kept together with the attendance record of the attending shareholders, letters of authorization of proxies, valid information of online voting and voting by other means, for a period of not less than 10 years.

Article 767 The convener shall ensure that the shareholders' general meeting is conducted continuously until final resolutions are made. In the event that the general meeting is adjourned or resolutions failed to be reached due to an event of force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or terminate that meeting, and an announcement shall be timely made accordingly. At the same time, the convener shall report to the CSRC branch at the location of the Company and the stock exchange of the place where the Company's shares are listed.

Section 6 Voting at and Resolutions of shareholders' General Meetings

Article 778 Resolutions of a shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions of a shareholders' general meeting shall be passed by votes representing more than half of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting.

Special resolutions of a shareholders' general meeting shall be passed by votes representing more than two-thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting.

Article 789 The following matters shall be resolved by way of ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board of Directors~~and the Board of Supervisors~~;
- (II) profit distribution plan and loss make-up plan formulated by the Board of Directors;
- (III) appointment and dismissal of the members of the Board of Directors~~and the Board of Supervisors~~, their remuneration and payment terms;
- ~~(IV) annual financial budgets and final accounts of the Company;~~
- (IV) the Company's annual report;
- ~~(V)~~ appointment or dismissal of accounting firms which undertakes the audit work of the Company by the Company, and the determination of their remuneration;
- ~~(VI)~~ other matters other than those to be approved by special resolutions stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article ~~79~~80 The following matters shall be resolved by way of special resolutions at a shareholders' general meeting:

- (I) increase or reduction of the registered capital of the Company;
- (II) division, spin-off, merger, dissolution and liquidation of the Company;
- (III) amendments to the Articles of Association;
- (IV) purchase or disposal of material assets or guarantee made by the Company within one year, of which the amount exceeds 30% of the latest audited total assets of the Company;
- (V) share equity incentive plans;
- (VI) other matters stipulated by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association and those, according to an ordinary resolution of the shareholders' general meeting, may have a significant impact on the Company and require adoption by means of a special resolution.

Article 80~~1~~ shareholders (including their proxies) exercise voting power with the number of voting shares represented by them, and each share has one vote, except as otherwise provided by laws, administrative regulations, departmental rules, normative documents and securities regulatory rules of the place where the Company's shares are listed.

Where material issues affecting the interests of small and medium investors are being considered at the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner according to the relevant laws, regulations and securities regulatory rules of the place where the Company's shares are listed.

The shares held by the Company itself have no voting rights, and such shares shall not be counted in the total number of voting shares upon attendance at a shareholders' general meeting.

The shares of the Company held by the Company itself do not have voting rights, and such shares shall not be included in the total number of voting shares present at the shareholders' general meeting. If the shareholder's purchase of the voting shares of the Company violates paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares in excess of the prescribed proportion shall not be exercisable within 36 months after the purchase and shall not be included in the total number of voting shares present at the shareholders' general meeting.

Where any shareholder is, under applicable laws and regulation and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Board of Directors, independent directors and shareholders holding more than 1% of the voting shares or the investor protection institutions established in accordance with laws, administrative regulations or the regulations of the CSRC may publicly solicit shareholders' voting rights. The solicitors shall make sufficient disclosure of the information such as their voting preference to the shareholders from whom the voting rights are being solicited. Solicitation of voting rights of shareholders involving compensation or disguised compensation shall be prohibited. The Company shall not impose any limitation in respect of the minimum shareholding ratio on the solicitation of voting rights except as required by law.

When a connected transaction is considered at a shareholders' general meeting, connected shareholders may make appropriate statements on the connected transaction, but shall abstain from voting on the connected transaction and the number of shares with voting rights they represent shall not be counted towards the total number of the valid votes. Such connected transaction shall be approved by a poll of the non-connected shareholders present at the meeting, with more than half of the valid votes cast in favour of such connected transaction; if such transaction falls within the scope of a special resolution, it shall be approved by more than two-thirds of the valid votes cast. The announcement of resolutions at the shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

The abstaining and voting procedures for connected shareholders are as follows:

- (I~~+~~) The Board of Directors shall make judgment on whether the relevant matters to be submitted to the shareholders' general meeting for consideration constitute the connected transactions in accordance with the provisions of relevant laws, administrative regulations and departmental rules. In making such judgment, the number of shares held by shareholders shall be the same as the date of registration of shareholdings;
- (II~~+~~) If, in the judgment of the Board of Directors, the relevant matters to be submitted to the shareholders' general meeting for consideration constitute the connected transactions, the Board of Directors shall notify the connected shareholders in writing;
- (III~~+~~) The Board of Directors shall finish the work specified above before giving the notice of the shareholders' general meeting, and inform all the shareholders in the notice of the shareholders' general meeting of the result of such work;
- (IV~~+~~) When the shareholders' general meeting votes on the connected transactions, after deducting the number of voting shares represented by the connected shareholders, the non-connected shareholders present at the shareholders' general meeting shall vote in accordance with the Articles of Association;
- (V~~+~~) If the chairman of the Board attends the shareholders' general meeting as the proxies of the related shareholders, the chairman of the Board shall delegate one deputy chairman (co-chairman) of the Board or another Director to preside over the meeting when such connected transaction is being considered and voted upon.

(VI) If there are special circumstances where the connected shareholders cannot abstain, the voting can be conducted in accordance with the normal procedures after the Company has obtained an approval from the competent authority, and detailed explanations shall be given in the resolution of the shareholders' general meeting.

Article 821 Unless the Company is in a crisis or under any special circumstance, the Company shall not enter into any contract with any person other than the directors, general manager and other senior management whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person without the approval of the shareholders' general meeting by way of a special resolution.

Article 823 The list of candidates for directors ~~and supervisors~~ shall be submitted as a proposal to the shareholders' general meeting for voting.

When a voting is carried out on the election of directors ~~or supervisors~~ at a shareholders' general meeting, the cumulative voting system may be adopted in accordance with the requirement of the Articles of Association or the resolutions of the shareholders' general meeting. Where a single shareholder and parties acting in concert with him/her/it hold equity interests of 30% or above, the cumulative voting system shall be adopted. Before votes are cast on the candidates for directors ~~or supervisors~~ at the shareholders' general meeting by adopting the cumulative voting system, the chairman of the shareholders' general meeting shall definitely inform the shareholders present that the cumulative voting method shall be adopted for the election of directors ~~or supervisors~~, and the secretary of the Board of Directors shall specify and explain the cumulative voting method, ballot filling method and other specific operations.

The cumulative voting system referred to in the preceding paragraph means that when directors ~~or supervisors~~ are being elected during a shareholders' general meeting, each share shall carry the same number of voting rights as the number of directors ~~or supervisors~~ to be elected, and the voting rights held by shareholders may be used collectively. The Board of Directors shall announce the biography and basic information of the candidates for directors ~~and supervisors~~ to the shareholders. That is, each valid voting share held by the shareholders shall represent the same number of votes as the total number of the directors ~~or supervisors~~ to be elected at the shareholders' general meeting, and the votes held by a shareholder is equal to the number of shares he/she holds multiplied by the total number of the directors ~~or supervisors~~ to be elected. A shareholder may vote for one candidate for directors ~~or supervisors~~ with all his/her voting rights, or may exercise their voting rights separately and vote for several candidates for directors ~~or supervisors~~. The elected candidates shall be determined based on the final number of votes cast for the candidates. In the execution of the cumulative voting system, voting shareholders must indicate on one ballot all the directors ~~and supervisors~~ they elect, and after each director ~~and supervisor~~ they elect, the number of votes they use. If the total number of votes used by such shareholder on the ballot exceeds the total number of votes legally owned by such shareholder, the ballot will be invalid.

The Board of Directors shall announce the biography and basic information of the candidates for directors ~~and supervisors~~ to shareholders. Candidates for directors ~~and supervisors~~ shall possess the qualifications for appointment as required by laws, regulations and the stock exchange where the Company's shares are listed, as well as the professional competence and knowledge appropriate for the performance of their duties.

The methods and procedures for nomination of candidates for directors ~~and supervisors~~ are as follows:

- (i) The incumbent board of directors and the 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 employee representatives. The incumbent board of directors shall conduct a review on qualifications. The qualified directors shall be submitted by the board of directors to the shareholders' general meeting for voting. The employee representative directors shall be democratically nominated and elected through the employee representatives' meeting, employee meeting or other forms, and shall directly sit on the board of directors.
- ~~(ii) The incumbent supervisory committee and the 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 supervisor for the next session of the Board of Supervisors or additional candidates for the position of supervisor who are not employee representatives. The incumbent supervisory committee shall conduct a review on qualifications. The qualified supervisors shall be submitted by the Board of Supervisors to the shareholders' general meeting for voting. The employee representative supervisors shall be democratically nominated and elected through the employee representatives' meeting, employee meeting or other forms, and shall directly sit on the Board of Supervisors.~~
- ~~(iii)~~ (ii) The incumbent board of directors, ~~the incumbent supervisory committee~~ and the shareholders individually or collectively holding over 1% of the Company's shares may submit proposals for nomination of candidates for independent non-executive directors to the shareholders' general meeting. The incumbent board of directors shall conduct a review on qualifications. The qualified independent non-executive directors shall be submitted by the board of directors to the shareholders' general meeting for voting.

The board of directors shall disclose the detailed information about the candidates for directors ~~and supervisors~~ prior to the convention of the shareholders' general meeting. Candidates for directors ~~and supervisors~~ shall, prior to the convention of the shareholders' general meeting, make a written undertaking that they agree to accept the nomination, undertake that the information publicly disclosed about the candidates for directors ~~and supervisors~~ is true and complete, and guarantee that they will earnestly perform their duties after being elected.

Article 834 Save for those considered under the cumulative voting system, the shareholders' general meeting shall vote on all proposals one by one. If there are different proposals for the same matter, such proposals shall be voted on in the order of time at which they are raised. Unless the shareholders' general meeting is adjourned or no resolution is passed for special reasons such as force majeure, no proposal shall be set aside or refrained from voting at the shareholders' general meeting.

Article 845 When a proposal is considered at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any changes made thereto shall be considered as a new proposal, and no voting shall be carried out on that proposal at that shareholders' general meeting.

Article 856 The same voting right may only be exercised once at a shareholders' general meeting, either by on-site voting, online voting or other means. In the event of multiple casting of the same vote, only the first casting of such vote shall be counted as valid.

Article 867 Voting at shareholders' general meetings shall be carried out with open ballot.

Article 878 Before the relevant proposal is voted on at a shareholders' general meeting, two representatives from the shareholders shall be elected or the share registrar shall be responsible for counting the votes and scrutinizing the poll. shareholders who are connected with the matter under consideration and their proxies shall not count the votes and scrutinize the poll.

When a proposal is voted on at the shareholders' general meeting, the lawyers, the representatives of the shareholders ~~and supervisors~~ shall be jointly responsible or the share registrar shall be responsible for counting the votes and scrutinizing the poll, and the voting results shall be announced right at the meeting. The voting results of such proposal shall be recorded in the minutes of the meeting.

The shareholders or their proxies who vote online or by other means shall be entitled to verify their voting results in the corresponding voting system.

Article 889 The on-site shareholders' general meeting shall not be concluded earlier than the online meeting or that held by other means, and the chairman of the shareholders' general meeting shall announce the voting results of each proposal and whether a proposal is passed according to the voting results.

Before the voting results are officially announced, the Company, the persons responsible for counting the votes and scrutinizing the poll, substantial shareholders, internet services provider and other relevant parties involved in the on-site shareholders' general meeting, online meeting or that held by other means shall be under an obligation to keep the voting results strictly confidential.

Article 890 Shareholders attending the shareholders' general meeting, in addition to being required to abstain from voting, shall provide one of following opinions on the proposals to be voted on: for, against or abstain, except for the securities registration and clearing institution which, as the nominal holder of shares under the Stock Connect mechanism between mainland and Hong Kong stock markets, makes declaration according to the intentions of actual holders.

Unfilled, incorrectly filled, illegible or uncast votes will be regarded as the voters having given up their voting rights and the voting results of the shares held by them shall be counted as "abstention".

Article 901 Where the chairman of the meeting has any doubt as to the voting result of a resolution submitted for voting, he/she may demand the votes to be recounted. If the chairman of the meeting does not have the votes recounted, any shareholder or proxy attending the meeting who disagrees with the result announced by the chairman of the meeting may request the votes to be recounted immediately after the announcement of the voting result, and the chairman of the meeting shall arrange for the votes to be recounted immediately.

If votes are recounted at the shareholders' general meeting, the recounting result shall be recorded in the minutes of the meeting.

Article 912 Resolutions of the shareholders' general meeting shall be announced in a timely manner in accordance with the relevant laws, regulations, the securities regulatory rules of the places where the Company's shares are listed, and the provisions of the Articles of Association. The announcement shall contain the number of the shareholders and proxies attending the meeting, the number of voting shares held by them and the proportion to the total number of voting shares of the Company, the voting method, the voting result of each resolution and the details of each resolution passed.

Article 923 If a resolution is not passed, or the shareholders' general meeting alters a resolution passed at the previous shareholders' general meeting, a special note shall be made in the announcement of the resolutions of the shareholders' general meeting.

Article 934 Where a resolution in relation to the election of directors ~~or supervisors~~ is passed at the shareholders' general meeting, the term of office of the new directors ~~or supervisors~~ shall commence from the date specified in the relevant election resolution. If the relevant election resolution does not specify the commencement date of the term of office of the new directors ~~or supervisors~~, the commencement date of the term of office of the new directors ~~or supervisors~~ shall be the date on which the resolution is passed at the shareholders' general meeting or the date specified in the resolution of the shareholders' general meeting.

Article 945 Where a resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves is passed at the shareholders' general meeting, the Company shall implement the specific plans within two months after the conclusion of such shareholders' general meeting. If the specific plan cannot be implemented within two months due to

the provisions of laws and regulations and the securities regulatory rules of the places where the Company's shares are listed, the implementation date of the specific plan may be adjusted in accordance with such regulations and the actual situation.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 956 Directors of the Company may include executive directors, non-executive directors and independent non-executive directors. Non-executive directors refer to directors who do not hold operational management positions in the Company, and independent non-executive directors refer to persons who are independent and do not have any relationship with the Company and its substantial shareholders that may prevent them from exercising independent and objective judgments.

Article 967 The director of the Company shall be a natural person. A director of the Company under any of the following circumstances:

- (I) a person who is unable or has limited ability to undertake any civil liabilities;
- (II) a person who has been convicted of an offense of bribery, corruption, embezzlement, misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his/her crimes, in each case where less than five years have elapsed since the date of completion of the sentence. If he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;
- (III) a person who has been a director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down and the person is personally liable, where less than three years have elapsed since the date of such revocation of business license or closure by order of the company or enterprise;
- (V) a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts;
- (VI) a person who is penalized by the CSRC to be prohibited from participating in the securities markets with a period yet to be expired;

(VII) a person publicly deemed by a stock exchange as unsuitable to serve as a director, senior management, etc. of a listed company, and the relevant limitation period has not expired;

(VIII) other circumstances stipulated in laws, administrative regulations, departmental regulations or the listing rules of the places where the Company's shares are listed.

Where the election or appointment of a director has violated this Article, such election, appointment or employment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties and be stopped from performing duties by the Company.

Article 978 Directors shall be elected or replaced by the shareholders' general meeting, and shall be released of his/her duties by the shareholders' general meeting before the expiration of the term of office. The term of office of a director shall be three years. Upon the expiration of the term of office, a director shall be eligible for re-election and re-appointment in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed.

The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current session of the Board of Directors. If the term of office of a director expires but re-election is not made correspondingly on a timely basis, the original director shall continue to perform his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental regulations and the Articles of Association until the incoming director assumes his/her position.

~~A director appointed by the Board of Directors to fill a casual vacancy or as an addition to the Board of Directors shall hold office for a term commencing from the date on which the said director assumes office until the first annual general meeting after his/her appointment, and shall then be eligible for re-election.~~

General manager or other senior management may concurrently serve as a director, provided that the aggregate number of directors who concurrently serve as general manager or other senior management and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

The Company currently does not have directors who are employee representatives.

Article 989 Directors shall faithfully perform fiduciary obligations to the Company and should take measures to avoid any conflict between their own interests and the interests of the Company, and should not use their powers to gain an improper advantage.

Article 99 Directors owe a duty of diligence to the Company and shall exercise the reasonable care normally expected of a manager in the best interests of the Company during the performance of their duties.

Article 100 A director shall comply with the provisions of laws, administrative regulations and the Articles of Association and has the following fiduciary obligations to the Company:

- (I) not to exploit his/her position to accept bribes or to obtain other illegal income, ~~and not to expropriate the Company's property;~~
- (II) not to expropriate the Company's property, and not to misappropriate the Company's funds;
- (III) not to open any account in his own name or in others' name for the deposit of the Company's ~~assets or~~ funds;
- (IV) ~~not to violate the provisions of the Articles of Association by lending the Company's funds to others or using the Company's assets to provide guarantee for others without the consent of the shareholders' general meeting or the Board of Directors~~ not to directly or indirectly enter into agreements or transactions with the Company without reporting to the Board or the shareholders' general meeting and being approved by the Board or the shareholders' general meeting by way of resolution pursuant to the provision of these Articles of Association;
- (V) not to accept commissions in connection with the Company's transactions from others as his/her own;
- (VI) not to disclose the secrets of the Company without authorization, not to disclose material information that has not yet been disclosed, or not to use inside information to obtain illegal benefits, and to perform the non-compete obligations agreed with the Company after leaving the Company;
- (VII) not to make use of their related-party relationship to harm the interests of the Company;
- (VIII) ~~to safeguard the interests of the Company and all shareholders, and not to harm the interests of the Company for the interests of the actual controllers, shareholders, employees, himself/herself or other third parties~~ not to exploit his/her position in the Company to procure business opportunities for himself/herself or others that are available to the Company, unless such business opportunities have been reported to the Board or the shareholders' general meeting and approved by the shareholders' general meeting by way of resolution, or the Company is prohibited from utilizing such business opportunities pursuant to the provision of the laws, administrative legislations or these Articles of Association;
- (IX) not to operate on his/her own or on behalf of others businesses similar to those of the Company without reporting to the Board or the shareholders' general meeting and being approved by the shareholders' general meeting by way of resolution;

(X) to be bound by other fiduciary obligations stipulated by the laws, administrative regulations, departmental regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Any gain arising from the breach of the provisions of this Article by the director shall belong to the Company. He/She shall be liable for compensation for any loss of the Company arising therefrom.

Article 101 Where any director directly or indirectly concludes a contract or conducts a transaction with the Company, he/she shall report the matters relating to the conclusion of the contract or transaction to the Board of Directors or the shareholders' general meeting, which shall be subject to the resolution of the Board of Directors or shareholders' general meeting according to the provisions of laws, regulations, the securities regulatory rules of the places where the Company's shares are listed, and the provisions of the Articles of Association.

Where any of the near relatives of the directors or senior management member of the Company, any of the enterprises directly or indirectly controlled by the directors, senior management or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors or senior management concludes a contract or conducts a transaction with the Company, the provisions of the preceding paragraph shall apply.

Article 102 No director may take advantage of his/her position to seek any business opportunity that belongs to the Company for himself/herself or any other person except under any of the following circumstances:

- (I) where he/she has reported to the Board of Directors or the shareholders' general meeting and has been approved by a resolution of the Board of Directors or the shareholders' general meeting according to the provisions of the Articles of Association;
- (II) where the company cannot make use of the business opportunity as stipulated by the provisions of laws, administrative regulations or the Articles of Association.

Article 103 Subject to the provisions of laws, regulations and securities regulatory rules of the places where the Company's shares are listed, any director fails to report to the Board of Directors or the shareholders' general meeting and has not obtained an approval by resolution of the Board of Directors or the shareholders' general meeting according to the provisions of the Articles of Association, he/she may not engage in any business that is similar to that of the Company for himself/herself or for any other person.

Article 104 Any gain arising from the breach of the Articles 100 to 103 of the Articles of Association by the director shall belong to the Company.

Article 105 A director shall comply with the laws, administrative regulations and the Articles of Association and shall perform the following duties of diligence to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure the Company's commercial acts in compliance with 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;
- (II) to treat all shareholders equally;
- (III) to understand the business operation and management of the Company in a timely manner and report relevant issues and risks to the Board of Directors in a timely manner, and not to claim exemption from liability on the grounds that he/she is not familiar with the Company's business or do not understand relevant matters;
- (IV) to sign written confirmation on regular reports of the Company and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (V) to provide relevant information and materials to the Audit Committee ~~Board of Supervisors~~ truthfully and not to intervene the performance of the Audit Committee ~~Board of Supervisors or Supervisors~~ of their duties and powers;
- (VI) to ensure that there is sufficient time and energy to participate in the affairs of the Company, and prudently judge the risks and benefits that may arise from the matters under consideration; to attend the meetings of the Board of Directors in person in principle, and if other directors are authorized to attend on his/her behalf for any reason, the trustee shall be carefully selected, and the authorization matters and decision-making intentions shall be specific and clear, and shall not be fully delegated;
- (VII) Shall actively promote the compliant operation of the Company, supervise the Company's performance of its information disclosure obligations, promptly correct and report on the Company's violations of law and regulations, and support the Company's performance of its social responsibilities;
- (VIII) Other duty of diligence stipulated by laws, administrative regulations, departmental rules, securities regulations and rules of the places where the shares of the Company are listed and the Articles of Association.

Article 106 A director who fails to attend two consecutive meetings of the Board of Directors in person without authorizing another director to attend on his behalf, shall be deemed to be unable to perform his duties. The Board of Directors shall propose to the shareholders' general meeting to remove such director.

Article 107 A director may resign before expiry of his term of office. A resigning director shall submit a written resignation report to the Board of Directors. The Board of Directors shall make disclosure of relevant information within 2 days.

Where the number of members of the Board of Directors falls below the minimum requirement due to the resignation of any director, before a newly elected director takes office, the original director shall perform his duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Except for the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is delivered to the Board of Directors.

Article 108 The shareholders' general meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made.

Where a Director is removed before the expiration of his/her term of office without justifiable reasons, the Director may demand compensation from the Company.

Article 109 Upon effective resignation~~When a director's tender of resignation~~ or his term of office expires, ~~he~~ a Director shall duly complete all handover procedures with the Board of Directors. His fiduciary duties towards the Company and shareholders will not necessarily cease after the expiry of his term of office and will remain valid for a reasonable period of time as provided in the Articles of Association. His obligation to keep trade secrets of the Company confidential shall remain effective after the expiry of his term of office until such secrets become public information. The specific period of time during which a director's fiduciary duties are assumed after the effective date of resignation or expiration of the term of office is one year from the effective date of resignation or expiration of the term of office. The period that other duties shall continue shall be determined according to the principle of fairness, and depending on the length of time lapsed between the event occurred and the termination of tenure as well as the circumstances and terms under which his relationships with the Company has been terminated.

Article 110 Unless provided for under the Articles of Association or legally authorized by the Board of Directors, no director may act in his own capacity on behalf of the Company or the Board of Directors. When a director acts in his own capacity and a third party would reasonably believe that the director is acting on behalf of the Company or the Board of Directors, the director shall declare his position and capacity in advance.

Article 111 Where a Director causes damages to others in performing his/her duties, the Company shall be liable for compensation; the Director shall also be liable for compensation if there is intent or gross negligence on his/her part.

Article 112 If a director violates laws, administrative regulations, departmental rules, securities regulations and rules of the places where the shares of the Company are listed or the provisions of the Articles of Association when performing his duties and causes losses to the Company, he shall be liable for compensation. ~~A director in office shall be liable for compensation for any loss caused to the Company by his leaving office without authorization or failing to perform his duties.~~

~~Article 112~~ The independent non-executive directors shall be subject to the relevant provisions of the laws, administrative regulations, departmental rules, the CSRC and the stock exchanges of the places where the shares of the Company are listed.

Section 2 Board of Directors

~~Article 113~~ The Company shall have a Board of Directors, which shall be accountable to the shareholders' general meeting.

Article 1143 The Company shall have a Board of Directors.The Board of Directors shall consist of nine directors, including three independent non-executive directors, one chairman and one vice-chairman. At least one of the independent non-executive directors shall be a financial or accounting professional as determined by the Listing Rules of the Stock Exchange.

Article 1145 The Board of Directors shall exercise the following functions and powers:

- (I) Convene shareholders' general meetings and submit work reports to the shareholders' general meetings;
- (II) Implement resolutions of the shareholders' general meetings;
- (III) Determine the business plans and investment plans of the Company;
- ~~(IV) Formulate the Company's annual financial budget and final accounts;~~
- (IV) Formulate the Company's profit distribution plan and loss recovery plan;
- ~~(V)~~ Formulate plans for the Company for increase or reduction of registered capital, issuance of bonds or other securities, and listing;
- ~~(VI)~~ Formulate plans for major acquisitions of the Company, repurchase of the Company's shares, or plans for merger, division, dissolution and change of corporate form;
- ~~(VII)~~ Within the scope authorized by the shareholders' general meeting, decide on matters such as the Company's external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management, connected transactions and external donations;
- ~~(VIII)~~ Decide on the establishment of the Company's internal management body;
- (IX) Decide on the appointment or dismissal of the Company's general manager and secretary to the Board of Directors, and decide on the matters in relation to their remuneration, rewards and punishments; decide on the appointment or dismissal of the Company's vice general manager, finance chief (financial director) and other members of the senior management based on the nomination of the general manager, and decide on matters in relation to their remuneration, reward and punishment;

- (XI) Formulate the Company's basic management system;
- (XII) Formulate proposed amendments to the Articles of Association;
- (XIII) Manage the Company's information disclosure matters;
- (XIII~~V~~) Make proposal to the shareholders' general meeting on the engagement or change of the accounting firm performing audits for the Company;
- (XIV) Listening to the work reports from the general manager of the Company and review the work of the general manager;
- ~~(XVI) Consider matters that shall be decided by the Board of directors as provided by laws, administrative regulations, departmental rules, securities regulations and rules of the places where the Company's shares are listed or the Articles of Association;~~
- (XVII) Other powers conferred by laws, administrative regulations, departmental rules, securities regulations and rules of the places where the Company's shares are listed ~~or~~, the Articles of Association or the shareholders' general meetings.

The limitation of the functions and powers of the Board of Directors in the Articles of Association shall not be against a bona fide counterpart.

Article 115 The Board of Directors of the Company shall establish an audit committee, a remuneration and assessment committee, a nomination committee and may set up relevant special committees such as strategy committee according to its needs. The special committees shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. The proposals of the committees shall be submitted to the Board of Directors for approval. All members of the special committees shall be directors, among which the audit committee shall only be non-executive directors and consist of at least three members. The majority of the members of the audit committee, the nomination committee, and the remuneration and assessment committee must be independent non-executive directors, and the convener of each of them must be an independent non-executive director. The convener of the audit committee shall be an accounting professional. The Board of Directors is responsible for formulating the rules of the special committees to regulate their operation.

Matters exceeding the scope authorized by the shareholders' general meeting shall be submitted to the shareholders' general meeting for consideration.

Article 116 The Company's Board of Directors shall explain to the shareholders' general meeting about the non-standard audit opinions issued by certified public accountants on the Company's financial report.

Article 117 The Board of Directors shall formulate the rules of procedure for the board meetings to ensure that the Board of Directors will implement the resolutions of the shareholders' general meetings, improve work efficiency and ensure scientific decision-making. The rules of procedure for the Board of Directors shall serve as an annex to the Articles of Association and shall be formulated by the Board of Directors and approved by the shareholders' general meeting.

Article 118 The Board of Directors shall determine the scope of authority for matters such as external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management, connected transactions and external donations, and establish strict review and decision-making procedures; for major investment projects, relevant experts and professionals shall be arranged to conduct reviews and it shall be reported to the shareholders' general meeting for approval.

Article 119 The Board of Directors shall have one chairman and one vice chairman. The chairman and vice-chairmen shall be elected by more than half of all the directors of the Board of Directors.

Article 120 The chairman of the Board of Directors shall exercise the following functions and powers:

- (I) Preside over the shareholders' general meetings and convene and preside over meetings of the Board of Directors;
- (II) Supervise and inspect the implementation of resolutions of the Board of Directors;
- (III) Other powers conferred by the Board of Directors.

The authorization to the chairman of the Board of Directors by the Board of Directors shall be granted clearly in the way of a resolution of the Board of Directors, which shall state the particular of authorization matters, content and authority clearly. Matters that involve material interest of the Company shall be decided by the Board of Directors collectively, and shall not authorized the chairman of the Board of Directors or individual directors to decide on his own.

Article 121 The vice-chairman of the Company shall assist the chairman of the Board of Directors in his work. If the chairman of the Board of Directors is unable to perform his duties or fails to perform his duties, the vice-chairman shall perform his duties; if the vice-chairman is unable to perform his duties or fails to perform his duties, one director jointly elected by more than half of the directors shall perform his duties.

Article 122 Regular meetings of the Board of Directors shall be convened at least four times a year, about one meeting each quarter, which shall be convened by the chairman of the Board of Directors and shall notify all directors ~~and supervisors~~ in writing 14 days prior to the meeting.

Article 123 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or ~~the Supervisory Committee~~ the Audit Committee may propose to convene an extraordinary board meeting. The chairman of the Board of Directors shall convene and preside over a board meeting within ten days after receiving the proposal.

Article 124 Notice of an extraordinary board meeting convened by the Board of Directors shall be served in writing for three days in advance. In the case of no objection from the attending directors or of an emergency, the notice of meeting may be given by telephone or by other verbal means at any time, without being limited by the time limit of the above notice.

Article 125 A notice of board meeting shall contain the following:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) reasons and issues for discussion;
- (IV) date of notice.

Article 126 The board meeting shall be held only when more than half of the directors are present. Resolutions made by the Board of Directors must be passed by more than half of all directors.

Resolutions of the Board of Directors are voted by way of poll with each director having one vote.

The following matters shall be approved by a majority of all members of the Audit Committee before the Board of Directors making a resolution:

- (~~I~~) the appointment and dismissal of the accounting firm that undertakes the Company's auditing business;
- (~~II~~) the appointment and dismissal of financial officer(s);
- (~~III~~) the disclosure of financial and accounting reports;
- (~~IV~~) other matters stipulated by the securities regulatory authority of the State Council.

Article 127 Where a director is related to the enterprise or individual involved in a resolution of the meeting of the Board of Directors, such director shall submit a written report to the Board of Directors in a timely manner. Any director with any connected relationship shall neither exercise his/her voting rights nor exercise another director's voting rights as a proxy. Such meeting of the Board shall be held only when attended by more than half of the directors unconnected, and the resolution of the meeting of the Board of Directors shall be approved by more than half of such unconnected directors. In case of less than three unconnected directors present at

the meeting, such matter shall be submitted to the shareholders' general meeting for deliberation. If there are any additional restrictions on directors' participation in meetings of the Board and voting in the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Article 128 The resolution of the Board of Directors shall be voted by open ballot or by a show of hands.

On the premise that the directors can fully express their opinions, the extraordinary meeting of the Board of Directors may be held and pass resolutions by means of communication, with the resolutions signed by the attending directors, provided that the resolutions and records of the Board of Directors shall be signed afterwards.

Article 129 A director shall attend the meeting of the Board of Directors in person. If a director is unable to attend a meeting of the Board, he/she may appoint another director by a written power of attorney to attend on his/her behalf. Such a power of attorney shall specify the name of the proxy, the matters to be represented, the scope of authorization and the expiration date, and shall be signed or sealed by the principal. A director appointed as the representative of another director to attend the meeting shall exercise the rights of a director within the scope of authorization. Where a director is unable to attend a board meeting and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

Article 130 The Board of Directors shall cause minutes to be kept for decisions made in relation to matters considered at the meetings, and the minutes shall be signed by the directors attending the meeting.

Minutes of the meeting of the Board of Directors shall be kept as the Company's files for a period of at least 10 years.

The directors shall be responsible for the resolutions passed at the meeting of the Board of Directors. Where a resolution of the Board of Directors violates any law, administrative regulation or the Articles of Association, thereby causing serious losses to the Company, the directors participating in the resolution shall be liable for compensation to the Company; however, the director may be exempted from liability if it is proved that he/she expressed his/her objection at the time of voting, which is recorded in the minutes of the meeting.

Article 131 The minutes of the meeting of the Board of Directors shall include the following contents:

- (I) the date, venue and convener's name of the meeting;
- (II) the names of directors present at the meeting and directors (proxies) present at such meeting on behalf of other directors;
- (III) the agenda of the meeting;

- (IV~~+~~) the summary of points raised by directors;
- (~~+~~V) the manner and result of voting on each matter resolved (and the voting results shall set out the number of affirmative, negative and abstention votes on a particular resolution);
- (VI~~+~~) other matters that the directors present at the meeting deem necessary to be recorded.

Section 3 Independent Non-Executive Directors

Article 132 Independent Non-Executive Directors shall diligently perform their duties in accordance with the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed and these Articles of Association. They shall play the role of decision-making, supervising, checking and balancing, and professional advisory in the Board, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

Article 133 Independent Non-Executive Directors must maintain their independence. The following persons shall not serve as Independent Non-Executive Directors:

- (I) persons employed by the Company or its subsidiaries, as well as their spouses, parents, children or major social relations;
- (II) natural person shareholders directly or indirectly holding more than one percent (1%) of the issued shares of the Company or who are ranked as the top ten (10) shareholders of the Company, as well as their spouses, parents or children;
- (III) persons holding positions in entities being shareholders of the Company which directly or indirectly hold more than five percent (5%) of the issued shares of the Company or which are ranked as the top five shareholders of the Company, as well as their spouses, parents or children;
- (IV) persons holding positions in the subsidiaries of the Company's controlling shareholders or de facto controllers, as well as their spouses, parents or children;
- (V) persons who have major business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who hold positions in entities with which they have major business dealings and their controlling shareholders or de facto controllers;
- (VI) persons providing financial, legal, consulting or sponsorship services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to all members of the project team of the intermediary institution providing the services, reviewers at all levels, signatories of reports, partners, directors, senior management and key persons in charge;

(VII) persons falling into the categories set out in subparagraphs (1) to (6) of this Article within the past twelve (12) months;

(VIII) other persons who are not independent as stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed and these Articles of Association.

Independent Non-Executive Directors shall conduct an annual self assessment of their independence and submit such self-assessment to the Board. The Board shall assess the independence of incumbent Independent Non-Executive Directors on an annual basis and issue a special opinion in relation thereto, which shall be disclosed at the same time as the annual report.

Article 134 A person holding the position of Independent Non-Executive Director shall satisfy the following conditions:

(I) possessing the qualification to serve as a director of a listed company in accordance with the laws, administrative regulations and other relevant provisions;

(II) meeting the independence requirements stipulated in these Articles of Association;

(III) possessing basic knowledge of the operation of a listed company and being familiar with relevant laws, regulations and rules;

(IV) possessing more than five years' working experience in the legal, accounting or economic field or other experience required for performing the duties as an Independent Non-Executive Director;

(V) possessing good personal character and no major breach of trust or other adverse records;

(VI) other conditions stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed, and these Articles of Association.

Article 135 As members of the Board, the Independent Non-Executive Directors owe fiduciary obligations and obligation of diligence to the Company and the shareholders as a whole, and shall prudently perform the following duties:

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

(II) supervise matters that indicate potential material conflict of interest between the Company and its controlling shareholders, de facto controllers, Directors and senior management so as to protect the legitimate interests of minority shareholders;

- (III) provide professional and objective advice on the Company's operation and development, thereby facilitating improvement in the standard of the decisions of the Board;
- (IV) perform other duties stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed, and these Articles of Association.

Article 136 The Independent Non-Executive Directors shall exercise the following special functions and powers:

- (I) independently engage intermediary institutions to conduct audits, consultations or verifications on specific matters of the Company;
- (II) propose to the Board to convene an extraordinary general meeting;
- (III) propose to convene a Board meeting;
- (IV) publicly solicit shareholders' rights from shareholders in accordance with the laws;
- (V) express independent opinions on matters that may prejudice the interests of the Company or minority shareholders;
- (VI) exercise other functions and powers stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory authorities and stock exchanges at the location where the Company's shares are listed, and these Articles of Association.

The exercise of the functions and powers listed in subparagraphs (1) to (3) of the preceding paragraph by an Independent Non-Executive Director shall obtain the approval of more than half of all Independent Non-Executive Directors.

Where an Independent Non-Executive Director exercises his/her functions and powers under the first paragraph, the Company shall make disclosure in accordance to the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed. Where the above functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 137 The following matters shall be submitted to the Board for consideration after being approved by more than half of all Independent Non Executive Directors of the Company:

- (I) connected transactions that shall be disclosed;
- (II) proposals for the change or waiver of undertakings by the Company and related parties;

(III) decisions made and measures taken by the board of directors of the acquired listed company in response to the acquisition;

(IV) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed, and these Articles of Association.

Article 138 The Company shall establish a mechanism for special meetings which will be attended solely by Independent Non-Executive Directors. Matters such as connected transactions to be reviewed by the Board shall be approved in advance by a special meeting of Independent Non-Executive Directors.

The Company shall regularly or irregularly convene special meetings of Independent Non-Executive Directors. Matters listed in items (1) to (3) of the first paragraph of Article 136 and Article 137 of these Articles of Association shall be considered at the special meetings of Independent Non-Executive Directors.

The special meetings of Independent Non-Executive Directors may study and discuss other matters of the Company as needed.

The special meetings of Independent Non-Executive Directors shall be convened and chaired by one Independent Non-Executive Director jointly elected by more than half of the Independent Non-Executive Directors; and in the event that the convener is not performing or is unable to perform his/her duties, two or more Independent Non Executive Directors may convene their own meeting and elect one representative to chair the meeting.

Minutes of the special meetings of Independent Non-Executive Directors shall be prepared in accordance with the requirements, and the opinions of the Independent Non-Executive Directors shall be set out in the minutes of the meetings. The Independent Non-Executive Directors shall sign and confirm the minutes of the meetings.

The Company shall provide convenience and support for the convening of the special meetings of Independent Non-Executive Directors.

Section 4 Specialized Committees of the Board

Article 139 The Board of the Company shall establish an Audit Committee to exercise the functions and powers of the supervisory committee as stipulated by the Company Law.

Article 140 The Audit Committee shall consist of three members, all of whom shall be Directors who are not senior management members of the Company, of which the majority shall be Independent Non-Executive Directors, and accounting professionals among such Independent Non-Executive Directors shall serve as conveners.

Article 141 The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating the internal and external audit work and internal control. The following matters shall be submitted to the Board for consideration with the approval of more than half of all members of the Audit Committee:

- (I) disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;
- (II) appointment or dismissal of the accounting firm that undertakes the Company's audit;
- (III) appointment or removal of the Company's financial officer;
- (IV) changes in accounting policies and accounting assessments, or corrections of material accounting errors are made for reasons other than changes in accounting standards;
- (V) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed, and these Articles of Association.

Article 142 The Audit Committee shall convene at least one meeting each quarter. An interim meeting may be convened upon proposal by two or more members, or when the convener deems necessary. Meetings of the Audit Committee shall be held with attendance of more than two-thirds of the members.

Resolutions of Audit Committee shall be passed by more than half of all members of the Audit Committee.

When voting on a resolution of the Audit Committee, each member shall have one vote.

The resolutions of the Audit Committee shall be recorded in the minutes of the meetings in accordance with regulations, and the Audit Committee members attending the meeting shall sign on the minutes.

The terms of reference of the Audit Committee shall be formulated by the Board.

Article 143 The nomination committee is responsible for formulating the selection criteria and procedures for Directors and senior management, selecting, reviewing and verifying the candidates and qualifications of Directors and senior management, and making recommendations to the Board on the following matters:

- (I) nomination or appointment or removal of Directors;
- (II) appointment or removal of senior management members;

(III) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed, and these Articles of Association.

If the Board does not adopt or fully adopt the nomination committee's recommendations, the nomination committee's opinion and the specific reasons for non-adoption shall be documented in the Board resolution and disclosed.

Article 144 The remuneration and appraisal committee is responsible for formulating the appraisal criteria for Directors and senior management and conducting appraisals, and formulating and reviewing the remuneration policies and proposals, such as the remuneration determination mechanisms, decision-making processes, payment and cessation of payment recovery arrangements for Directors and senior management, and making recommendations to the Board on the following matters:

- (I) the remuneration of Directors and senior management;
- (II) the establishment or modification of share incentive schemes, employee share ownership schemes, interests granted to participants, and the fulfillment of the conditions for exercising the interests;
- (III) the arrangement of share ownership schemes for Directors and senior management in the proposed spin-off of subsidiaries;
- (IV) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed, and these Articles of Association.

If the Board does not adopt or fully adopt the remuneration and appraisal committee's recommendations, the remuneration and appraisal committee's opinion and the specific reasons for non adoption shall be documented in the Board resolution and disclosed.

CHAPTER 6 GENERAL MANAGER AND OTHER MEMBERS OF THE SENIOR MANAGEMENT

Article 145~~32~~ The Company shall have one general manager, who shall be appointed or dismissed upon decision of ~~by~~ the Board of Directors and shall be responsible to the Board of Directors.

The Company shall have several deputy general managers, one financial officer (chief financial officer), one secretary to the Board of Directors, one chief scientific officer, and one chief marketing officer. The deputy general managers, financial officer (chief financial officer), chief scientific officer and chief marketing officer shall be nominated by the general manager, and the secretary to the Board of Directors shall be nominated by the chairperson of the Board, all of whom shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, financial officer (chief financial officer), secretary to the Board of Directors, chief scientific officer and chief marketing officer shall serve as senior management of the Company.

Article ~~146~~³³ The circumstances of disqualification for directors prescribed in Article ~~96~~⁷ of the Articles of Association shall be applicable to senior management.

Provisions regarding the duty of fidelity of directors under Article 100 and of diligence of directors under items (iv), (v) and (vi) of Article 105 hereof shall be applicable to senior management.

Article ~~147~~³⁴ Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior management of the Company.

The senior management only receive remuneration from the Company, shall not be paid by the controlling shareholders on its behalf.

Article ~~148~~³⁵ The term of office of the general manager shall be three years, renewable upon reappointment.

Article ~~149~~³⁶ The general manager shall be accountable to the Board of Directors and exercise the following powers:

- (~~I~~ⁱ) to be in charge of the production, operation and management of the Company, organise the implementation of the resolutions of the Board of Directors and report to the Board of Directors;
- (~~II~~ⁱⁱ) to organise the implementation of the Company's annual business plan and investment plan;
- (~~III~~ⁱⁱⁱ) to draft plans for the establishment of the Company's internal management structure;
- (~~IV~~^{iv}) to draft the basic management system of the Company;
- (~~V~~^v) to formulate the specific rules and regulations of the Company;
- (~~VI~~^{vi}) to propose to the board of directors to appoint or dismiss deputy general managers and financial controller of the Company;
- (~~VII~~^{vii}) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (~~VIII~~^{viii}) to exercise other powers conferred by the Articles of Association or the Board of Directors.

The general manager shall be present at board meetings without voting rights.

Article 150~~37~~ The general manager shall formulate the working rules of the general manager, which shall be implemented after being approved by the Board of Directors.

Article 151~~38~~ The general manager's working rules include the following contents:

- (i) convening conditions, procedures and participants of the general manager's office meeting;
- (ii) responsibilities and work allocation of the general manager and other senior management;
- (iii) use of funds and assets of the Company, scope of authority to enter into material contracts and policies regarding reporting to the Board of Directors ~~and the Board of Supervisors~~;
- (iv) other matters which the board of directors deems necessary.

Article 152~~39~~ The general manager may resign before expiry of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be specified in the service contract concluded by the general manager and the Company.

Article 153~~40~~ The deputy general managers assist the general manager in his/her work and are responsible to the general manager, and are entrusted by the general manager to take charge of the relevant work and to issue relevant business documents within the scope of their duties. When the general manager is unable to perform his/her duties, a deputy general manager may be entrusted by the general manager to perform the duties of the general manager.

Article 154~~41~~ The Company shall have a secretary to the Board of Directors, who shall be responsible for the preparation of the shareholders' general meetings and meetings of the Board of the Company, keeping of documents, management of shareholders' information of the Company and handling matters such as information disclosure.

The secretary to the Board of Directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Article 155~~42~~ Where a senior management member causes damage to others in performing his/her duties, the Company shall be liable for compensation for such damages; the senior management member shall also be liable for compensation for such damages if there is intent or gross negligence on his/her part.

Article 156 If any senior management violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company, such senior management shall indemnify the Company against losses incurred due to such violation.

Article 15743 Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all the shareholders. If the Company's senior management fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

~~CHAPTER 7 BOARD OF SUPERVISORS~~

~~Section 1 Supervisors~~

Article 144 ~~The circumstances of disqualification for directors prescribed in Article 97 of the Articles of Association shall be applicable to supervisors.~~

~~The directors, general manager and other senior management of the Company shall not act concurrently as supervisors.~~

Article 145 ~~The supervisors shall comply with laws, administrative regulations and the Articles of Association, and shall bear the duty of fidelity and duty of diligence to the Company. They shall not use their powers to accept bribes or other illegal income, nor shall they embezzle the Company's property.~~

Article 146 ~~Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected.~~

Article 147 ~~A supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office, or if the resignation of supervisor results in the number of supervisors being less than the quorum.~~

~~Other than the circumstances referred to in the preceding paragraph, the resignation of a supervisor shall become effective upon submission of his/her resignation report to the Board of Supervisors.~~

Article 148 ~~A supervisor shall ensure that information disclosed by the Company is true, accurate and complete and he/she shall sign on the periodical report with written confirmation.~~

Article 149 ~~Supervisors may attend the meetings of the Board and may raise queries or proposals regarding matters resolved at such meetings.~~

Article 150 ~~Supervisors shall not prejudice the interests of the Company by means of their connected relationship or they shall be liable for compensation for any loss caused to the Company.~~

Article 151 ~~If any supervisor violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company, such supervisor shall indemnify the Company against losses incurred due to such violation.~~

~~Section 2 Board of Supervisors~~

~~**Article 152** The Company has a Board of Supervisors composed of three members. The Board of Supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the Board of Supervisors are elected with approval of more than half of all the supervisors. The chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors. In the event that the chairman of the Board of Supervisors is incapable of performing or not performing his/her duties, the vice chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors. In the event that the vice chairman of the Board of Supervisors is incapable of performing or not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the Board of Supervisors.~~

~~The Board of Supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the employees of the Company, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the Company in the Board of Supervisors shall be democratically elected by the employees at the employee representatives' meeting, employees meeting or otherwise.~~

~~**Article 153** The Board of Supervisors exercises the following powers:~~

- ~~(I) to review the Company's periodical reports prepared by the Board of Directors and issue written opinions;~~
- ~~(II) to review the Company's financial position;~~
- ~~(III) to supervise the directors and senior management staff in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the Articles of Association or the resolutions of shareholders' general meeting;~~
- ~~(IV) when the acts of directors and senior management staff are harmful to the Company's interests, to require correction of those acts;~~
- ~~(V) to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the Board of Directors fails to perform the duty of convening and presiding over shareholders' general meetings under the Company Law;~~
- ~~(VI) to initiate proposals for resolutions to shareholders' general meetings;~~
- ~~(VII) to initiate proceedings against directors and senior management staff according to Section 189 of the Company Law;~~

~~(VIII) to conduct an investigation in the event of discovering any irregularities in the Company's operations and to engage accounting firms, law firms and other professional institutions to assist in the investigation when necessary at the expense of the Company;~~

~~(IX) to require directors and senior management staff to submit reports on the performance of their duties. The directors and senior management staff shall provide true information and data to the Board of Supervisors and not interfering with the Board of Supervisors or supervisors in the exercise of their functions and powers;~~

~~(X) other powers as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where shares of the Company are listed, and the Articles of Association.~~

~~**Article 154** The Board of Supervisors of the Company shall hold at least one meeting every six months. The supervisors may propose to convene an extraordinary meeting of the Board of Supervisors.~~

~~A resolution of the Board of Supervisors shall be passed by more than half of all the supervisors on the basis of one man one vote principle.~~

~~**Article 155** The Board of Supervisors shall formulate rules of procedure for meetings of the Board of Supervisors and shall clarify methods for business discussions and voting procedures to ensure the work efficiency and scientific decision making of the Board of Supervisors.~~

~~The rules of procedure for meetings of the Board of Supervisors shall be appendix to the Articles of Association and shall be formulated by the Board of Supervisors and approved by the general meeting.~~

~~**Article 156** The Board of Supervisors shall file resolutions as meeting minutes, which shall be signed by the attending supervisors. Any supervisor shall have the right to have an explanatory note made in the minutes regarding his speech at the meeting. The minutes of meetings of the Board of Supervisors shall be kept as archives of the Company for at least 10 years.~~

~~**Article 157** The notice of meetings of the Board of Supervisors shall specify:~~

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

~~(II) the reasons and agenda of the meeting;~~

~~(III) the date of notice given.~~

**CHAPTER 78 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION,
AND AUDIT**

Section 1 Financial and Accounting Systems

Article 158 The Company shall establish its financial and accounting systems in accordance with the laws and administrative regulations and the requirements of the relevant governmental authorities. The accounting year of the Company follows the Gregorian calendar, which an accounting year shall commence on January 1 and ends on December 31 each year.

Article 159 The annual report shall be reported and disclosed in accordance with relevant regulatory requirements within 4 months from the end of each financial year. The interim financial report shall be reported and disclosed in accordance with relevant regulatory requirements within 2 months from the end of the first six months of each financial year.

The aforesaid annual report and interim report shall be prepared in accordance with relevant laws, administrative regulations, departmental regulations and the provisions of the stock exchange where the shares are listed.

Article 160 Except for the legally prescribed accounting books, the Company shall not set up other accounting books. The funds of the Company shall not be kept under the name of any individual.

Article 161 In the distribution of the profit after tax of the year, 10% of the profit shall be contributed to statutory reserve of the Company. When the aggregate statutory reserve of the Company has reached 50% or more of the registered capital, the Company may cease to make further contribution.

Where the statutory reserve is insufficient to recover the losses for the previous year, the losses shall be made up by the profits of that year before contributing to the statutory reserves as stipulated above.

Subject to the resolution of the general meeting, the Company may also appropriate fund to discretionary surplus reserve from profit after tax upon the appropriate of fund to statutory reserve.

The Company may distribute profits after tax in accordance with the proportion of shareholdings after making up for losses and making allocations to reserves, except as otherwise provided in the Articles of Association.

If the general meeting violates the Company Law and profits are distributed to the shareholders before the Company making up for losses and making allocations to the statutory reserve, the profits distributed in violation of the provisions shall be returned to the Company by such shareholders; and the shareholders and the liable directors, ~~supervisors~~ and senior management staff shall be liable for compensation if any loss is caused to the Company.

The Company's shares held by the Company are not entitled to any profit distribution.

The Company shall appoint one or more payment receiving agents in Hong Kong for shareholders of H shares. The payment receiving agent shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, for future payments to such shareholders of H shares. The payment receiving agent appointed by the Company shall satisfy the requirements under the laws and regulations and the securities regulations and rules of the places where the Company's shares are listed.

Article 162 The Company's reserves shall be used for offsetting losses of the Company, expanding the production and operation or for conversion into capital to increase the registered capital. Where the reserve of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the remaining statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

Article 163 Profit distribution policy of the Company:

(I) Principle for profit distribution

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

(II) Form of profit distribution

The Company may distribute dividends in cash, in shares, in combination of cash and shares or other lawful methods and shall give priority to distributing dividends in cash, but the distribution of profits shall not exceed the range of cumulative distributable profits. Subject to meeting the Company's planned cash expenditures, the Company may distribute interim dividends in cash based on the current operating profits and cash flow conditions.

Where the Company intends to present shares or convert capital reserve into capital stock, the financial and accounting reports of the semi-annual or quarterly reports shall be audited. Where the Company pays only cash dividends, this audit can be exempted.

(III~~III~~) Profit distribution conditions and cash dividend ratio

The distribution of cash dividends by the Company shall be subject to the following conditions:

1. Profits realized in the period for distribution;
2. There is no unrecovered loss from previous years in the period for distribution;
3. The Company's cash flow shall be sufficient to satisfy the demand for its ongoing operations and long-term development.

Where the above conditions are satisfied, the Company's accumulated distribution of cash dividends over the last three years shall not be less than 30% of the average annual distributable profits for the last three years in principle, and the Company shall distribute cash dividends at least once every three consecutive years.

Where stock dividends are distributed at the same time, the Board of Directors shall propose differentiated cash dividend policy, taking into account factors such as the industrial characteristics, development stages, business models, profitability, and the possibility of major capital expenditure arrangements, as the case may be:

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

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

(IV~~IV~~) Conditions for distribution of stock dividends

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

(V*) Protection of public investors

Where a shareholder misappropriates the Company's funds in violation of the regulations, the Company shall deduct the cash dividends distributed to the shareholder to repay the funds he/she misappropriates.

(VI*) Decision-making mechanism of the profit distribution proposal**1. *Demonstration procedures and decision-making mechanism of the profit distribution policy of the Company***

- (1) Subject to the development stages of the Company, the current operating conditions, and the capital demand plan for project investment, the Board of Directors shall properly dispose of the short- and long-term relationships of the Company on the basis of fully considering the interests of shareholders, and determine reasonable profit distribution proposals for this purpose.
- (2) The Board of Directors is responsible for formulating the profit distribution proposal. It is also the Board of Directors that shall put forward feasible profit distribution proposals building on the Company's financial and operating conditions.
- (3) Independent non-executive directors shall, prior to the board meeting regarding profit distribution, put forward clear opinions on profit distribution proposals. If a profit distribution proposal is approved, the proposal shall be passed by more than half of the independent non- executive directors. Otherwise, the independent non-executive directors shall render the facts and reasons for their objection, requesting the Board of Directors to reformulate profit distribution proposals.

Independent non-executive directors can propose dividend proposals by soliciting opinions from minority shareholders and directly submitting the proposals to the Board of Directors for consideration.

- (4) The ~~Board of Supervisors~~ Audit Committee shall give clear opinions on profit distribution proposals, and if it agrees with a profit distribution proposal, a resolution shall be formed for this purpose. Otherwise, the Audit Committee ~~Board of Supervisors~~ shall render the facts and reasons for their objection, suggesting that the Board of Directors reformulate profit distribution proposals. The Board of Supervisors may, when necessary, call for the convening of shareholders' general meeting.
- (5) If a profit distribution proposal is approved through the foregoing procedures, it will be submitted to the shareholders' general meeting for consideration by the Board of Directors. Whenever the shareholders' general meeting

deliberates an adjustment plan for the profit distribution policy, the Company shall offer convenience for public investors to attend the shareholders' general meeting by providing Internet or other means as per relevant regulations of the stock exchange(s) of the place(s) in which the shares of the Company are listed.

2. *Decision-making procedure for adjusting the profit distribution policy*

If the profit distribution policy should be adjusted due to major changes in the external business environment or business conditions of the Company, the Company may adjust the profit distribution policy, provided, however, that any profit distribution policy so adjusted must not go against the regulations of the CSRC and the ~~Shanghai~~ Stock Exchange where the Company's shares are listed.

- (1) The Strategy Committee under the Board of Directors shall formulate the adjustment plans for the profit distribution policy, fully demonstrate the necessity of the adjustment, and elaborate on the purpose of profit retention. Then, the Board of Directors may implement the compensation plan for cash dividends in the previous years when the Company becomes more profitable, in order to ensure that the shareholders receive cash dividends on a continuous basis.
- (2) Independent non-executive directors of the Company shall put forward clear opinions on profit distribution proposals. A profit distribution proposal shall be passed by more than half of the independent non-executive directors. Otherwise, the independent non-executive directors shall render the facts and reasons for their objection, requesting the Board of Directors to reformulate adjustment plans for profit distribution policy. Independent non-executive directors may, when necessary, call for the convening of shareholders' general meeting.
- (3) The ~~Board of Supervisors~~ Audit Committee shall give clear opinions on adjustment plans for the profit distribution policy, and if it agrees with an adjustment plan, a resolution shall be formed for this purpose. Otherwise, the Board of Supervisors shall render the facts and reasons for their objection, suggesting that the Board of Directors reformulate adjustment plans for profit distribution policy. The Board of Supervisors may, when necessary, call for the convening of shareholders' general meeting
- (4) Any adjustment plan for the profit distribution policy shall be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including their proxies) present at the meeting. When serving the notice of holding the shareholders' general meeting, the opinions of the independent non-executive directors and the Audit Committee ~~Board of Supervisors~~ shall be announced. Whenever the shareholders' general meeting

deliberates an adjustment plan for the profit distribution policy, the Company shall offer convenience for public investors to attend the shareholders' general meeting by providing Internet or other means as per relevant regulations of the stock exchange(s) of the place(s) in which the shares of the Company are listed.

(VII~~iii~~) Implementation of profit distribution proposals

After the profit distribution proposal has been approved at the Company's shareholders' general meeting, or the Board of the Company has formulated specific plan based on the interim dividend distribution conditions and upper caps as considered and approved at the annual general meeting, the ~~Board of Directors shall complete~~ distribution of profits shall be completed within two months ~~after the shareholders' general meeting.~~

Section 2 Internal Audit

Article 164 The Company shall implement an internal audit system which clarifies the leadership system, duties and powers, staffing, funding security, use of audit results, and accountability in relation to internal audit work. ~~It shall engage full time audit personnel to perform internal audit and supervision on the Company's financial income and expenses and economic activities.~~

~~**Article 165**—The internal audit system—and the responsibilities of the audit personnel of the Company shall take effect upon approval by the Board of Directors and be disclosed to the public. The head of audit shall be accountable to and report directly to the Board of Directors.~~

Article 165 The internal audit organization of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company. The internal audit organization is accountable to the Board.

The internal audit organization shall be subject to the supervision and guidance of the Audit Committee in the course of its supervision and inspection of the Company's business activities, risk management, internal control and financial information. The internal audit organization shall immediately report directly to the Audit Committee upon discovery of any relevant major issues or leads.

The internal audit organization 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 and related information issued by the internal audit organization and reviewed by the Audit Committee.

When the Audit Committee communicates with external audit units such as accounting firms and national audit agencies, the internal audit organization shall proactively cooperate and provide necessary support and collaboration.

The Audit Committee shall participate in the appraisal of the person in charge of internal audit.

Section 3 Appointment of Accounting Firm

Article 166 The Company shall engage an accounting firm which complies with the Securities Law to audit financial statements, verify net assets and provide other related consulting services, etc. The term of appointment shall be one year ~~from the end of the current shareholders' annual meeting of the Company until the end of the next shareholders' annual meeting~~, which is renewable.

Article 167 The appointment and removal of an accounting firm by the Company shall be decided by the shareholders' general meeting. The Board may not appoint an accounting firm before the decision is made by the shareholders' general meeting, otherwise required under the Articles of Association.

Article 168 The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any rejection, omission or falsehood.

Article 169 The audit fee of an accounting firm shall be decided by the shareholders' general meeting.

Article 170 In the event of removal or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is considered at the shareholders' general meeting of the Company.

Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

CHAPTER ~~89~~ NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 171 A notice of the Company shall be made in the following forms:

- (I) by hand;
- (II) by post;
- (III) by fax or email;

(IV) by announcements;

(V) by other means stipulated in the Articles of Association.

Article 172 Where a notice is served by way of announcement, upon the publication of such announcement, all relevant persons shall be deemed to have received the notice.

Article 173 Notice of shareholders' general meeting of the Company shall be given by ~~hand, post, fax or~~ announcements. Unless the context otherwise requires, in respect of an announcement issued to the holders of H Shares or issued in Hong Kong as required under the relevant regulations and the Articles of Association, the announcement shall be published on the Company's website, the website of the Hong Kong Stock Exchange, and other websites as stipulated by the Hong Kong Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Listing Rules.

Under the premise of the Company's compliance with the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution of corporate communications by the Company to holders of H Shares in accordance with requirements of such listing rules, the Company may also provide or distribute corporate communications to H Shares holders by electronic means or by publishing on the Company's website or the website of the stock exchange(s) of the place(s) in which the shares of the Company are listed, in lieu of delivery by hand or prepaid mail.

Corporate communications referred to in the preceding article means any document issued or to be issued by the Company for the information or action of any holder of H shares of the Company or other individuals required under the Hong Kong Listing Rules, including but not limited to:

1. the annual report of the Company (including the report of the Directors, annual financial statements, the auditors' report, the auditing report and the financial summary of the Company (if applicable));
2. the interim report and the summary of the interim report of the Company (if applicable);
3. notices of meetings;
4. listing documents;
5. circulars;
6. proxy forms (as defined in the listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed).

Article 174 Notice of convening the meeting of the Board of Directors of the Company shall be served by hand, post, email, fax or announcement.

~~**Article 175** Notice of convening the meeting of the Board of Supervisors of the Company shall be served by hand, post, email, fax or announcement.~~

Article 1756 Where the Company's notice is delivered by hand, the recipient shall sign (or seal) on the receipt of delivery and the day of service shall be the day of the receipt as signed by the recipient. Where the Company's notice is delivered by post, the day of service shall be the third working day since the day when the notice is handed over to the post office. Where a Company notice is delivered by fax, the day of service shall be the day on which such notice is dispatched. Where a Company notice is delivered by email, the day of service shall be the day when the email enters the mailbox system designated by the person to be served. Where a Company notice is delivered by way of an announcement, the day of service shall be the day when the announcement is first published.

Article 1767 Where a meeting notice is not sent to a person who is entitled to receive such notice due to accidental omission or such person fails to receive the meeting notice, the meeting and the resolutions made in such meeting shall not be null and void therefore.

Section 2 Announcement

Article 1778 The Company shall designate media/websites recognised by the stock exchange where the Company's shares are listed, such as the HKEXnews website (www.hkexnews.hk), as the media for publishing the Company's announcements and other information required to be disclosed.

CHAPTER 940 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 1789 A merger may be in the form of merger by absorption or merger by establishment of a new company.

In the case of merger by absorption, the company being absorbed shall be dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of merger of two or more companies and the merger parties shall be dissolved.

Article 17980 Where the Company merges with another company in which the former holds not less than 90% of the shares, the acquired company is not required to obtain approval by resolution of its general meeting, but shall notify the other shareholders who have the right to request the company to buy its equities or shares at a reasonable price.

If the price paid for the Company's merger does not exceed 10% of the Company's net assets, approval by resolution of its general meeting may not be required unless otherwise provided by the Articles of Association.

Where the Company's merger is exempted from approval by resolution of the general meeting in the preceding two paragraphs, it shall be subject to approval by resolution of the Board.

Article 180~~1~~ In the event of merger, the merger parties shall enter into a merger agreement, and formulate a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days from passing of the resolution on merger, and make an announcement on the Qualified Media and the HKEXnews website (www.hkexnews.hk) within 30 days. Creditors may require the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.

Article 181~~2~~ Upon merger, the creditor's rights and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.

Article 182~~3~~ In the event of division, assets of the Company shall be divided correspondingly.

In the event of a division, a balance sheet and an inventory list for assets shall be formulated. The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement on the Qualified Media and the HKEXnews website (www.hkexnews.hk) within 30 days.

Article 183~~4~~ The companies after division shall bear joint and several liability for debts of the Company prior to the division, except where the written agreement between the Company and its creditors on repayment of debts prior to the division stipulates otherwise.

Article 184~~5~~ If the Company needs to reduce its registered capital, it shall formulate a balance sheet and an inventory list for assets.

The Company shall notify its creditors within 10 days from passing of the resolution on reduction of registered capital, and make an announcement on the Qualified Media and the HKEXnews website (www.hkexnews.hk) within 30 days. Creditors are entitled to require the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.

The reduced registered capital of the Company shall ~~not be lower than the minimum statutory amount.~~ reduce its capital contribution or shares in proportion to the shares held by shareholders, except as otherwise provided by law or these Articles of Association.

Article 185 If the Company still has losses after making up for them in accordance with the provisions of Article 162 of these Articles of Association, it may reduce its registered capital to make up losses. Where the registered capital is reduced to make up losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares.

The provisions of the second paragraph of Article 184 of these Articles of Association shall not apply to the reduction of the registered capital in accordance with the preceding article but the Company shall publish an announcement on the Qualified Media and the HKEXnews website

(www.hkexnews.hk) within thirty (30) days from the date of the resolution on the reduction of its registered capital at the shareholders' general meeting.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of its statutory reserve fund and discretionary reserve fund reaches fifty percent (50%) of its registered capital.

Article 186 Where the registered capital is reduced in violation of the Company Law and other relevant regulations, the shareholders shall return the funds they have received. Where the capital contributions of the shareholders are reduced or exempted, it shall be restored to the original state. If losses are caused to the Company, the shareholders and the directors and senior management personnel who are responsible shall bear the liability for compensation.

When the Company issues new shares to increase its registered capital, the shareholders do not have the pre-emption right to subscribe, except as otherwise provided by these Articles of Association.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, establishment of the company shall be registered in accordance with the law.

When the Company increases or reduces its registered capital, such changes shall be registered with the company registration authority in accordance with law.

Section 2 Dissolution and Liquidation

Article 187 The Company shall be dissolved for the following reasons:

- (I) expiry of term of business stipulated in the Articles of Association or occurrence of any other causes for dissolution stipulated in the Articles of Association;
- (II) a shareholders' general meeting has resolved on the dissolution of the Company;
- (III) as a result of the merger or division of the Company;
- (IV) the Company's business license is revoked, or the Company is ordered to close down or dissolve in accordance with the law;

- (V) when the Company has serious difficulties in its management and the Company's subsistence will cause serious damages to the interests of its shareholders, and where the Company is unable to resolve the difficulties through any other means, the shareholders who hold more than 10% of the voting rights of the Company may apply to the people's court for dissolution of the Company.

On the occurrence of the events of dissolution set out in the preceding paragraph, the Company shall make an announcement on the National Enterprise Credit Information Publicity System within 10 days.

Article 188~~7~~ For the circumstance in item (I) and (II) of Article 187~~6~~ hereof, and no property has been distributed to shareholders, the Company may continue to subsist by amending the Articles of Association or by resolution of the general meeting.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the shareholders' general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting.

Article 189~~8~~ If the Company is dissolved pursuant to item (I), (II), (IV) or (V) of Article 187~~6~~ of the Articles of Association, it shall be liquidated, and the Directors, being the liquidation obligors shall form a liquidation team for liquidation within 15 days from the date of occurrence of the cause for dissolution. The liquidation team shall consist of members determined by the directors or the shareholders' general meeting.

The liquidation team shall comprise the Directors, unless the Articles of Association provide otherwise or it is resolved at a general meeting to elect another person(s).

If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

Article 190~~89~~ Where the Company shall be liquidated in accordance with the provisions of first paragraph of Article 189~~6~~ of the Articles of Association, and if it fails to establish a liquidation team to carry out liquidation after the expiry of the time limit or fails to carry out liquidation after establishing the liquidation team, the interested parties can apply to the people's court for appointing relevant officers to establish the liquidation team to carry out the liquidation.

Article 191~~0~~ The liquidation team shall exercise the following powers and functions during the liquidation period:

- (I~~i~~) to liquidate the Company's assets and prepare a balance sheet and an inventory list for assets;
- (II~~ii~~) to notify creditors and publish announcement;
- (III~~iii~~) to handle outstanding businesses of the Company related to liquidation;

(~~IV~~^{iv}) to settle all taxes in arrears and taxes arising in the course of liquidation;

(~~V~~^v) to liquidate creditor's rights and debts;

(~~VI~~^{vi}) to allocate the Company's remaining assets after the debts are paid off;

(~~VII~~^{vii}) to conduct civil lawsuits on behalf of the Company.

Article 192~~1~~ The liquidation team shall, within 10 days from its establishment, notify the creditors, and make an announcement on the Qualified Media and the HKEXnews website (www.hkexnews.hk) within 60 days. The creditors shall declare their creditors' rights to the liquidation team within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.

Creditors declaring creditors' rights shall state the relevant information of the creditors' rights and provide proof materials. The liquidation team shall register the creditors' rights.

During the period for declaration of creditors' rights, the liquidation team shall not make repayment to creditors.

Article 193~~2~~ Upon sorting of the Company's assets and formulation of balance sheet and inventory list for assets, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' general meeting or the people's court for confirmation.

After the Company's assets are used respectively for payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, payment of tax in arrears and the Company's debts, they shall be distributed in proportion to the shareholding of the shareholders.

During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

Article 194~~3~~ Upon sorting of the Company's assets and formulation of balance sheet and inventory list of assets, where the liquidation team is aware that the Company's assets are inadequate for repayment of debts, the liquidation team shall apply to the people's court for declaration of insolvency.

After the People's Court accepts the application for bankruptcy, the liquidation team shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 195~~4~~ Upon completion of liquidation, the liquidation team shall formulate a liquidation report and shall submit the same to the shareholders' general meeting or the people's court for confirmation and submit to the company registration authorities and apply for deregistration.

Article 1965 Members of the liquidation team shall perform their liquidation obligation and bear duties of loyalty and diligence. Members of the liquidation team shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; where members of the liquidation team who cause losses to the Company or creditors due to intentional or gross negligence shall be liable for compensation.

Article 1976 If the Company has not incurred any debts during its existence, or has settled all its debts, it may, with the undertaking of all shareholders, deregister the Company through the simplified procedure in accordance with relevant regulations.

In case of deregistration through the simplified procedure, the Company shall publish a notice on the National Enterprise Credit Information Publicity System for a period of not less than 20 days. If there is no objection after the expiration of the publicity period, the Company may apply to the company registration authority for deregistration within twenty days.

In case of deregistration through the simplified procedure, shareholders who have made an untrue undertaking with respect to the contents of the first paragraph of this article shall be jointly and severally liable for the debts incurred prior to the deregistration.

Article 1987 Where the Company is declared insolvent in accordance with laws, it shall implement insolvency liquidation in accordance with the relevant laws relating to insolvency of an enterprise.

CHAPTER 104 AMENDMENTS TO ARTICLES OF ASSOCIATION

Article 1998 Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) Following the amendment of the Company Law, the relevant laws, administrative regulations or the securities regulations and rules of the places where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the amended laws, administrative regulations or the securities regulations and rules of the places where the Company's shares are listed;
- (II) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;
- (III) A shareholders' general meeting has decided on making amendments to the Articles of Association.

Article 200199 Where the approval from the competent authority is required for the amendments to the Articles of Association resolved by the shareholders' general meeting, such amendments shall be submitted to the competent authority for approval. Where an amendment to the Articles of Association involves the particulars of the Company's registration, changes shall be made to the registration pursuant to the law.

Article 2010 The Board of Directors shall amend the Articles of Association pursuant to the resolution of the shareholders' general meeting on such amendment and the examination and approval opinion of the competent authority.

Article 2024 If any amendment to the Articles of Association involves matters required to be disclosed by laws and regulations, an announcement shall be made pursuant to the regulations.

CHAPTER 112 SUPPLEMENTARY ARTICLES

Article 2032 Definitions

- (I) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a shareholders' general meeting, or controlling shareholder as defined in the securities regulations and rules of the places where the Company's shares are listed;
- (II) An de facto controller refers to a natural person, legal person or other organization which is not a shareholder of the Company but can effectively control the Company through investments, agreements or other arrangements.
- (III) In the Articles of Association, the meaning of "accounting firm" is consistent with the meaning of "auditor" in the Hong Kong Listing Rules; in the Articles of Association, "connected persons", "connected relations" and "connected transactions" refer to the meanings ascribed in the Hong Kong Listing Rules.

Article 2043 The Board may formulate by-laws in accordance with the provisions of the Articles of Association. Such by-laws shall not be in conflict with the Articles of Association.

Article 2054 The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with the administration for industry and commerce shall prevail.

Article 2065 In case of any contradictions between the Articles of Association and the provisions of the laws, administrative regulations, normative documents and the securities regulations and rules of the places where the Company's shares are listed promulgated from time to time, the provisions of the laws, administrative regulations, normative documents and the securities regulations and rules of the places where the Company's shares are listed shall prevail.

Article 2076 The terms "above", "within" or "before", as stated in the Articles of Association shall all include the given figure; the terms "over", "other than", "less than", "more than", "lower than", "exceed" shall all exclude the given figure.

Article 2087 The Board of Directors of the Company shall be responsible for the interpretation of the Articles of Association.

Article 2098 Appendixes to the Articles of Association include the rules of procedure for shareholders' general meetings, the rules of procedure for meetings of the Board of Directors~~and the rules of procedure for meetings of the Board of Supervisors.~~

Article 2109 Any matters not provided in the Articles of Association shall be settled according to the actual situations of the Company in accordance with the laws, administrative regulations and relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed. If there is any conflict between the Articles of Association and the laws, administrative regulations, relevant requirements or rules of the relevant securities registration and clearing institutions, other relevant normative documents and listing rules of the stock exchange where the Company's shares are listed as promulgated from time to time, the latter shall prevail.

Article 2110 ~~The Upon consideration and approval by the shareholders' general meeting, the~~ Articles of Association shall take effect from the date ~~of listing of the H Shares of the Company on the Hong Kong Stock Exchange~~ upon consideration and approval by the shareholders' general meeting. Since the effective date of the Articles of Association, the original articles of association will be lapsed automatically.

Beijing Biostar Pharmaceuticals Co., Ltd.

RULES OF PROCEDURE FOR GENERAL MEETING

CHAPTER 1 GENERAL PROVISIONS

Article 1 These Rules are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Listing Rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Articles of Association of Beijing Biostar Pharmaceuticals Co., Ltd. (hereinafter referred to as the "Articles of Association") and relevant national laws, administrative regulations and normative documents, to regulate the operation of Beijing Biostar Pharmaceuticals Co., Ltd. (hereinafter referred to as the "Company") and ensure the lawful exercise of functions and powers by the general meeting.

~~**Article 1** These Rules shall apply to the convening, proposal submission, notification, holding and other matters of the Company's general meeting.~~

Article 2 The Company shall convene the general meeting in strict compliance with the provisions of laws, administrative regulations, normative documents, the Articles of Association and these Rules, so as to ensure that shareholders may exercise their rights in accordance with the law.

The board of directors of the Company shall earnestly perform its duties and organize the general meeting in a prudent and timely manner. All directors of the Company shall act diligently and responsibly to ensure the smooth convening and lawful exercise of functions and powers of the general meeting.

Article 3 The general meeting shall exercise its functions and powers within the scope stipulated by the Company Law and the Articles of Association.

Article 4 General meetings shall be divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once a year within six months after the end of the immediately preceding financial year. Extraordinary general meetings shall be held on an irregular basis. Where circumstances for convening an extraordinary general meeting as specified in Article 113 of the Company Law arise, the extraordinary general meeting shall be convened within two months.

CHAPTER 2 CONVENING OF GENERAL MEETING

Article 5 Save as otherwise stipulated by laws or the Articles of Association, the general meeting shall be convened by the board of directors. The board of directors shall convene the general meeting in a timely manner within the time limits specified in these Rules.

Article 6 With the consent of more than half of all independent non-executive directors, the independent non-executive directors shall have the right to propose to the board of directors the convening of an extraordinary general meeting. In response to a proposal for an extraordinary general meeting put forward by independent non-executive directors, the board of directors shall, in accordance with applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, issue a written response approving or rejecting the proposal within 10 days upon receipt thereof.

If the board of directors approves the convening of an extraordinary general meeting, it shall issue the meeting notice within 5 days after adopting the relevant board resolution. If the board of directors rejects the proposal, it shall state the reasons therefor.

Article 7 The ~~Supervisor Committee~~ Audit Committee shall have the right to propose in writing to the board of directors the convening of an extraordinary general meeting. The board of directors shall, in accordance with applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, issue a written response approving or rejecting the proposal within 10 days upon receipt thereof

If the board of directors approves the convening, it shall issue the meeting notice within 5 days after adopting the board resolution; any modification to the original proposal stated in the notice shall be subject to the consent of the ~~Supervisor Committee~~ Audit Committee.

If the board of directors rejects the proposal or fails to issue a written response within the aforesaid 10-day period, it shall be deemed that the board of directors is unable to or fails to perform its duty of convening the general meeting, and the ~~Supervisor Committee~~ Audit Committee may convene and preside over the meeting on its own.

Article 8 Any shareholder holding, individually or in aggregate, more than 10% of the Company's shares shall have the right to request the board of directors to convene an extraordinary general meeting, and shall submit such request to the board of directors in writing. The board of directors shall, in accordance with applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, issue a written response approving or rejecting the request within 10 days upon receipt thereof.

If the board of directors approves the convening of an extraordinary general meeting, it shall issue the notice of convening the extraordinary general meeting within 5 days after adopting the board resolution. Any modification to the original request set forth in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors rejects the convening of an extraordinary general meeting or fails to give any response within 10 days upon receipt of the request, any shareholder holding, individually or in aggregate, more than 10% of the Company's shares shall have the right to propose to the ~~Supervisor Committee~~ Audit Committee the convening of an extraordinary general meeting and shall submit a written request to the ~~Supervisor Committee~~ Audit Committee.

If the ~~Supervisor Committee~~ Audit Committee approves the convening of an extraordinary general meeting, it shall issue the general meeting notice within 5 days upon receipt of the request, and any modification to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the ~~Supervisor Committee~~ Audit Committee fails to issue the general meeting notice within the prescribed time limit, it shall be deemed that the ~~Supervisor Committee~~ Audit Committee refuses to convene and preside over the general meeting. Shareholders who have held, individually or in aggregate, more than 10% of the Company's shares for a continuous period of 90 days or more may convene and preside over the general meeting on their own.

Article 9 Where the ~~Supervisor Committee~~ Audit Committee or shareholders decide to convene a general meeting on their own, they shall notify the board of directors in writing and file relevant records with the stock exchange where the Company's shares are listed.

Prior to the announcement of the general meeting resolution, the shareholding ratio of the convening shareholders shall not be less than 10%.

The ~~Supervisor Committee~~ Audit Committee or convening shareholders shall submit relevant supporting documents to the securities regulatory authority at the Company's place of registration and the stock exchange where the Company's shares are listed upon issuance of the meeting notice and announcement of the meeting resolution.

Article 10 The board of directors and the board secretary shall cooperate with the general meeting convened independently by the ~~Supervisor Committee~~ Audit Committee or shareholders. The board of directors shall provide the register of shareholders on the record date. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the general meeting.

Article 11 All necessary expenses incurred for a general meeting convened independently by the ~~Supervisor Committee~~ Audit Committee or shareholders shall be borne by the Company.

CHAPTER 3 PROPOSALS AND NOTICES FOR GENERAL MEETING

Article 12 A proposal shall fall within the scope of functions and powers of the general meeting, contain clear topics and specific resolution matters, comply with applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and be submitted or delivered to the convener in writing.

Article 13 Shareholders holding individually or in aggregate 1% or more of the Company's shares may submit interim proposals in writing to the convener 10 days prior to the convening of the general meeting, with clear topics and specific resolution items. The convener shall issue a supplementary meeting notice within 2 days upon receipt of the interim proposal, announce the content thereof and submit it to the general meeting for consideration, save for proposals that violate applicable laws, administrative regulations, the Articles of Association or fall outside the

authority of the general meeting. Where the securities regulatory rules of the place where the Company's shares are listed prescribe specific requirements for the issuance of supplementary notices, such requirements shall prevail provided that they do not violate applicable domestic laws and regulations including the Company Law and the Guidelines for the Articles of Association of Listed Companies. If the securities regulatory rules of the place where the Company's shares are listed require the adjournment of the general meeting due to the issuance of a supplementary notice, the meeting shall be adjourned in accordance with such securities regulatory rules.

Save for the aforesaid circumstances, after issuing the general meeting notice, the convener shall not amend the specified proposals or add new ones.

The general meeting shall not vote on or adopt resolutions in respect of any proposal not specified in the meeting notice or failing to comply with these Rules.

Article 14 The convener shall notify all shareholders in writing (including by way of announcement) at least 21 days prior to the convening of an annual general meeting, and at least 15 days prior to an extraordinary general meeting, unless all shareholders agree to waive the aforesaid notice periods and requirements. In calculating the aforesaid time limits, the date of the meeting shall be excluded, while the date of the notice announcement shall be included.

Article 15 The general meeting notice and supplementary notice shall fully and completely disclose the specific content of all proposals. If matters to be discussed require opinions from independent non-executive directors, the opinions and supporting reasons of independent non-executive directors shall be disclosed together with the issuance of such general meeting notice or supplementary notice.

Article 16 For any proposal intended to modify matters covered by a previous general meeting resolution, the full content of the modification shall be set out instead of merely listing revised items. Items specified under "other matters" without specific content shall not be deemed as valid proposals and shall not be put to vote at the general meeting.

Article 17 Proposals concerning investment, asset disposal, merger and acquisition and other major transactions shall specify full details, including but not limited to the transaction amount, price (or pricing basis), book value of relevant assets, impact on the Company and approval status. If asset appraisal, audit or independent financial advisory reports are required under relevant provisions, the board of directors shall publish the appraisal results, audit reports or independent financial advisory reports at least five working days prior to the general meeting.

Article 18 Proposals connected with connected transactions shall set out detailed information, including without limitation the connected relationship, transaction date and venue, transaction purpose, transaction subject matter, price and pricing basis, nature and proportion of interests held by connected persons in the transaction, and the benefits of the connected transaction to the Company.

Article 19 The appointment of accounting firms shall be proposed by the board of directors and approved by the general meeting. Where the board of directors proposes the dismissal or non-renewal of the engagement of an accounting firm, it shall notify the relevant firm in advance and state the reasons to the general meeting. The accounting firm shall have the right to present its opinions at the general meeting.

Outside the period of general meetings, if the board of directors dismisses an accounting firm for justifiable reasons, it may temporarily engage another accounting firm, and such engagement must be ratified and approved at the next general meeting.

If an accounting firm resigns from its engagement, the board of directors shall explain the reasons at the next general meeting. The resigning accounting firm shall be obliged to present written explanations or send representatives to attend the general meeting to disclose any improper matters in relation to the Company.

Article 20 If the election of directors ~~or supervisors~~ is to be discussed at the general meeting, the meeting notice shall fully disclose detailed information of each director ~~or supervisor~~ candidate, including at least the following:

- (I) Circumstances disqualifying the candidate from serving as a director ~~or supervisor~~ and compliance with qualification requirements under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) Personal background including education, work experience and concurrent positions;
- (III) Connected relationships (if any) with the Company, its controlling shareholders and ultimate controllers;
- (IV) Number of the Company's shares held;
- (V) Penalties imposed by the China Securities Regulatory Commission, other competent authorities or disciplinary sanctions issued by stock exchanges;
- (VI) Information on newly appointed, re-elected or transferred directors ~~or supervisors~~ as required to be disclosed under the Hong Kong Listing Rules.

Save for director ~~or supervisor~~ election by cumulative voting, each director ~~or supervisor~~ candidate shall be proposed as a separate single proposal.

Article 21 A general meeting notice shall contain the following contents:

- (I) Time, venue and duration of the meeting;
- (II) Matters and proposals to be submitted for consideration;

- (III) An explicit statement that all shareholders are entitled to attend the meeting and appoint proxies to attend and vote on their behalf, and such proxies need not be shareholders of the Company;
- (IV) The record date for determining shareholders entitled to attend and vote at the meeting;
- (V) Name and contact number of the designated liaison for meeting arrangements.

The interval between the record date and the meeting date shall not exceed seven working days. The confirmed record date shall not be altered.

Article 22 After the issuance of a general meeting notice, the meeting shall not be adjourned or cancelled without just cause, nor shall any listed proposal be revoked. In the event of necessary adjournment or cancellation, the convener shall disclose the reasons at least two working days prior to the original meeting date. If the board of directors ~~or Supervisor Committee~~ acts as the convener, it shall convene a board meeting ~~or a meeting of Supervisor Committee~~ to consider the cancellation matters. Where the securities regulatory rules of the place where the Company's shares are listed prescribe specific procedures for meeting adjournment or cancellation, such rules shall prevail on the premise of complying with domestic regulatory requirements.

CHAPTER 4 CONVENING OF GENERAL MEETING

Article 23 The general meeting shall be held at the Company's registered address or other venue ~~prescribed in the Articles of Association~~ specified in the meeting notice.

The general meeting shall be convened in physical on-site form, and may also be held by means of electronic communication methods simultaneously.

Shareholders may attend the meeting and exercise voting rights in person, or appoint proxies to attend, speak and vote within the scope of authorization.

If a shareholder is a recognized clearing house as defined under relevant ordinances enacted in Hong Kong from time to time or its nominee, it may authorize one or more persons to act as its representative at any general meeting, any class meeting of shareholders or any creditors' meeting; provided that if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each representative is authorized. Authorized representatives may exercise rights on behalf of the recognized clearing house or its nominee and enjoy the same statutory rights including speaking and voting rights as individual shareholders.

After the issuance of the meeting notice, the physical venue shall not be changed without just cause. If a change is necessary, the convener shall make an announcement and state the reasons at least two working days in advance.

Article 24 The board of directors and other conveners shall take necessary measures to maintain the order of the general meeting. Any act of disrupting the meeting, creating disturbances or infringing the legitimate rights and interests of shareholders shall be restrained and reported to relevant authorities for investigation and handling in a timely manner.

Article 25 All shareholders registered on the record date or their proxies shall have the right to attend the general meeting, speak and exercise voting rights in accordance with applicable laws, regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association (save for shareholders required to abstain from voting on specific matters under the Hong Kong Listing Rules). The Company and the convener shall not refuse attendance for any reason.

Article 26 An individual shareholder attending the meeting in person shall produce his or her identity card or other valid documents or proof sufficient to verify his or her identity. A shareholder appointing a proxy to attend the meeting shall produce his or her valid identity document, the shareholder's power of attorney, and a copy of the principal's valid identity document, provided that the proxy need not be a shareholder of the Company. Where a shareholder is a body corporate, it may appoint one representative to attend and vote at any general meeting of the issuer, and attendance at any meeting by such a representative shall be deemed attendance in person by the body corporate.

A corporate shareholder shall attend the meeting and vote by its legal representative or a proxy authorised by such legal representative. Where the legal representative attends the meeting, he shall produce his identity document and valid proof of his status as the legal representative. If a proxy is appointed to attend the meeting, the proxy shall additionally produce his identity document and a written power of attorney duly issued by the legal representative of the corporate shareholder. (Save for a shareholder which is a recognised clearing house or its nominee.)

Article 27 Where a power of attorney for meeting attendance is signed by an authorized representative of a shareholder, the power of attorney or other authorization documents shall be notarized. Subject to compliance with the applicable laws, regulations and regulatory rules of the place where the Company's shares are listed, any notarised power of attorney or other authorisation documents, together with the proxy forms for voting, shall be kept at the Company's registered address or such other place as specified in the notice convening the meeting, prior to the holding of the relevant meeting or within the time period designated by the Company.

Article 28 The power of attorney issued by a shareholder for appointing another person to attend the general meeting shall specify the following contents:

- (I) Name of the ~~proxy~~ principal, class and number of shares held;
- (II) Name of the proxy ~~Whether the proxy is entitled to voting rights;~~
- (III) Specific voting instructions for each agenda item, including votes in favour, against or abstention;

(IV) Issuance date and valid term of the power of attorney;

(V) Signature of the principal or the agent duly authorised in writing by the principal; for corporate principals, the official corporate seal or signatures of directors or duly appointed representatives shall be affixed.

~~The proxy form shall indicate whether, in the absence of specific instructions from the shareholder, the proxy may vote at his/her own discretion.~~

Article 29 The Company shall be responsible for preparing the meeting registration book for attendees. The meeting registration book shall set out the name (or entity name) of each attendee, identity document number, ~~residential address~~, the number of voting shares held or represented, and the name (or entity name) of the represented party and other relevant particulars.

Article 30 The convener shall verify the qualification of shareholders based on the register of shareholders and register the name and voting shares of each attending shareholder. Meeting registration shall be closed before the chairperson announces the number of on-site shareholders, proxies and total voting shares present.

Article 31 ~~When the Company convenes a general meeting, all directors, supervisors and the board secretary shall attend the meeting, and the general manager and other senior management shall be present at the meeting.~~ If the general meeting requires directors and senior management to attend the meeting, such personnel shall be present and respond to inquiries from shareholders.

Article 32 The general meeting shall be presided over by the chairman of the board. If the chairman is unable or fails to perform duties, the meeting shall be presided over by the deputy chairman (or a deputy chairman elected by more than half of the directors if there are two or more deputy chairmen). If the deputy chairman is unable to perform duties, a director elected by more than half of the directors shall preside over the meeting.

~~A general meeting convened by the Supervisory Committee on its own shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a supervisor elected by a majority of the supervisors.~~ A general meeting convened by the Audit Committee shall be presided over by the convenor of the Audit Committee. If the convenor of the Audit Committee is unable or fails to perform his duties, the meeting shall be chaired by an Audit Committee member jointly elected by more than half of the members of the Audit Committee.

A general meeting convened by shareholders shall be presided over by the convenor or a representative nominated by him. If the convenor is unable to appoint a meeting host for any reason, the shareholder (including its proxy) holding the largest number of voting shares among the convenors shall act as the meeting chairman.

If, during a general meeting, the chairman of the meeting breaches the procedural rules and renders the meeting unable to proceed, the general meeting may elect another person to act as the meeting chairman to continue the meeting with the consent of more than half of the voting shareholders present at the scene.

Article 33 The meeting chairman shall declare the opening of the meeting at the scheduled time, and the meeting shall proceed item by item in the order of the topics and proposals set out in the agenda. Each matter on the meeting agenda shall be presented, considered and voted on separately.

Article 34 At each annual general meeting, the board of directors ~~or Supervisor Committee~~ shall submit a work report for the preceding year, and each independent non-executive director shall deliver a performance report.

Article 35 Directors, ~~supervisors~~ and senior management shall provide explanations and responses to inquiries raised by shareholders at the general meeting. The chairperson may designate attending directors, ~~supervisors~~ or relevant personnel to answer shareholders' questions and suggestions. The chairperson may refuse to answer inquiries under the following circumstances and shall state the reasons therefor:

- (I) The inquiry is irrelevant to the proposed resolutions;
- (II) The matter under inquiry is pending investigation;
- (III) The inquiry involves commercial secrets not permitted to be disclosed at the general meeting;
- (IV) The response would materially prejudice the collective interests of shareholders;
- (V) Other material reasons.

Article 36 The meeting chairperson shall, before voting, announce the number of shareholders and proxies present at the meeting and the total number of voting shares held by them. Such number of attendees and total voting shares shall be based on the meeting registration records.

Article 37 Shareholders with connected interests in the matters under consideration shall abstain from voting, and their voting shares shall not be included in the total voting shares present at the general meeting.

In accordance with applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution or restricted to vote only in favour of (or against) a resolution, any votes cast by such shareholder or its proxy in breach of the relevant provisions or restrictions shall not be counted.

The procedures for abstention and voting of connected shareholders are as follows:

- (I) The board of directors shall determine whether the matters proposed for consideration by the general meeting constitute connected transactions in accordance with the provisions of relevant laws, administrative regulations and departmental rules. For the purpose of such determination, the shareholding of each shareholder shall be based on the record date;
- (II) If the board of directors determines that any matter proposed to be considered by the general meeting constitutes a connected transaction, the board of directors shall notify the connected shareholders in written;
- (III) The board of directors shall complete the work specified above prior to issuing the notice of the general meeting, and notify all shareholders of the results of such work in the general meeting notice;
- (IV) When a general meeting votes on matters relating to connected transactions, after excluding the voting shares held or represented by connected shareholders, the non-connected shareholders present at the meeting shall vote in accordance with the provisions of the Articles of Association;
- (V) If connected shareholders are unable to abstain under special circumstances, voting may proceed in the ordinary manner with the approval of competent authorities, and detailed explanations shall be set out in the general meeting resolution.

Resolutions on connected transactions shall be valid only if approved by more than half of the voting rights held by non-connected shareholders present at the general meeting.

When considering material connected transactions, the board of directors shall issue a written opinion on the rationality and benefits of the transaction.

Article 38 When considering material matters affecting the interests of minority shareholders, separate vote counting shall be conducted for minority shareholders, and the results shall be disclosed in a timely manner in accordance with applicable laws and regulation and securities regulatory rules of the place where the Company's shares are listed.

Treasury shares held by the Company shall have no voting rights and shall not be included in the total voting shares present.

The board of directors, independent non-executive directors, shareholders holding 1% or more voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the China Securities Regulatory Commission, may publicly solicit voting rights from shareholders. In soliciting shareholders' voting rights, sufficient information such as the specific voting intentions shall be fully disclosed to the offerees. It is prohibited to solicit

shareholders' voting rights by paid or disguised paid means. Save for statutory requirements, the Company shall not impose minimum shareholding ratio restrictions on the solicitation of voting rights.

Article 39 Cumulative voting may be adopted for the election of directors ~~or supervisors~~ as stipulated by the Articles of Association or general meeting resolutions.

Cumulative voting means that in director ~~or supervisor~~ elections, each share carries voting rights equal to the number of directors to be elected, and shareholders may concentrate their voting rights on one or multiple director ~~or supervisor~~ candidates.

Article 40 Save for cumulative voting, all proposals shall be voted on item by item. For competing proposals on the same matter, voting shall be conducted in the order of proposal submission. A general meeting shall not adjourn or withhold voting on any proposal, unless the meeting is suspended or unable to pass a resolution due to special circumstances such as force majeure.

Article 41 No amendment shall be made to any proposal during the consideration of the general meeting. Any revised content shall be deemed a new proposal and shall not be voted on at the current general meeting.

Article 42 In case of duplicate voting on the same voting right, the first valid vote cast shall prevail.

Article 43 Shareholders attending the general meeting shall express one of the following opinions on the proposals submitted for voting: approve, against or abstain. This shall not apply where a securities registration and clearing institution, as the nominee holder of shares under the Mainland-Hong Kong Stock Connect mechanism, makes declarations in accordance with the instructions of the beneficial owners.

Any voting ballot that is left blank, incorrectly completed, illegible or not cast shall be deemed as a waiver of voting rights by the voter, and the voting result of the shares held by such voter shall be recorded as "abstain".

Article 44 Prior to voting, two shareholder representatives ~~or securities registration institutions~~ the share registrar shall be appointed as vote counters and scrutineers. Connected shareholders and their proxies shall not participate in vote counting and scrutiny for connected transaction matters.

Lawyers and shareholder representatives ~~and supervisor representatives together or securities registration institutions~~ the share registrar shall be ~~jointly~~ responsible for vote counting and supervision during voting at the general meeting.

Article 45 The chairperson shall announce the voting status and result of each proposal at the meeting venue, and declare whether a proposal is passed based on the voting outcome.

Prior to the official announcement of voting results, the Company, vote counters, vote scrutineers, major shareholders and all other relevant parties involved in the general meeting shall be under an obligation to keep the voting information confidential.

Article 46 The board secretary shall be responsible for preparing the minutes of the general meeting, which shall record the following information:

- (I) Meeting time, venue, agenda and name of the convener;
- (II) Name of the chairperson, ~~presenting or attending directors, supervisors, the Board secretary, the general manager and other~~ and senior management;
- (III) Number of attending shareholders and proxies, total voting shares present and the proportion to the Company's total share capital;
- (IV) Consideration process, key opinions and voting results for each proposal;
- (V) Shareholders' inquiries, suggestions and relevant responses or explanations;
- (VI) Name of lawyers, vote counters and scrutineers;
- (VII) Other matters required to be recorded by the general meeting or the Articles of Association.

Presenting or attending dDirectors, the board secretary, the convener and its representatives, and the meeting chairperson shall sign the meeting minutes to confirm the authenticity, accuracy and completeness of the records. The meeting minutes shall be preserved together with the on-site attendance register and valid powers of attorney for no less than 10 years.

Article 47 The convener shall ensure the continuous proceeding of the general meeting until final resolutions are adopted. If the meeting is suspended or terminated due to force majeure or other special circumstances, necessary measures shall be taken to promptly resume the general meeting or directly terminate the current general meeting.

Article 48 Newly elected directors ~~or supervisors~~ shall take office in accordance with the provisions of the Articles of Association upon the adoption of the relevant election resolution by the general meeting.

Article 49 Where the general meeting approves proposals in relation to cash dividends, bonus share issues or capitalisation of capital reserve, the Company shall implement the specific plan within two months following the conclusion of the general meeting. If the implementation of such specific plan within two months is not feasible due to compliance with laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly in light of the aforesaid provisions and actual circumstances.

Article 50 Any general meeting resolution in violation of applicable laws or administrative regulations shall be null and void.

Controlling shareholders and ultimate controllers shall not restrict or obstruct the lawful exercise of voting rights by minority shareholders, nor damage the legitimate rights and interests of the Company and minority shareholders.

If the convening procedures, voting methods or resolution contents of the general meeting violate applicable laws, administrative regulations or the Articles of Association, shareholders may apply to the people's court for revocation within 60 days from the date of resolution adoption.

CHAPTER 5 IMPLEMENTATION OF GENERAL MEETING RESOLUTIONS

Article 51 The board of directors shall be responsible for organising the implementation of general meeting resolutions, with specific implementation undertaken by the Company's management in accordance with the resolution contents and division of duties. ~~Matters which a resolution of the general meeting requires the Supervisory Committee to handle shall be directly organised and implemented by the Supervisory Committee.~~

Article 52 The general manager shall report the implementation status of the resolutions of the general meeting to the board of directors, and the board of directors shall report thereon to the next general meeting. ~~Matters implemented by the Supervisory Committee shall be directly reported by the Supervisory Committee to the general meeting; if the Supervisory Committee deems it necessary, it may also first notify the board of directors.~~

Article 53 The chairman of the Company shall supervise and inspect the implementation of the general meeting resolutions ~~other than the matters implemented by the Supervisory Committee~~, and may convene an extraordinary meeting of the board of directors when necessary to consider and review reports on the implementation of such resolutions.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 54 These Rules constitute an annex to the Articles of Association and shall, ~~subject to consideration and approval at the Company's general meeting, take effect from the date of the Company's initial public offering of overseas listed shares (H shares) and listing on The Stock Exchange of Hong Kong Limited~~ upon adoption by the general meeting.

Article 55 These Rules shall be amended under any of the following circumstances:

- (I) Where after the amendment of the Company Law, relevant laws, administrative regulations or the Articles of Association, any matter stipulated in these Rules is inconsistent with the provisions of the amended laws, administrative regulations or the Articles of Association;
- (II) Where an amendment to these Rules is approved by the general meeting.

Article 56 Amendments to these Rules shall be determined by the general meeting. The general meeting shall authorise the board of directors to draft amendment proposals, which shall take effect upon approval by the general meeting.

Article 57 For the purposes of these Rules, the terms “not less than”, “within” and “not exceeding” shall include the given number; while “more than”, “other than~~outside~~”, “lower than”, “in excess of”, “less than” and “exceeding” shall exclude the given number.

Article 58 The board of directors of the Company shall have the authority to interpret these Rules.

Beijing Biostar Pharmaceuticals Co., Ltd.

RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 These Rules are formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Listing Rules of The Stock Exchange of Hong Kong Limited and the Articles of Association of Beijing Biostar Pharmaceuticals Co., Ltd. (hereinafter referred to as the "Articles of Association"), for the purposes of clarifying the functions and powers of the board of directors of Beijing Biostar Pharmaceuticals Co., Ltd. (hereinafter referred to as the "Company"), regulating the organisation and conduct of the board of directors, and ensuring the work efficiency and scientific decision-making of the board of directors.

Article 2 The board of directors is a permanent body of the Company, accountable to the general meeting. It shall implement the resolutions of the general meeting, safeguard the interests of the Company and all shareholders, and be responsible for decision-making on the Company's development objectives and major business activities.

CHAPTER 2 BOARD OFFICE

Article 3 The board of directors shall establish the board office to handle the daily affairs of the board of directors.

Article 4 The board secretary shall take charge of the board office and keep the seals of the board of directors and the board office. The board secretary may designate authorised personnel such as the securities affairs representative to assist in handling daily affairs.

CHAPTER 3 CONVENING OF BOARD MEETINGS

Article 5 Board meetings shall be divided into regular meetings and extraordinary meetings.

Article 6 The board of directors shall convene at least four regular meetings each year, approximately once per quarter. Board meetings shall be convened and presided over by the chairman of the board. The board office shall deliver a written meeting notice affixed with its seal to all directors, ~~supervisors~~, the general manager and the board secretary at least 14 days prior to the meeting date.

For the convening of an extraordinary board meeting, the board office shall, in principle, issue a written meeting notice affixed with its seal to all directors, ~~supervisors~~, the general manager and the board secretary at least 3 days in advance. Where no objection is raised by attending directors or in case of emergency, the aforesaid time limit for notice may be waived, and notice may be given at any time by telephone or other oral means.

Notices of board meetings may be served by personal delivery, email, telephone, post or fax. For non-direct delivery methods, telephone confirmation and corresponding records shall be completed.

Article 7 The board of directors shall convene an extraordinary meeting under any of the following circumstances:

- (I) Upon proposal by shareholders holding more than one-tenth of the voting rights;
- (II) Upon joint proposal by more than one-third of the directors;
- (III) Upon proposal by more than half of the independent non-executive directors;
- ~~(IV) Upon proposal by the Supervisory Committee;~~
- ~~(V)~~ (IV) When the chairman deems it necessary;
- ~~(VI)~~ (V) Upon proposal by the general manager;
- ~~(VII)~~ (VI) When required by the securities regulatory authorities;
- ~~(VIII)~~ (VII) Other circumstances as stipulated in the Articles of Association.

Article 8 Board meetings shall be convened and presided over by the chairman. If the chairman is unable or fails to perform his/her duties, the vice chairman shall act on his/her behalf. If the vice chairman is unable or fails to perform his/her duties, a director shall be elected jointly by more than half of all directors to convene and preside over the meeting.

Article 9 A written notice of a board meeting shall include the following contents:

- (I) Date and venue of the meeting;
- (II) Form of the meeting;
- (III) Causes and agenda items;
- (IV) Convener and chairperson of the meeting, the proposer of an extraordinary meeting and the written proposal submitted thereby;
- (V) Meeting materials necessary for directors to vote;
- (VI) Requirements for directors to attend in person or authorise other directors to attend on their behalf;

(VII) Contact person and contact details.

An oral meeting notice shall at least include items (I) and (II) above, together with an explanation of the urgent circumstances requiring the prompt convening of the extraordinary board meeting.

Draft resolutions for board meetings shall be delivered to directors and relevant attendees together with the meeting notice.

Article 10 After the issuance of a written notice for a regular board meeting, if it is necessary to amend the meeting time, venue or other matters, or to add, revise or cancel meeting proposals, a written amendment notice stating the relevant circumstances, contents of new proposals and supporting materials shall be issued prior to the original meeting date.

After the issuance of a notice for an extraordinary board meeting, if it is necessary to amend the meeting time, venue or other matters, or to add, revise or cancel meeting proposals, such amendments shall, after relevant circumstances, contents of new proposals and supporting materials are provided to all directors, be subject to unanimous approval by all directors with relevant records kept on file.

Article 11 A board meeting may only be held if attended by more than half of all directors. If the minimum attendance requirement cannot be met due to directors' refusal or failure to attend, the chairman and board secretary shall promptly report to the regulatory authorities.

~~The supervisors may attend board meetings.~~ The general manager and the board secretary who do not concurrently serve as directors shall attend board meetings as non-voting attendees. Relevant personnel related to the meeting agenda may attend as non-voting attendees as required. Attendees without directorship may express opinions on relevant agenda items but shall have no voting rights.

Article 12 An extraordinary board meeting may adopt resolutions by fax and obtain signatures from attending directors, provided that directors are fully afforded the opportunity to express their views.

Article 13 Directors shall attend board meetings in person. If a director is unable to attend due to justifiable reasons, he/she shall review meeting materials in advance, form clear opinions, and authorise another director in writing to attend on his/her behalf. The power of attorney shall specify the names of the authorising and authorised directors, the authorising director's brief opinions on each proposal, the scope of authorisation and voting instructions, as well as the authorising director's signature and date.

A director attending by proxy shall exercise director's rights within the scope of authorisation. A director who fails to attend a board meeting and has not granted a proxy shall be deemed to have waived voting rights at that meeting.

Special authorisation in the power of attorney is required for a director to authorise another director to sign written confirmations on periodic reports on his/her behalf.

The authorised director shall submit the written power of attorney to the meeting chairperson and record the proxy attendance in the meeting attendance register.

Article 14 The following principles shall govern proxy attendance at board meetings:

- (I) When considering connected transactions, non-connected directors may not grant proxies to connected directors, and connected directors may not accept proxies from non-connected directors;
- (II) No director may grant a general proxy to another director without stating his/her personal opinions and voting intentions on proposals, and no director may accept an open-ended or ambiguously worded general proxy;
- (III) No director may accept proxies from more than two other directors, and no director may grant a proxy to a director already acting as proxy for two other directors.

Article 15 Board meetings shall primarily be held in physical on-site form. With the consent of the convener (chairperson) and proposer, extraordinary board meetings may also be held and resolutions passed via video conference, telephone conference, fax, email voting or other remote communication methods, ensuring directors' right to fully express their views. Hybrid meetings combining on-site and remote participation are also permitted.

For non-on-site meetings, attendance shall be counted based on directors participating via video link, expressing views in telephone conferences, valid voting votes received by fax or email within the specified period, or written confirmation letters of participation submitted by directors afterwards.

If a shareholder holding 10% or more of the Company's voting rights or a director has a material conflict of interest in a matter to be considered by the board of directors, such matter shall be considered at a physical board meeting (instead of by written resolution). Independent non-executive directors who, and whose close associates, have no material interest in the transaction shall attend such board meetings.

CHAPTER 4 PROPOSAL, CONSIDERATION AND VOTING AT BOARD MEETINGS

Article 16 Proposals submitted to the board of directors shall meet the following criteria:

- (I) Compliant with applicable laws, regulations, regulatory documents and the Articles of Association, and falling within the scope of the board of directors' authority;
- (II) Containing clear agenda items and specific resolution matters.

Article 17 Proposals for Regular Meetings

Prior to issuing notices for regular board meetings, the board office shall fully consult all directors, formulate preliminary meeting proposals and submit them to the chairman for finalisation.

The chairman may consult the general manager and other senior management personnel as necessary before finalising meeting proposals.

Article 18 Proposals for Extraordinary Meetings

A party proposing an extraordinary board meeting shall submit a signed and sealed written proposal to the chairman directly or via the board office. The written proposal shall set forth the following:

- (I) Name of the proposer;
- (II) Reasons or objective facts underlying the proposal;
- (III) Proposed time limit, venue and form of the meeting;
- (IV) Clear and specific draft proposals;
- (V) Contact details of the proposer and the proposal submission date.

All proposals shall fall within the authority of the board of directors as stipulated in the Articles of Association, and supporting documents shall be submitted together with the proposal.

The board office shall forward all written proposals and supporting materials to the chairman on the date of receipt. If the chairman deems a proposal unclear, incomplete or insufficiently documented, he/she may request the proposer to make revisions or supplementary submissions.

The chairman shall convene and preside over the board meeting within ten days of receiving a valid proposal.

Article 19 Directors and the general manager may submit proposals to the board of directors prior to board meetings. Proponents shall deliver proposals to the board secretary at least 3 days before a regular board meeting or prior to the issuance of an extraordinary meeting notice, and the chairman shall determine whether to include the proposal in the meeting agenda. If a valid proposal is submitted and approved for inclusion after the issuance of meeting notices, the board secretary shall issue a supplementary amendment notice in accordance with these Rules.

If the chairman declines to include a proposal in the meeting agenda, he/she shall provide reasons to the proponent. In the event of disagreement, the board of directors shall decide by a majority vote of all directors whether to add the proposal to the agenda.

Article 20 The meeting chairperson shall invite attending directors to express clear opinions on each proposal one by one. The chairperson shall promptly intervene to restrict repetitive speeches, off-topic remarks, disruptive conduct or obstruction of meeting proceedings.

No voting shall be conducted on proposals not included in the meeting notice, save with the unanimous consent of all attending directors. Directors attending by proxy may not exercise voting rights on unnotified proposals on behalf of other directors.

The board of directors shall act strictly within the scope of authority granted by the general meeting and the Articles of Association and shall not adopt ultra vires resolutions.

Article 21 Directors shall carefully review meeting materials and express independent and prudent opinions with full knowledge of relevant facts.

Directors may obtain decision-making information prior to meetings from the board office, meeting conveners, senior management, accounting firms, law firms and other relevant institutions and personnel, and may suggest the meeting chairperson that such parties to provide on-site explanations during meetings. Directors may make reasonable requests to obtain independent professional opinions at the Company's expense where appropriate.

When resolving on profit distribution matters, the board of directors may first notify the statutory auditor of the proposed distribution plan and request the issuance of a draft audit report (with all financial data other than distribution items finalised). Following the adoption of a distribution resolution, the board of directors shall obtain the official audit report from the statutory auditor and adopt resolutions on other relevant periodic report matters based thereon.

Article 22 Following full consideration, the meeting chairperson shall arrange for directors to vote on each proposal individually.

Voting at board meetings shall be conducted on a one-person-one-vote basis by written ballot, show of hands or other approved methods. Extraordinary board meetings may adopt resolutions by remote communication with signed confirmation from participating directors, subject to adequate consultation among directors.

Voting options for directors shall be approved, opposed or abstained from. Attending directors must select only one voting option. Failure to select an option, multiple selections, unexcused early departure without voting, or failure to submit votes within the specified time limit for remote meetings shall all be deemed as abstention. Where no choice has been made or two or more choices has been made concurrently, the meeting chairperson shall request the director concerned to choose again. Directors who refuse to choose shall be deemed to have abstained from voting. Directors who leave the meeting venue halfway and do not return and have not voted by making a choice shall be deemed to have abstained from voting. In the event of the aforementioned circumstances during the meetings convened by way of any forms other than on-site meetings, the meeting convener or the Board secretary may request the directors concerned to choose again within reasonable period. Those who failed to choose again within the reasonable period shall be deemed as an abstention.

If more than half of attending directors consider a proposal ambiguous, incomplete or lacking sufficient supporting materials to make an informed judgment, the chairperson shall suspend voting on the relevant agenda item. Directors requesting a suspension shall specify clear requirements for resubmission and re-deliberation.

Article 23 After voting by the attending directors is completed, for written voting, the securities affairs representative and staff of the board office shall promptly collect all ballots and submit them to the board secretary for counting under the supervision of other directors.

For on-site meetings, voting results shall be announced immediately by the chairperson. For remote meetings, the board secretary shall notify all directors of the voting results by the next business day following the voting deadline.

Any votes submitted after the announcement of results or expiry of the voting time limit shall not be counted.

Article 24 Board resolutions shall be adopted by a majority vote of all directors. Where applicable laws, administrative regulations or the Articles of Association require a higher approval threshold, such provisions shall prevail.

When considering guarantee matters within its authorised scope, the board of directors shall obtain approval by both a majority of all directors and at least two-thirds of directors present at the meeting.

In the event of conflicting resolutions, the resolution adopted at a later date shall prevail.

Where a proposal is rejected, the board of directors shall not re-consider an identical proposal within one month, unless material changes to relevant conditions and factors have occurred.

Article 25 Directors shall abstain from voting on proposals under the following circumstances:

- (1) Circumstances requiring abstention under the securities regulatory rules of the Company's listing venue;
- (2) Circumstances where a director considers abstention necessary;
- (3) Other circumstances stipulated in the Articles of Association arising from a connected relationship between the director and the enterprise or individual involved in the proposal.

For meetings with directors abstained from voting, the meeting may proceed with attendance by a majority of non-connected directors, and resolutions shall be adopted by a majority vote of non-connected directors present. If fewer than three non-connected directors are in attendance, voting on the relevant proposal shall be suspended and the matter referred to the general meeting for consideration. Any additional restrictions on director participation and voting imposed by

applicable laws and listing rules shall apply. If there are any additional restrictions imposed by laws and regulations and the securities regulatory rules of the place where the Company's shares are listed on the directors' participation in board meetings and voting, such restrictions shall apply.

Article 26 A director shall be deemed a connected director if he/she falls under any of the following categories:

- (I) Being the counterparty to the transaction;
- (II) Being the direct or indirect controller of the transaction counterparty;
- (III) Holding a position with the transaction counterparty or its direct or indirect controlling legal entity;
- (IV) Being a close family member of the transaction counterparty or its direct or indirect controllers;
- (V) Being a close family member of directors, ~~supervisors~~ or senior management of the transaction counterparty or its direct or indirect controllers;
- (VI) Any other director whose independent business judgment may be compromised as determined by the Company.

Article 27 The meeting chairperson shall determine the adoption of board resolutions based on voting results and announce the results at the meeting. Voting outcomes shall be recorded in the meeting minutes.

Article 28 If the chairperson has any doubts regarding voting results, he/she may conduct a recount. If no recount is conducted by the chairperson, attending directors who dispute the announced results shall have the right to request an immediate verification of votes, which the chairperson shall arrange promptly.

Article 29 Detailed meeting minutes and formal board resolutions shall be prepared for all board meetings.

Regardless of meeting format, attending directors shall record clear voting opinions (approve, oppose or abstain) on all discussed proposals and sign to confirm meeting minutes and resolutions on behalf of themselves and any represented directors. Directors with dissenting opinions may attach written explanations at the time of signing. Dissenting directors shall promptly report to regulatory authorities or issue public statements where necessary.

A director who refuses to sign, fails to provide written dissenting explanations, make regulatory reports or issue public statements shall be deemed to fully accept the contents of meeting minutes and resolutions.

If a board resolution violates applicable laws, regulations or the Articles of Association and causes losses to the Company, all participating directors shall be jointly and severally liable. Directors who have formally recorded and documented their dissent in meeting minutes shall be exempted from liability. Directors who are absent without valid reason, fail to appoint a proxy, or submit no written opinions prior to the meeting shall be deemed to have no objection and shall not be exempted from liability.

Article 30 The board secretary shall arrange staff of the board office to prepare detailed meeting minutes.

Meeting minutes shall include the following information:

- (I) Date, venue and form of the meeting;
- (II) Issuance records of meeting notices;
- (III) Convener and chairperson of the meeting;
- (IV) Records of in-person and proxy attendance by directors;
- (V) Deliberated proposals, key remarks and major opinions of each director, and individual voting intentions;
- (VI) Voting method and result for each proposal (specifying the number of approve, oppose and abstain votes);
- (VII) Other matters deemed necessary for recording by attending directors.

Article 31 Board meeting archives, including meeting notices and materials, attendance registers, proxy authorisation documents, meeting audio records, voting ballots, signed meeting minutes, meeting summaries and resolutions, shall be kept under the custody of the board secretary. Minutes shall fully document deliberated matters, resolutions and any concerns or objections raised by directors. Draft and final versions of meeting minutes shall be circulated to all directors within a reasonable period after the meeting for comment and filing respectively. Directors may inspect meeting records upon reasonable prior notice. Board meeting archives shall be retained for no less than 10 years.

CHAPTER 5 IMPLEMENTATION OF BOARD RESOLUTIONS

Article 32 Following the adoption of board resolutions, the board of directors shall either submit relevant matters and plans to the general meeting for approval or entrust the general manager and the management team with implementation. The general manager shall regularly report implementation progress to the board of directors. During adjournment periods, the general manager may report directly to the chairman, with the board secretary responsible for circulating written reports to all directors.

The chairman shall supervise the implementation of board resolutions, inspect execution progress, and report on the implementation of existing resolutions at subsequent board meetings.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 33 These Rules constitute an annex to the Articles of Association and, ~~subject to consideration and approval at the Company's general meeting, shall take effect from the date of the Company's initial public offering of overseas listed shares (H shares) and listing on The Stock Exchange of Hong Kong Limited~~ upon adoption by the Company's general meeting.

Article 34 The board of directors may amend these Rules in accordance with applicable laws, regulations and the Articles of Association, subject to subsequent approval by the general meeting.

Article 35 Matters not covered by these Rules shall be governed by relevant national laws, regulations and the Articles of Association.

Article 36 The board of directors shall have the exclusive right to interpret these Rules.

This appendix summarises the principal terms of the Share Option Scheme and does not form, nor is intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme

SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved and adopted by an ordinary resolution of the Shareholders at the AGM.

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to improve the Company's incentive mechanism, motivate employee creativity, align participant interests with shareholder value, and achieve sustainable development, specifically:

- (a) to establish a medium-to-long-term incentive and constraint mechanism;
- (b) to attract, retain, and motivate talents required for strategic goals; and
- (c) to foster a corporate culture of shared development.

2. Administration of the Share Option Scheme

The Board, as the administrative and executive body of the Company, shall be responsible for the execution and management of this Scheme. The Board has authorised the Authorised Person to formulate, implement, and terminate the Share Option Scheme.

The Authorised Person is the executive and administrative party of the Share Option Scheme, and shall be responsible for:

- (a) drafting and revising this Share Option Scheme;
- (b) handling and implementing all matters pertaining to the Share Option Scheme;
- (c) formulating the grant proposals for each batch of Option and determining the Grant Date of each batch of Option; and
- (d) reviewing and verifying the exercise of Options and the vesting of Share Option Scheme in accordance with the vesting schedule and performance conditions.

3. Basis and Scope of Eligible Participants

Basis for determining Eligible Participant

The selection criteria for the Selected Participants are determined in accordance with the Company Law, other relevant laws, regulations, normative documents, and the Articles of Association, combined with the actual circumstances of the Company.

An individual shall not be an Eligible Participant under this Scheme if any of the following circumstances apply:

- (a) Such person has been publicly censured or declared an unsuitable candidate by the China Securities Regulatory Commission (CSRC) within the last three years;
- (b) Such person has been subject to administrative penalties by the CSRC for significant violations of laws and regulations within the last three years; and
- (c) Such person is prohibited from serving as a director or senior management member under the Company Law.

Scope of Eligible Participants

- (a) *Employee Participants:* Directors, managers, or employees of the Company or any of its subsidiaries or any holding company, fellow subsidiary, or associate of the Company, who must remain in office during the implementation period of this Share Option Scheme;
- (b) *Service Providers:* Individuals who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business that are in the interest of the long-term development of the Group (including but not limited to independent consultants and key business advisors). The eligibility and the number of Options to be granted to such individuals shall be determined at the discretion of the Company based on factors such as their substantial contribution to the development of the Company's core business (for example, successfully advancing the R&D of key pipelines, achieving significant business milestones, or providing irreplaceable professional and technical guidance).

4. Source, Quantity, Price and Subscription Funds of the Equity

Source of Shares

The underlying Shares under the Scheme shall be derived from sources approved by the Shareholders at the general meeting and in compliance with the disclosure and other requirements under the *Listing Rules*, including but not limited to:

- (a) new Shares to be specifically allotted and issued by the Company to the Trustee (including Shares allotted and issued under a general mandate or a specific mandate granted by the Shareholders);
- (b) existing Shares repurchased by the Company in the market; and
- (c) treasury shares held by the Company in accordance with relevant regulatory requirements. The Company shall ensure that the Trustee holds sufficient Shares in the share pool for vesting purposes by replenishing the pool based on the actual circumstances of each grant.

Quantity

Overall Limit: The total number of H Shares which may be issued in respect of all Options to be granted under this Scheme at any time shall not exceed 10% of the total number of issued H Shares of the Company (excluding treasury shares) as at the date of approval of the Scheme by the Shareholders (the “**Scheme Mandate Limit**”).

Employee Participant Sublimit: The number of Shares involved in the Options granted to Employee Participants under this Scheme shall not exceed 10% of the Scheme Mandate Limit.

Service Provider Sublimit: The number of Shares involved in the Options granted to Service Providers under this Scheme shall not exceed 2% of the Scheme Mandate Limit.

Refreshment of Mandate: The Company may seek Shareholders’ approval to refresh the Scheme Mandate Limit when it is fully utilized or nearing full utilization, provided that the refreshed limit shall not exceed 10% of the issued share capital (excluding treasury shares) as at the date of such approval. Options previously lapsed shall not be counted towards the refreshed limit.

Calculation Note: For the avoidance of doubt, Shares involved in Options that have lapsed or been cancelled shall not be counted towards the calculation of the above limits.

Individual Limit within any 12-month Period

- (a) Employee Participants: The total number of Shares issued and to be issued in respect of the Options granted or to be granted to any one Eligible Participant (including exercised, cancelled, and outstanding Options) shall not exceed **1%** of the issued share capital of the Company (the “**Individual Limit**”).
- (b) Service Providers: The total number of Shares involved in the Options granted to any one Service Provider shall not exceed **0.2%** of the issued share capital of the Company.
- (c) Exceptions (where a shorter vesting period may apply):
 - (i) “make-whole” options granted to new joiners to replace Options forfeited upon leaving their previous employers, limited to an equivalent value;
 - (ii) Options granted in batches within one year for administrative and compliance reasons (including delayed grants due to such reasons);
 - (iii) option with mixed or accelerated vesting arrangements (e.g., even monthly vesting within 12 months);
 - (iv) options with performance-based targets instead of time-based vesting conditions.

Exercise Price and Basis of Determination

The Exercise Price per Share under each Option shall be at least the higher of:

- (a) the closing price of the Company’s Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the Grant Date (which must be a trading day);
- (b) the average closing price of the Company’s Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five Business Days immediately preceding the Grant Date; and
- (c) the nominal value of the Company’s Shares

provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent

Performance Conditions

Exercise of the Options may be subject to certain performance conditions. Performance targets are set based on corporate performance indicators (e.g., revenue growth rate, profit indicators, return on equity, project pipeline progress, etc.) or individual performance. If a

Selected Participant's individual or team performance assessment for a half-year or full year is graded 'A', 100% of the Options for that period may be exercised. If graded 'B', 50% may be exercised. If graded 'C' or below, the participant will not be entitled to exercise any Options for that period.

5. Grant, Vesting and Exercise of the Share Option Scheme

Grant Date and Vesting Period

The vesting period for Options granted under this Scheme shall not be less than 12 months from the Grant Date (i.e., a Grantee must hold the Options for at least 12 months before they can be exercised). The vesting schedule is generally spread over 3 years, adopting a batch-based, straight-line vesting model every 12 months.

Grant Letter: Options shall be made by way of a grant letter issued to the Participants. The grant letter shall specify: (i) the number of Options; (ii) the Exercise Price and the Grant Date; (iii) the vesting period and exercise arrangement (staged vesting plan); and (iv) performance conditions (if any).

A Grantee must accept the offer in writing within the period specified in the grant letter (typically within 28 days from the date of offer). Options that are offered but declined may be re-granted to other Eligible Participants within the Scheme Mandate Limit.

Duration of the Share Option Scheme

The Share Option Scheme shall be effective for a period of 10 years commencing from the date on which it is approved by the Board and the Shareholders (whichever is later), unless terminated earlier by the Board with Shareholders' approval. Options granted prior to the termination of the Share Option Scheme shall continue to be valid unless otherwise required.

Exercise of Options

- (a) *Exercise Procedure:* Options may be exercised by the Grantee (or their personal representative in the event of death) by serving a written notice to the Company and/or the Authorized Person and paying the Exercise Price in full after the vesting period and/or performance conditions are satisfied. Upon exercise, the Company shall instruct the Authorized Person to transfer the corresponding number of existing Shares held as treasury shares or new Shares allotted and issued to the Trustee to the Grantee.
- (b) *Funding and Payment:* Grantees shall pay the full Exercise Price upon exercise. The Company may assist Grantees with funding arrangements, including but not limited to cash exercise, cashless exercise (broker-assisted), or share-swap exercise,

provided such arrangements comply with the *Listing Rules*. The Company shall not provide financial assistance to Grantees for the subscription of Shares unless it complies with the *Listing Rules* and relevant regulations.

- (c) *Appointment and Management of Trustee:* The Company shall appoint an independent professional institution to act as the Trustee. Irrespective of the source of the Shares, all underlying Shares shall be held by the Trustee under the Trust Deed before they are vested in the Selected Participants. The Authorized Person has the power to issue instructions to the Trustee on behalf of the Company to execute the purchase, receipt, vesting, recovery, cancellation, or disposal of the Shares.

Events Triggering Lapse of Options and Rights of Recourse

Unless otherwise determined by the Company, from the date of occurrence of any of the following events, Options that have been granted but not yet exercised shall automatically lapse. For Options that have already been exercised or vested, the Company reserves the right to exercise its rights of recourse and clawback in accordance with below section:

- (a) violation of national laws and regulations, the Articles of Association, or the Company's internal management rules and regulations; or the occurrence of serious dereliction of duty or malpractice as stipulated in the labor contract; or acts that severely damage the interests or reputation of the Company, or cause direct or indirect economic losses to the Company (amounting to RMB30,000 or above);
- (b) the Company has evidence proving that the Selected Participant, during their term of office, committed illegal or disciplinary acts that damage the Company's interests or reputation, such as acceptance of bribes, solicitation of bribes, corruption, theft, or leakage of operational and technical secrets;
- (c) being held criminally liable according to the law due to criminal conduct;
- (d) other acts deemed by the Company to be detrimental to the Company's interests.

Recovery and Clawback Mechanism

- (a) *Triggering Events:* The Board has the right to exercise clawback rights if any of the events in above occur, or if there is a material misstatement in the financial statements, or if the Board considers that the participant's misconduct has caused reputational damage to the Company.
- (b) *Forms of Clawback:* The Company or the Authorized Person may, at its/his absolute discretion, require the participant to:
 - (i) return all or part of the after-tax net proceeds derived from the exercise of Options or vesting of Awards;

- (ii) instruct the Trustee to compulsorily recover, cancel, or dispose of the corresponding incentive shares not yet sold, with proceeds belonging to the Company;
- (iii) cancel all remaining unexercised/unvested Awards.
- (c) *Authorization:* The Company or the Authorized Person shall have the final decision-making power on whether a clawback is triggered and the amount to be clawed back, without the consent of the participant.

6. Implementation, Vesting and Exercise

Nature and Transferability of Rights

- (a) *Non-transferability:* Options and Share Awards are personal to the Grantee and shall not be transferable, assignable, or chargeable. Any attempt to transfer, sell, pledge, create security over, or otherwise dispose of the Options shall be null and void. This restriction shall not apply to legal succession or estate management upon death, where the heirs shall acquire the same rights but remain subject to the non-transferability restriction.
- (b) *No Shareholder Rights:* A Grantee shall not be entitled to any shareholder rights (including dividend rights, voting rights, and the right to receive dividends) before the Options are exercised and the issuance or transfer of the underlying Shares is completed and registered. Any capital adjustment (such as dividends, bonus issues, rights issues, etc.) before the exercise or vesting of Options shall not affect the nature of the aforementioned rights.

Alteration of Rights

- (a) *Change in Position:* Where a Selected Participant's position changes but they remain an employee of the Company, or are seconded to an affiliated company as appointed in writing by the Company, the Options granted shall remain unchanged.
- (b) *Capital Structure Changes:* In the event of any alteration in the capital structure of the Company (such as share subdivision, consolidation, bonus issue, capitalization of reserves, or rights issue), the number of outstanding Options or the Exercise Price shall be adjusted by the Board based on the principles of fairness and reasonableness. Any such adjustment shall comply with the following principles:
 - (i) the adjustment shall be made based on a whole Option as the minimum unit (no fractional Options or Shares);
 - (ii) no adjustment shall result in the issue price of a Share being lower than its nominal value;

- (iii) accounting treatment shall comply with the requirements of *Hong Kong Financial Reporting Standard 2 (HKFRS 2)*, including the reasonable accounting of the impact of discount adjustments on fair value;
- (iv) material adjustments (including potential scenarios where the share price is lower than nominal value) must be subject to a fairness opinion from an independent financial adviser and approved by the Shareholders;
- (v) any scheme and reasons for any adjustment must be disclosed in the annual report.

Termination of Employment Relationship

- (a) *Termination due to Death:* In the event of death, the vested but unexercised Options may be exercised by the personal representative(s) of the employee within the period prescribed by the Scheme (typically within 12 months from the date of death).
- (b) *Termination due to Ill-health or Disability:* For termination due to health or disability not caused by fault, Options that have met the vesting conditions may be exercised or vested within 3 months from the date of termination. The Board may also, at its discretion, grant part or all of the unvested Options.
- (c) *Termination due to Retirement or Resignation:* For termination due to retirement or voluntary resignation, Options that have met the vesting conditions may be exercised or vested within 3 months from the date of termination, while unvested Options shall automatically lapse.
- (d) *Dismissal for Cause:* If a Grantee is dismissed due to material breach of contract, violation of company rules, or misconduct, the Board has the right to cancel all granted but unexercised or unvested Options (regardless of whether vesting conditions have been met), and the Grantee shall have no right to object.
- (e) *Change of Control:* In the event of a change of control of the Company (as defined in the Codes on Takeovers and Mergers and Share Buy-backs), the Board may, at its discretion:
 - (i) accelerate the vesting of all unvested Options immediately; or
 - (ii) arrange for the new company to assume the rights and obligations under the Share Option Scheme, with appropriate adjustments to the terms of the Options based on the specific circumstances.

7. Termination

- (a) *Early Termination:* The Company may at any time terminate the Share Option Scheme early by an ordinary resolution of the Shareholders at a general meeting. Early termination shall not affect the validity of any Options granted but not yet exercised or vested prior to the termination of the Scheme. Such Awards shall continue to be valid in accordance with the terms of the Scheme until they are vested, lapsed, or cancelled.
- (b) *Termination upon Expiry:* The Share Option Scheme shall automatically terminate upon the expiry of its 10-year validity period.
- (c) *Treatment after Termination:* Upon the termination of the Share Option Scheme, no further Options shall be granted. However, Options granted but not yet exercised shall continue to be valid in accordance with the terms of the Share Option Scheme until the expiry of their validity period, lapse, cancellation, or failure to meet performance conditions, and shall be disclosed in accordance with applicable laws and regulatory requirements.