

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 **Shandong Boan Biotechnology Co., Ltd.**, you should at once hand this circular, together with the accompanying 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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**Boan Biotech**  
**博安生物**

**Shandong Boan Biotechnology Co., Ltd.**

**山东博安生物技术股份有限公司**

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

**(Stock Code: 6955)**

- (1) 2024 REPORT OF THE BOARD OF DIRECTORS**
  - (2) 2024 REPORT OF THE BOARD OF SUPERVISORS**
  - (3) 2024 ANNUAL REPORT**
  - (4) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR**
  - (5) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR**
  - (6) RE-APPOINTMENT OF AUDITOR**
  - (7) REMUNERATION OF DIRECTORS**
  - (8) REMUNERATION OF SUPERVISORS**
  - (9) GENERAL MANDATE TO ISSUE ADDITIONAL SHARES**
  - (10) GENERAL MANDATE TO REPURCHASE SHARES**
  - (11) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- AND**
- NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of the Company to be held at Building 1, No. 39 Keji Avenue, High-Tech Industrial Development Zone, Yantai, Shandong Province, China on Thursday, 5 June 2025 at 10:00 a.m. is set out on pages 44 to 48 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.boan-bio.com](http://www.boan-bio.com)).

Whether or not you are able to attend the Annual General Meeting, 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 (for H Shareholders), as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, 4 June 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting if you so wish.

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

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Building 1, No. 39 Keji Avenue High-Tech Industrial Development Zone, Yantai, Shandong Province, China on Thursday, 5 June 2025 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 43 to 48 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board of Directors” or “Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“China” or the “PRC”	the People’s Republic of China, for the purpose of this circular, excluding the regions of Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	Shandong Boan Biotechnology Co., Ltd. (山东博安生物科技股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability, the H Shares of which are listed on the Stock Exchange (Stock code: 6955)
“Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“H Shares”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Issue Mandate”	subject to the conditions set out in the proposed resolution approving the Issue Mandate at the Annual General Meeting, the general mandate to be given to the Board to, among others, exercise the power of the Company to allot, issue or deal with additional Shares and to sell or transfer treasury shares of the Company (if any) not exceeding 20% of the total number of the issued Shares of the Company as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	25 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the Repurchase Mandate at the Annual General Meeting, the general mandate to be given to the Board to exercise the power of the Company to repurchase Shares not exceeding 10% of the total number of the issued Shares of the Company in as at the date of passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	H shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission as amended from time to time
“%”	per cent



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**(Stock Code: 6955)**

*Executive Directors:*

Ms. Jiang Hua  
Dr. Dou Changlin

*Non-executive Directors:*

Mr. Liu Yuanchong  
Ms. Li Li

*Independent Non-executive Directors:*

Professor Shi Luwen  
Mr. Dai Jixiong  
Dr. Yu Jialin

*Registered Office and Headquarters  
in the PRC:*

No. 39 Keji Avenue  
High-Tech Industrial  
Development Zone  
Yantai, Shandong Province  
China

*Principal Place of Business  
in Hong Kong:*

Room 1918, 19/F  
Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

30 April 2025

*To the Shareholders*

Dear Sir/Madam,

- (1) 2024 REPORT OF THE BOARD OF DIRECTORS**  
**(2) 2024 REPORT OF THE BOARD OF SUPERVISORS**  
**(3) 2024 ANNUAL REPORT**  
**(4) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR**  
**(5) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR**  
**(6) RE-APPOINTMENT OF AUDITOR**  
**(7) REMUNERATION OF DIRECTORS**  
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**(9) GENERAL MANDATE TO ISSUE ADDITIONAL SHARES**  
**(10) GENERAL MANDATE TO REPURCHASE SHARES**  
**(11) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

## LETTER FROM THE BOARD

### I. INTRODUCTION

The purpose of this circular is to provide you with the notice of the Annual General Meeting and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the Annual General Meeting.

At the Annual General Meeting, ordinary resolutions will be proposed to consider, (and if thought fit) approve:

- (1) the report of the Board of Directors for the year 2024 (the “**2024 Report of the Board of Directors**”);
- (2) the report of the Board of Supervisors for the year 2024 (the “**2024 Report of the Board of Supervisors**”);
- (3) the annual report of the Company for the year 2024 (the “**2024 Annual Report**”);
- (4) the proposed appointment of Mr. Wang Shenghan as an executive Director of the Company;
- (5) the proposed appointment of Mr. Li Shixu as a non-executive Director of the Company;
- (6) the re-appointment of auditor of the Company for the year 2025;
- (7) the authorisation to the Board to determine the remuneration of the Directors; and
- (8) the authorisation to the Board of Supervisors to determine the remuneration of the Supervisors.

At the Annual General Meeting, special resolutions will be proposed to consider and approve the following:

- (9) the granting of a general mandate to issue additional Shares and to sell or transfer treasury shares of the Company (if any);
- (10) the granting of a general mandate to repurchase Shares; and
- (11) the proposed amendments to the Articles of Association.

## LETTER FROM THE BOARD

### II. DETAILS OF THE RESOLUTIONS

#### ORDINARY RESOLUTIONS

**(1) 2024 Report of the Board of Directors**

An ordinary resolution will be proposed at the Annual General Meeting to consider and approve the 2024 Report of the Board of Directors, the full text of which is set out in the 2024 Annual Report.

**(2) 2024 Report of the Board of Supervisors**

An ordinary resolution will be proposed at the Annual General Meeting to consider and approve the 2024 Report of the Board of Supervisors, the full text of which is set out in the 2024 Annual Report.

**(3) 2024 Annual Report**

An ordinary resolution will be proposed at the Annual General Meeting to consider and approve the 2024 Annual Report. The 2024 Annual Report is set out and published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.boan-bio.com](http://www.boan-bio.com)).

**(4) Proposed Appointment of Mr. Wang Shenghan as an Executive Director of the Company**

The Board proposes that the second session of the Board be comprised of seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The Board has considered and proposed the appointment of Mr. Wang Shenghan as an executive Director to jointly constitute the second session of the Board. The term of office shall take effect from the date of approval at the Annual General Meeting and will end upon the expiry of the term of service of the second session of the Board.

The above candidate for Director meets the qualification requirements to serve as a Director as stipulated in relevant PRC laws, regulations, the Articles of Association and the Listing Rules, and the Board agreed to submit the above list of candidate to be considered and approved at the Annual General Meeting by way of ordinary resolutions.

## LETTER FROM THE BOARD

### **(5) Proposed Appointment of Mr. Li Shixu as a Non-executive Director of the Company**

The Board proposes that the second session of the Board be comprised of seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The Board has considered and proposed the appointment of Mr. Li Shixu as a non-executive Director of the Company to jointly constitute the second session of the Board. The term of office shall take effect from the date of approval at the Annual General Meeting and will end upon the expiry of the term of service of the second session of the Board.

Each of the above candidates for Director meets the qualification requirements to serve as a Director as stipulated in the relevant PRC laws, regulations, the Articles of Association and the Listing Rules, and the Board agreed to submit the above list of candidates to be considered and approved at the Annual General Meeting by way of ordinary resolutions.

The biographical details of the candidates for the Directors are set out in Appendix I to this circular.

The Nomination Committee of the Board had identified candidates for Directors pursuant to the criteria set out in the director nomination policy and the board diversity policy adopted by the Company. The Nomination Committee of the Board is of the view that the two candidates for Directors would bring to the Board their own perspectives, skills and experience of corporate operations and management, and the potential for them to help enhance the operation efficiency of the Board and contribute to the business of the Company, as further described in their biographical details in Appendix I to this circular. The proposed appointments of the two candidates are also in line with the development strategy of the Company.

The Nomination Committee of the Board has also reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the candidates for Director with reference to the nomination principles and criteria set out in the board diversity policy, director nomination policy and the corporate strategy of the Company.

As at the Latest Practicable Date, (i) Mr. Wang Shenghan has an interest in 5,060,000 H Shares of the Company within the meaning of Part XV of the SFO, representing approximately 0.95% of the issued share capital of the Company; and (ii) Mr. Li Shixu is the spouse of Ms. Zhang Xiaomei, the chairlady of the Supervisory Committee of the Company.



## LETTER FROM THE BOARD

Save as disclosed in this circular, as at the Latest Practicable Date, each of Mr. Wang Shenghan and Mr. Li Shixu (i) has not held any other positions in the Company or its subsidiaries; (ii) has not held any other directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas during the last three years; (iii) does not have any other major appointments and professional qualifications; (iv) does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company; and (v) does not have any interest in the shares of the Company which are within the meaning of Part XV of the SFO.

The Company will enter into a service contract or letter of appointment with each of the above-mentioned two candidates for Director in respect of their positions for a term commencing from the date of approval by the Shareholders at the Annual General Meeting until the date of the expiration of the term of office of the second session of the Board of Directors.

If Mr. Wang Shenghan and Mr. Li Shixu are approved for appointment at the Annual General Meeting, they will not receive any director's salary or fee from the Company during their term as Directors. The Company will disclose the remuneration of Directors in its annual report each year.

Pursuant to Article 112 of the Articles of Association, the Board shall consist of nine Directors. Currently, there are seven Directors for the second session of the Board. Upon approval of Mr. Wang Shenghan and Mr. Li Shixu as Directors at the Annual General Meeting, the Board will be composed of nine Directors.

Save as disclosed in this circular, there is no information in relation to each of the above-mentioned two candidates for Director that needs to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules. Save as mentioned in this circular, there is no other matter in relation to the appointment of each of the candidates for Director that needs to be brought to the attention of the Shareholders.

### **(6) Re-appointment of Auditor for the Year 2025**

In line with the requirements of the Articles of Association and the auditing tasks of the Company, the Company proposes to re-appoint Ernst & Young to be the auditor of the Company for 2025 with a term commencing from the date of approval at the Annual General Meeting until the conclusion of the 2026 annual general meeting of the Company, and authorise the Board to determine the specific matters, including but not limited to their remunerations, in relation to such re-appointment.

### **(7) Authorisation to the Board to determine the remuneration of the Directors**

### **(8) Authorisation to the Board of Supervisors to determine the remuneration of the Supervisors**

## LETTER FROM THE BOARD

### SPECIAL RESOLUTIONS

#### **(9) Proposed granting of general mandate to issue Shares**

At the Company's annual general meeting held on 31 May 2024, a general mandate was granted to the Directors to issue Shares, and such mandate will lapse at the conclusion of the Annual General Meeting.

In order to give the Company the flexibility to issue H Shares if and when appropriate, a special resolution will be proposed at the Annual General Meeting to approve the granting of a general mandate to the Directors to exercise all powers of the Company to allot, issue or deal with additional Shares and to sell or transfer treasury shares of the Company (if any) not exceeding 20% of the total number of the issued Shares of the Company as at the date of passing of the proposed special resolution 9, as well as to authorise the Board to make corresponding amendments to the Articles of Association so as to reflect the increase in registered share capital and changes to the shareholding structure of the Company upon any allotment and issuance of Shares under the Issue Mandate.

As at the Latest Practicable Date, the Company had 535,933,694 H Shares in issue. Subject to the passing of the resolution for the granting of the Issue Mandate, the Company would be entitled to allot, issue, deal with and to sell or transfer treasury shares of the Company (if any) for a maximum of 107,186,738 H Shares on the basis that the issued share capital of the Company remains unchanged prior to the Annual General Meeting.

In addition, subject to a separate approval of special resolutions 9 and 10, the number of Shares repurchased by the Company under special resolution 10 will also be added to extend the 20% limit of the Issue Mandate as mentioned in special resolution 9 provided that such additional amount shall not exceed 10% of the total number of the issued Shares of the Company as at the date of passing the resolutions in relation to the Issue Mandate and the Repurchase Mandate.

The Issue Mandate, if approved, shall be effective until whichever is 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 or other applicable laws to be held; or
- (iii) the date of revocation or variation of the Issue Mandate by a special resolution of shareholders of the Company at a general meeting.

The Board will only exercise the above powers in accordance with the Company Law and the Listing Rules and when all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government departments are obtained.

**(10) Proposed granting of general mandate to repurchase Shares**

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares except under any of the following circumstances: (a) in order to reduce the registered capital of the company; (b) merger with another company holding shares in the company; (c) the shares are used for employee stock ownership plan or equity incentives; (d) a shareholder requests the company to purchase the shares held by him/her since he/she objects to a resolution of the shareholders' meeting on the combination or division of the company; (e) the shares are used for converting convertible corporate bonds issued by the listed company; or (f) when it is necessary for the listed company to preserve its value and shareholders' rights and interests. The Articles of Association provides that the Company may, subject to procedures of its articles of association and approval of the relevant competent authorities of the PRC, repurchase its issued shares under the following circumstances: (a) when cancelling shares to decrease the registered capital of the Company; (b) when merging with other companies holding the shares of the Company; (c) when shares are being used in employee stock ownership plans or as equity incentive; (d) when shareholders objecting to resolutions of a general meeting concerning merger or division of the Company require the Company to buy their shares; (e) when shares are being used to satisfy the conversion of corporate bonds convertible into shares issued by the Company; (f) when safeguarding corporate value and shareholders' equity as the Company deems necessary; or (g) other circumstances permitted by relevant regulations such as laws, administrative regulations, department rules, normative documents and the listing rules of the place where the Company's shares are listed. Where the Company repurchases its shares in the circumstances set out in paragraphs (a) or (b) above, it shall be subject to approval at a general meeting; where the Company repurchases its shares in the circumstances set out in paragraphs (c), (e) or (f) above, it may be resolved by more than two-thirds of Directors present at a meeting of the Board in accordance with the authorization of a general meeting.

The Listing Rules permits shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase H shares of such company that are listed on the Stock Exchange.

As H Shares are traded on the Stock Exchange in Hong Kong dollars and the price payable by the Company upon any repurchase of H Shares shall, therefore, be paid in Hong Kong dollars, the payment of the repurchase price is subject to the approval of the State Administration of Foreign Exchange of the PRC or entities authorised by it or filing in accordance with the requirements of regulatory authorities. Besides, the Company shall file with the China Securities Regulatory Commission (if required), seek approval of the Ministry of Commerce of the PRC (if required) and register the changes with company registration authorities after the Company has repurchased its H Shares.

## LETTER FROM THE BOARD

In order to provide more flexibility to the Directors to repurchase Shares, a special resolution 10 will be proposed at the Annual General Meeting to approve the granting of a general mandate to the Directors to exercise all powers of the Company to repurchase Shares representing not exceeding 10% of the total number of the issued Shares of the Company as at the date of passing of the proposed special resolution 10.

The Repurchase Mandate, if approved at the Annual General Meeting, shall be effective until whichever is 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 or other applicable laws to be held; or
- (iii) the date of revocation or variation of the Repurchase Mandate by a special resolution of shareholders of the Company at a general meeting.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix III to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### **(11) Proposed amendments to the Articles of Association**

The Company Law of the People's Republic of China (《中華人民共和國公司法》) was revised and adopted at the seventh meeting of the Standing Committee of the 14th National People's Congress of the People's Republic of China on 29 December 2023, and took effect from 1 July 2024. In light of aforementioned changes and taking into account the actual circumstances of the Company, the Board proposes to amend the Articles of Association as detailed in the Appendix III to this circular (the **"Proposed Amendments"**).

A comparative table of the Proposed Amendments to the Articles of Association is set out in Appendix III to this circular. The Chinese translation of the Proposed Amendments is for reference only. In case of any discrepancy or inconsistency between the English version and its Chinese translation, the English version shall prevail.

The Company has been advised by its legal advisers as to the laws of Hong Kong and PRC that the Amendments conform with the requirements of the Listing Rules, where applicable, and do not contravene PRC laws, respectively. The Company also confirms that there is nothing unusual about the Amendments for a company listed on the Stock Exchange.

The Directors believe that the Amendments and adoption of the Proposed Amendments are in the interests of the Company and its Shareholders as a whole.

## LETTER FROM THE BOARD

Save for the Proposed Amendments as set out in Appendix III to this circular, other provisions of the Articles of Association will remain unchanged. A special resolution will be proposed at the Annual General Meeting to approve the Proposed Amendments, and it is proposed at the Annual General Meeting to authorize the Board to handle the relevant formalities such as the registration/filing of changes with the relevant authorities in respect of the Proposed Amendments. Accordingly, the Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the Annual General Meeting, and will become effective upon the passing of such special resolution at the Annual General Meeting.

### III. THE ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Building 1, No. 39 Keji Avenue, High-Tech Industrial Development Zone, Yantai, Shandong Province, China on Thursday, 5 June 2025 at 10:00 a.m. Notice convening the Annual General Meeting is set out on pages 44 to 48 of this circular and published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.boan-bio.com](http://www.boan-bio.com)).

### IV. CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 2 June 2025 to Thursday, 5 June 2025, both days inclusive, during which period no share transfers will be registered, in order to determine the identity of the shareholders of the Company who are entitled to attend and vote at the forthcoming Annual General Meeting to be held on Thursday, 5 June 2025. The record date for determining the eligibility to attend and vote at the Annual General Meeting will be Thursday, 5 June 2025.

To be eligible to attend and vote at the Annual General Meeting, all properly completed transfer documents accompanied by the relevant share certificates must be lodged for registration 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 no later than 4:30 p.m. on Friday, 30 May 2025.

### V. PROXY ARRANGEMENT

The form of proxy of the Annual General Meeting is enclosed and published on the websites of the Stock Exchange and the Company.

If you intend to appoint a proxy to attend the Annual General Meeting, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned 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 by personal delivery or by post, not less than 24 hours before the time fixed for holding the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, 4 June 2025) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any other adjourned meeting should you so wish.

## LETTER FROM THE BOARD

### VI. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the Annual General Meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. 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 Annual General Meeting will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the Annual General Meeting.

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

### VII. RECOMMENDATION

The Board considers that all the resolutions proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of these proposed resolutions.

### VIII. RESPONSIBILITY STATEMENT

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

Yours faithfully,

By Order of the Board

**Shandong Boan Biotechnology Co., Ltd.**

**Jiang Hua**

*Chairlady, Chief Executive Officer and Executive Director*

*The following are the particulars of the Directors (as required by the Listing Rules) proposed to be appointed at the Annual General Meeting.*

## DIRECTORS

### Executive Director

**Mr. WANG Shenghan (王盛翰) (formerly known as Wang Dongdong (王冬冬))** (“**Mr. WANG**”), aged 45, joined the Group in September 2020 as the chief financial officer of our Company. He is responsible for overseeing, advising and implementing comprehensive financial and strategies of the Group. He joined Luye Pharma Group Ltd. (綠葉制藥集團有限公司) (“**Luye Group**”) in December 2009. From December 2009 to August 2020, he served as the assistant to the president and later the director of investment and business development of Luye Group, where he was responsible for securities affairs, investment and capital operations. Mr. WANG has over 23 years of experience in accounting and corporate finance. Prior to joining the Group, from July 2001 to May 2004, he served as an audit manager at Tianyuanquan Accounting Firm (Special General Partnership) (天圓全會計師事務所(特殊普通合夥)) (formerly known as Beijing Tianyuanquan Accounting Firm (Special General Partnership) (北京天圓全會計師事務所(特殊普通合夥))), whose predecessor is Shandong Qianju Accounting Firm (山東乾聚會計師事務所), an accounting firm in the PRC. From June 2004 to July 2008, he last served as a deputy general accountant at Yantai Yuancheng Enterprise Co., Ltd (煙台園城企業股份有限公司), a company principally engaged in the retail industry in the PRC and whose shares are listed on the Shanghai Stock Exchange (stock code: 600766), where he was primarily responsible for managing the annual accounting and auditing of the company. From October 2008 to November 2009, he served as the financial controller and secretary of the board at Qingdao Tianren Huanjing Co., Ltd (青島天人環境股份有限公司), a company mainly engaged in biomass energy development, environmental protection and new energy projects in the PRC, where he was primarily responsible for the listing application, investment and capital operations. Since November 2016, he has been serving as a director of Shandong Luye Natural Medicine R&D Co., Ltd. (山東綠葉天然藥物研究開發有限公司), a company principally engaged in the R&D in natural medicine in the PRC. From January 2021 to June 2024, he served as a director of Yantai Luye Hospital Management Co., Ltd. (煙台綠葉醫院管理有限公司), a company principally engaged in biomedicine healthcare, marine biology and bio-agriculture investments in the PRC, where he is primarily responsible for providing strategic development, finance and investment advice. Mr. WANG obtained a bachelor’s degree of economics in finance from Shandong University of Finance and Economics (山東財經大學) (formerly known as Shandong Institute of Economics (山東經濟學院)) in the PRC in July 2001. He also obtained a master’s degree in business administration from Ocean University of China (中國海洋大學) in the PRC in January 2010. He obtained a certified public accountant qualification issued by Shandong Institute of Certified Public Accountants (山東省註冊會計師協會) in the PRC in January 2008.



**Non-executive Director**

**Mr. LI Shixu (李世旭) (“Mr. LI”)**, aged 58, graduated from China Pharmaceutical University with a bachelor’s degree. Mr. LI has over 34 years of experience in the pharmaceutical industry in the PRC. Since March 2017, he has been serving as the general manager of Shandong Luye Pharmaceutical Co., Ltd., where he is responsible for the overall operations and management of the company. From January 2012 to February 2017, he served as the deputy general manager of Shandong Luye Pharmaceutical Co., Ltd., where he was responsible for assisting the general manager in the overall operations and management of the company’s operations. From December 1994 to December 2011, he served successively as the director, manager, and senior director of the manufacturing department of Shandong Luye Pharmaceutical Co., Ltd., where he was responsible for the operation and management of the company’s production and manufacturing system. From September 1990 to November 1994, he served as a salesperson in the business department of Yantai Herbs Shop (煙台市藥材站), where he was responsible for drug procurement and supply management. Since August 2023, he has been serving as the vice president of Luye Group and the legal representative and executive director of Luye Innomind Pharmaceutical (Shijiazhuang) Co., Ltd. (綠葉嘉奧製藥石家莊有限公司) (a company primarily engaged in pharmaceutical production and operations in China), where he is responsible for managing production planning and the construction of production bases and implementation and roll-out in sites in China. In March 2018, he obtained the qualification of engineering technology application researcher in China. In August 2022, he was appointed as the deputy director of the pharmacy professional committee of the Shandong Pharmaceutical Association (山東省藥學會). From March 2013 to March 2015, he served as a member of the expert committee of the China Pharmaceutical Association of Plant Engineering (CPAPE).



*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

## SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 535,933,694 H Shares with a nominal value of RMB1.00 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 53,593,369 Shares which represent 10% of the total number of issued shares of the Company, during the period ending on the earlier 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 or other applicable laws to be held; or (iii) the date on which such authority is revoked or varied by a special resolution of the Shareholders at a general meeting.

## REASONS FOR REPURCHASES

The Directors believe that the ability to repurchase Shares is in the interests of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net asset value and/or earnings per Share. The Directors sought the grant of a general authority from the Shareholder to give the Company the flexibility to repurchase Shares if and when appropriate. The number of 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 at the relevant time having regard to the circumstances then pertaining and any repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

## FUNDING OF REPURCHASES

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules, the laws of the PRC and any other applicable laws. In accordance with the requirements of the PRC applicable laws or administrative regulations, the Company is empowered by its Articles of Association to purchase its H Shares. The Company may 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.

The Directors consider that if the Repurchase Mandate was to be exercised in full, it may not have a material adverse impact on the working capital or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2024, being the date on which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**DIRECTORS AND CORE CONNECTED PERSONS**

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and applicable laws of the PRC.

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

No core connected person of the Company has notified the Company that he/she/it has any present intention to sell any Shares to the Company, and none of them have undertaken not to do so, if the proposed Repurchase Mandate is approved by the Shareholders.

The Directors confirm that neither the Explanatory Statement nor the proposed Repurchase Mandate has any unusual features.

**STATUS OF REPURCHASED SHARES**

The Company may cancel any Shares it repurchased and/or hold them as treasury shares subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

**EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of Shares 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 (within the meaning of the Takeovers Code), 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 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Liu Dian Bo had deemed interests in 360,596,456 Shares under Part XV of the SFO, representing an approximate total of 67.28% of the existing issued share capital of the Company. The 360,596,456 Shares were held through his controlled corporations, namely Shorea LBG, Ginkgo (PTC) Limited, Nelumbo Investments Limited, Luye Life Sciences Group Ltd., Luye Pharma Holdings Limited, LuYe Pharma International Co., Ltd., LuYe Pharma Investment Co., Ltd., Luye Group, AsiaPharm Investments Ltd., Luye Pharma Hong Kong Limited, Yantai Luye Pharmaceutical Holdings Co., Ltd and Shandong Luye Pharmaceutical Co., Ltd. (the "**Controlled Corporations**").

In the event that the Repurchase Mandate should be exercised in full, the aggregate interests of Mr. Liu Dian Bo (through the Controlled Corporations) will be increased to approximately 74.75% of the issued share capital of the Company.

However, the Directors currently have no intention to repurchase Shares which would trigger a mandatory general offer obligation on the part of the above persons. Save as disclosed above, the Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases to be made under the Repurchase Mandate.

#### SHARE REPURCHASE MADE BY THE COMPANY

In the six months immediately prior to the Latest Practicable Date, the Company had not repurchased any of its shares.

#### SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 months preceding the Latest Practicable Date were as follows:

Month	Highest prices HK\$	Lowest prices HK\$
<b>2024</b>		
April	11.86	9.72
May	10.96	9.14
June	9.65	8.80
July	10.60	8.83
August	9.90	8.73
September	10.40	8.82
October	12.04	9.02
November	9.50	7.51
December	9.50	7.76
<b>2025</b>		
January	9.23	7.97
February	8.95	8.08
March	9.66	8.03
April (up to 25 April 2025)	25.00	7.71

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 5</b> The legal representative of the Company is the chairman of the Board.</p>	<p><b>Article 5</b> The legal representative of the Company <u>shall be a Director or manager responsible for executing affairs of the Company.</u></p> <p><u>If the Director or manager serving as the legal representative resigns, such resignation shall be deemed to simultaneously constitute resignation from the position of legal representative.</u></p> <p><u>In the event of the legal representative's resignation, the Company shall appoint a new legal representative within thirty days from the date of such resignation.</u></p>
<p><b>Article 31</b> The Company or its subsidiaries (including affiliates of the Company) shall not provide any support for a person who purchases or intends to purchase shares of the Company in the form of gift, advance, guarantee, compensation, loans or otherwise.</p>	<p><b>Article 31</b> The Company or its subsidiaries (including affiliates of the Company) shall not provide any support for a person who purchases or intends to purchase shares of the Company in the form of gift, advance, guarantee, compensation, loans or otherwise.</p> <p><u>For the benefits of the Company, the Company may, upon a resolution by the general meeting or by the Board under the Articles of Association or the authorization of the general meeting, and in compliance with the relevant provisions of the Hong Kong Listing Rules, provide financial aids for others to obtain the shares of the Company, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board regarding matters under this Article shall be adopted by at least two-thirds of all the Directors.</u></p> <p><u>Where the violation of the preceding two paragraphs causes losses to the Company, the liable Directors, Supervisors and senior management shall be liable for compensation.</u></p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 38</b> The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(I) the rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;</p> <p>(II) the rights to request, convene, chair, attend or appoint proxy to attend general meetings and exercise corresponding voting rights in accordance with laws;</p> <p>(III) the rights to supervise and manage the operation of the Company and to put forward proposals and raise inquiries;</p> <p>(IV) the rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;</p> <p>(V) to inspect the Articles of Association, register of members, counterfoils of corporate bonds, minutes of general meeting, resolutions of Board meetings, resolutions of meetings of the Board of Supervisors and the financial and accounting reports;</p> <p>(VI) the rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;</p> <p>(VII) the rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at a general meeting on the merger or division of the Company;</p> <p>(VIII) other rights under the laws, administrative regulations, department rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p>	<p><b>Article 38</b> The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(I) the rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;</p> <p>(II) the rights to request, convene, chair, attend or appoint proxy to attend general meetings and exercise corresponding voting rights in accordance with laws;</p> <p>(III) the rights to supervise and manage the operation of the Company and to put forward proposals and raise inquiries;</p> <p>(IV) the rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;</p> <p>(V) to inspect <u>and copy</u> the Articles of Association, register of members, counterfoils of corporate bonds, minutes of general meeting, resolutions of Board meetings, resolutions of meetings of the Board of Supervisors and the financial and accounting reports. <u>Shareholders who meet the prescribed requirements may inspect the Company's accounting books and accounting vouchers;</u></p> <p>(VI) the rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;</p> <p>(VII) the rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at a general meeting on the merger or division of the Company;</p> <p>(VIII) other rights under the laws, administrative regulations, department rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 39</b> If a shareholder requests access to relevant information mentioned in the preceding article or to obtain information, it shall provide the Company with written documents to prove the class and number of shares held by it in the Company. The Company will provide the information required by the share-holder upon verification of the identity of the shareholder.</p>	<p><b>Article 39</b> If a shareholder requests access to <u>and copy</u> relevant information mentioned in the preceding article or to obtain information, it shall provide the Company with written documents to prove the class and number of shares held by it in the Company. The Company will provide the information required by the share-holder upon verification of the identity of the shareholder.</p>
<p><b>Article 40</b> Where the contents of a resolution of a general meeting or the Board are in violation of any laws or administrative regulations, shareholders are entitled to petition the People's Court to declare the resolution invalid.</p> <p>Shareholders are entitled to petition the People's Court to revoke any resolution passed on a general meeting or a meeting of the Board that has been convened or whose voting has been conducted in violation of laws, administrative regulations or the Articles of Association, or any resolution the contents of which is in violation of the Articles of Association, provided that such petition shall be submitted within 60 days of the passing of such resolution.</p>	<p><b>Article 40</b> Where the contents of a resolution of a general meeting or the Board are in violation of any laws or administrative regulations, shareholders are entitled to petition the People's Court to declare the resolution invalid.</p> <p>Shareholders are entitled to petition the People's Court to revoke any resolution passed on a general meeting or a meeting of the Board that has been convened or whose voting has been conducted in violation of laws, administrative regulations or the Articles of Association, or any resolution the contents of which is in violation of the Articles of Association, provided that such petition shall be submitted within 60 days of the passing of such resolution, <u>unless there is only a slight defect in the procedure of convening or the form of voting at the shareholders' or Board meetings of the Company, which has no substantive impact on the resolution.</u></p> <p><u>A shareholder who has not been notified to attend the general meetings may file the petition to the People's Court to revoke such resolution within 60 days from the date on which he/she knows or should know that the resolution was made at the general meetings; if the right of revocation is not exercised within one year from the date on which the resolution is made, the right of revocation shall be extinguished.</u></p>

Current Articles of Association	Proposed Amendments to Articles of Association
	<p><u>Where relevant parties such as the Board or the shareholders dispute the validity of a resolution passed at the general meeting, they should file a lawsuit with the People's Court in a timely manner. Pending the judgment or ruling of the People's Court, all relevant parties shall implement the resolutions of the general meeting, and no party may refuse to execute such resolutions on the grounds of their alleged invalidity. The Company, the Directors and senior management shall faithfully discharge their respective duties to ensure the normal operation of the Company.</u></p> <p><u>Where the People's Court has handed down a judgement or ruling on the relevant matter, the Company shall fulfill the obligation of information disclosure in accordance with the laws, administrative regulations and provision of the CSRC and the stock exchange, which shall include a full account of the impact, and shall actively implement in compliance with such judgement or ruling after the same comes into effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.</u></p>
<p><b>Article 41</b> Where Directors and senior management violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause damages to the Company, shareholders individually or jointly holding more than 1% of the shares in the Company for more than 180 consecutive days may request in writing the Board of Supervisors to initiate proceedings in the People's Court. In the event that the Board of Supervisors violates the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause damages to the Company, the above said shareholders may send written request to the Board to initiate proceedings in the People's Court.</p>	<p><b>Article 41</b> Where Directors and senior management violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause damages to the Company, shareholders individually or jointly holding more than 1% of the shares in the Company for more than 180 consecutive days may request in writing the Board of Supervisors to initiate proceedings in the People's Court. In the event that the Board of Supervisors violates the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause damages to the Company, the above said shareholders may send written request to the Board to initiate proceedings in the People's Court.</p>



Current Articles of Association	Proposed Amendments to Articles of Association
	<p>Upon receipt of the aforesaid written request from the shareholders, if the Board of Supervisors or the Board of Directors refuses to initiate proceedings, or has not initiated proceedings within 30 days from the date of receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the Company, the aforesaid shareholders, for the benefit of the Company's interests, has the right to initiate proceedings directly in the People's Court in their own name.</p> <p>For other parties who infringe the lawful interests of the Company resulting in loss to the Company, such shareholder(s) specified in the first paragraph of this Article may institute litigation in the People's Court in accordance with the procedures described in the two preceding paragraphs.</p> <p><u>Where Directors, Supervisors or senior management of a wholly-owned subsidiary of the Company commit any act specified in the preceding Article, or where any other party infringes upon the lawful rights and interests of such wholly-owned subsidiary causing losses thereto, shareholders who individually or jointly hold 1% or more of the Company's shares for 180 consecutive days or more may, in accordance with the provisions of the preceding three paragraphs, submit a written request to the supervisory committee or board of directors of the wholly-owned subsidiary to initiate legal proceedings with the People's Court, or may directly initiate such proceedings with the People's Court in their own name.</u></p>



Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 43</b> The shareholders of the Company shall have the following obligations:</p> <p>(I) to abide by laws, administrative regulations and the Articles of Association;</p> <p>(II) to pay for the shares based on the shares subscribed for and the manners in which they became shareholders;</p> <p>(III) not to withdraw their paid share capital except in circumstances allowed by laws and regulations;</p> <p>(IV) not to abuse shareholder's rights and harm the legal interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to impair the legal interests of the creditors of the Company;</p> <p>Where a shareholder's abuse of its power causes damage to other shareholders, he/she shall be liable to compensation in accordance with the laws;</p> <p>Where a shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, he/she shall bear joint liability for the debts of the Company;</p> <p>(V) other obligations imposed by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p>Shareholders are not liable for making any further contribution to share capital other than as agreed by the subscribers of shares on subscription.</p>	<p><b>Article 43</b> The shareholders of the Company shall have the following obligations:</p> <p>(I) to abide by laws, administrative regulations and the Articles of Association;</p> <p>(II) to pay for the shares based on the shares subscribed for and the manners in which they became shareholders;</p> <p>(III) not to withdraw their paid share capital except in circumstances allowed by laws and regulations;</p> <p>(IV) not to abuse shareholder's rights and harm the legal interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to impair the legal interests of the creditors of the Company;</p> <p>Where a shareholder's abuse of its power causes damage to other shareholders, he/she shall be liable to compensation in accordance with the laws;</p> <p>Where a shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, he/she shall bear joint liability for the debts of the Company;</p> <p><u>Where a shareholder utilizes two or more companies under its control to conduct the acts specified in the preceding paragraph, each such company shall bear joint liability for the debts of any one of the companies.</u></p> <p>(V) other obligations imposed by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p>Shareholders are not liable for making any further contribution to share capital other than as agreed by the subscribers of shares on subscription.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 46</b> A general meeting is the organ of authority of the Company, which exercises the following functions and powers in accordance with laws:</p> <p>(I) to decide on the operational policies and investment plans of the Company;</p> <p>(II) to elect and replace the Directors and Supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of Directors and Supervisors;</p> <p>(III) to consider and approve the reports of the Board;</p> <p>(IV) to consider and approve the reports of the Board of Supervisors;</p> <p>(V) to consider and approve the annual financial budget plans and final accounting plans of the Company;</p> <p>(VI) to consider and approve the profit distribution plan and loss recovery plan of the Company;</p> <p>(VII) to determine the increase or decrease of the registered capital of the Company;</p> <p>(VIII) to determine the issuance of corporate bonds or other securities by the Company and its listing plan;</p> <p>(IX) to determine matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;</p> <p>(X) to amend the Articles of Association;</p> <p>(XI) to determine the appointment of, removal of and non-reappointment of an auditor by the Company;</p>	<p><b>Article 46</b> A general meeting is the organ of authority of the Company, which exercises the following functions and powers in accordance with laws:</p> <p><del>(I) to decide on the operational policies and investment plans of the Company;</del></p> <p>(I) to elect and replace the Directors and Supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of Directors and Supervisors;</p> <p>(II) to consider and approve the reports of the Board;</p> <p>(III) to consider and approve the reports of the Board of Supervisors;</p> <p><del>(V) to consider and approve the annual financial budget plans and final accounting plans of the Company;</del></p> <p>(IV) to consider and approve the profit distribution plan and loss recovery plan of the Company;</p> <p>(V) to determine the increase or decrease of the registered capital of the Company;</p> <p>(VI) to determine the issuance of corporate bonds or other securities by the Company and its listing plan;</p> <p>(VII) to determine matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;</p> <p>(VIII) to amend the Articles of Association;</p> <p>(IX) to determine the appointment of, removal of and non-reappointment of an auditor by the Company;</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p>(XII) to consider and approve the provision of external guarantees that shall be approved at a general meeting required by the Articles of Association; (XIII) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;</p> <p>(XIV) to consider and approve the change of use of proceeds;</p> <p>(XV) to consider and approve the connected transactions that shall be considered and approved at a general meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;</p> <p>(XVI) to consider the formulation, amendment and implementation of share incentive plans;</p> <p>(XVII) to consider the proposal raised by shareholders who, individually or in the aggregate, hold 3% or more of the total number of the voting shares of the Company;</p> <p>(XVIII) to review other matters which, in accordance with the laws, administrative regulations, departmental rules, the regulatory rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a general meeting.</p> <p>A general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory provisions of laws and regulations of place of listing are not violated.</p>	<p>(X) to consider and approve the provision of external guarantees that shall be approved at a general meeting required by the Articles of Association;</p> <p>(XI) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;</p> <p>(XII) to consider and approve the change of use of proceeds;</p> <p>(XIII) to consider and approve the connected transactions that shall be considered and approved at a general meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;</p> <p>(XIV) to consider the formulation, amendment and implementation of share incentive plans;</p> <p>(XV) to consider the proposal raised by shareholders who, individually or in the aggregate, hold <u>1%</u> or more of the total number of the voting shares of the Company;</p> <p><u>(XVI) unless otherwise stipulated in the Hong Kong Listing Rules, financing matters such as applications for credit facilities, loans, bank acceptance bills, and letters of credit from financial institutions (including banks) and non-financial institutions: the Board is authorized to review and approve annual cumulative financing facilities exceeding RMB500 million but below RMB1,200 million, with single financing facility not exceeding RMB500 million. Financing matters exceeding the aforesaid amounts shall be subject to approval by the general meeting.</u></p>

Current Articles of Association	Proposed Amendments to Articles of Association
	<p>(XVII) <u>unless otherwise stipulated in the Hong Kong Listing Rules, establishment of wholly-owned or controlled subsidiaries and branches: the Board is authorized to review and approve annual cumulative outward investments exceeding RMB200 million but below RMB800 million, with single outward investment not exceeding RMB400 million. Outward investment matters exceeding the aforesaid amounts shall be subject to approval by the general meeting; those not reaching the Board's review threshold shall be approved by the general manager.</u></p> <p>(XVIII) to review other matters which, in accordance with the laws, administrative regulations, departmental rules, the regulatory rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a general meeting.</p> <p>A general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory provisions of laws and regulations of place of listing are not violated.</p>
<p><b>Article 53</b> More than two independent Directors have the right to propose to the Board to convene an extraordinary general meeting. In respect to the proposal by the independent Director for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.</p>	<p><b>Article 53</b> <u>Upon approval by a majority of all</u> <del>More than two</del> independent Directors, <u>the independent Directors shall</u> have the right to propose to the Board to convene an extraordinary general meeting. In respect to the proposal by the independent Director for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 60</b> Where the Company convenes a general meeting, the Board, the Board of Supervisors and shareholders individually or jointly holding more than 3% of the shares of the Company shall have the right to put forward proposals to the Company.</p> <p>Shareholder(s) individually or jointly holding more than 3% of the shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting. The convener shall serve a supplemental notice of the general meeting within 2 days after receipt of the provisional proposals and notify the contents of the said provisional proposals.</p> <p>Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.</p> <p>Proposals not set out in the notice of the general meeting or not complying with the Articles of Association shall not be voted on or resolved at the general meeting.</p>	<p><b>Article 60</b> Where the Company convenes a general meeting, the Board, the Board of Supervisors and shareholders individually or jointly holding more than <u>1%</u> of the shares of the Company shall have the right to put forward proposals to the Company.</p> <p>Shareholder(s) individually or jointly holding more than <u>1%</u> of the shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting. The convener shall serve a supplemental notice of the general meeting within 2 days after receipt of the provisional proposals and notify the contents of the said provisional proposals, <u>provided, however, that such provisional proposals shall not violate laws, administrative regulations or the provisions of the Articles of Association, nor fall outside the scope of authority of the general meeting. The Company shall not impose higher shareholding ratio requirements on shareholders proposing provisional proposals.</u></p> <p>Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.</p> <p>Proposals not set out in the notice of the general meeting or not complying with the Articles of Association shall not be voted on or resolved at the general meeting.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 63</b> If the election of Directors or Supervisors is proposed to be discussed at a general meeting, the notice of the meeting shall adequately specify the detailed information on the Director or Supervisor candidates, which shall at least include:</p> <p>(I) personal particulars, including academic qualifications, working experience and concurrent positions;</p> <p>(II) whether or not such candidate has any connected relationship with the Company, its controlling shareholders and de facto controller;</p> <p>(III) the number of shares of the Company held by such candidate;</p> <p>Each candidate for a Director or a Supervisor shall be proposed via a single proposal.</p>	<p><b>Article 63</b> If the election of Directors or Supervisors is proposed to be discussed at a general meeting, the notice of the meeting shall adequately specify the detailed information on the Director or Supervisor candidates, which shall at least include:</p> <p>(I) personal particulars, including academic qualifications, working experience and concurrent positions;</p> <p>(II) whether or not such candidate has any connected relationship with the Company, its controlling shareholders and de facto controller;</p> <p>(III) the number of shares of the Company held by such candidate;</p> <p><u>(IV) whether they have been subject to any penalties imposed by the CSRC and other relevant regulatory authorities, as well as disciplinary actions by stock exchanges.</u></p> <p>Each candidate for a Director or a Supervisor shall be proposed via a single proposal.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 83</b> The following matters shall be approved by ordinary resolution at a general meeting:</p> <p>(I) the work reports of the Board and the Board of Supervisors;</p> <p>(II) the profit distribution plan and loss recovery plan formulated by the Board;</p> <p>(III) the removal of members of the Board and the Board of Supervisors, their remuneration and method of payment;</p> <p>(IV) the annual financial budgets and statements of final accounts;</p> <p>(V) the annual report of the Company;</p> <p>(VI) appointment, removal and non-reappointment of accounting firms;</p> <p>(VII) any matters not otherwise required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be considered by a general meeting (save for matters required to be passed by special resolution at a general meeting).</p>	<p><b>Article 83</b> The following matters shall be approved by ordinary resolution at a general meeting:</p> <p>(I) the work reports of the Board and the Board of Supervisors;</p> <p>(II) the profit distribution plan and loss recovery plan formulated by the Board;</p> <p>(III) the removal of members of the Board and the Board of Supervisors, their remuneration and method of payment;</p> <p><del>(IV) the annual financial budgets and statements of final accounts;</del></p> <p>(IV) the annual report of the Company;</p> <p>(V) appointment, removal and non-reappointment of accounting firms;</p> <p>(VI) any matters not otherwise required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be considered by a general meeting (save for matters required to be passed by special resolution at a general meeting).</p>
<p><b>Article 99</b> The Directors of the Company are natural persons. A person may not serve as a Director of the Company if any of the following circumstances apply:</p> <p>(I) a person without legal or with restricted legal capacity;</p>	<p><b>Article 99</b> The Directors of the Company are natural persons. A person may not serve as a Director of the Company if any of the following circumstances apply:</p> <p>(I) a person without legal or with restricted legal capacity;</p>



Current Articles of Association	Proposed Amendments to Articles of Association
<p>(II) a person who has been found guilty of sentenced for corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order where less than a term of 5 years have elapsed since the sentence was served; or a person who has been deprived of his political rights, in each case where less than 5 years have elapsed since the sentence was served;</p> <p>(III) a person who is a former Director, factory manager or manager of a company or enterprise which has been entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;</p> <p>(IV) a person who is a former legal representative of a company or enterprise which had its business licence revoked or is ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business licence;</p> <p>(V) a person who has a relatively large amount of debts due and outstanding;</p> <p>(VI) a person who currently being barred by the CSRC from participating in the securities market;</p> <p>(VII) other circumstances as required under laws, administrative regulations or departmental rules.</p> <p>Where the Company elects or appoints a Director to which any of the above circumstances applies, 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 by the Company.</p>	<p>(II) a person who has been found guilty of sentenced for corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order where less than a term of 5 years have elapsed since the sentence was served; or a person who has been deprived of his political rights, in each case where less than 5 years have elapsed since the sentence was served; <u>or a person who has been imposed probation, where less than two years have elapsed since the expiration of the probationary period;</u></p> <p>(III) a person who is a former Director, factory manager or manager of a company or enterprise which has been entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;</p> <p>(IV) a person who is a former legal representative of a company or enterprise which had its business licence revoked or is ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business licence <u>or the closure order;</u></p> <p>(V) a person who has a relatively large amount of debts due and outstanding <u>and being listed as a person subject to enforcement for dishonesty by the People's Court;</u></p> <p>(VI) a person who currently being barred by the CSRC from participating in the securities market;</p> <p>(VII) other circumstances as required under laws, administrative regulations or departmental rules.</p> <p>Where the Company elects or appoints a Director to which any of the above circumstances applies, 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 by the Company.</p>



Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 101</b> The Directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:</p> <p>(I) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company;</p> <p>(II) not to misappropriate the funds of the Company;</p> <p>(III) not to deposit any assets or funds of the Company into accounts under their own names or the names of other individuals;</p> <p>(IV) not to violate the Articles of Association and lend the funds of the Company to others or provide guarantee to others with the Company's assets without approval of the general meetings or the Board;</p> <p>(V) not to enter into contracts or transactions with the Company in violation of the Articles of Association or without approval of the general meeting;</p> <p>(VI) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, or to run his/her own or others' business which is similar to the Company's business without approval of the general meeting;</p> <p>(VII) not to accept commissions in relation to transactions with the Company;</p> <p>(VIII) not to disclose the secrets of the Company without consent;</p> <p>(IX) not to use their connections to harm the interests of the Company;</p>	<p><b>Article 101</b> The Directors shall comply with the laws, administrative regulations and the Articles of Association, <u>and owe fiduciary duties to the Company. They shall take measures to avoid conflicts between their personal interests and the Company's interests, and shall not exploit their positions to seek improper benefits.</u></p> <p><u>The Directors shall faithfully perform their following obligations to the Company:</u></p> <p>(I) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company;</p> <p>(II) not to <u>encroach on the property of the Company or</u> misappropriate the funds of the Company;</p> <p>(III) not to deposit any assets or funds of the Company into accounts under their own names or the names of other individuals;</p> <p>(IV) not to violate the Articles of Association and lend the funds of the Company to others or provide guarantee to others with the Company's assets without approval of the general meetings or the Board;</p> <p>(V) <u>not to directly or indirectly enter into contracts or transactions with the Company without reporting to the Board or the general meeting and obtaining resolutions passed by the Board or the general meeting in accordance with the provisions of these Articles of Association, as well as complying with the relevant requirements of the Hong Kong Listing Rules</u><del>not to enter into contracts or transactions with the Company in violation of the Articles of Association or without approval of the general meeting;</del></p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p>(X) other fiduciary duties stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.</p> <p>The Company shall be entitled to the income gained by the Directors in violation of this Article; the Directors shall be liable for compensation if any loss is caused to the Company.</p>	<p>(VI) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, <del>or to run his/her own or others' business which is similar to the Company's business without approval of the general meeting.</del> <u>This restriction shall not apply if they report to the Board or the general meeting and obtain a resolution passed by the general meeting, or if the Company is unable to utilize such business opportunity in accordance with laws, administrative regulations, the Articles of Association, or the relevant requirements of the Hong Kong Listing Rules;</u></p> <p>(VII) not to operate, either on their own or for others, any business that competes with the Company without reporting to the Board or the general meeting and obtaining a resolution passed by the general meeting, as well as complying with the relevant requirements of the Hong Kong Listing Rules;</p> <p>(VIII) not to accept commissions in relation to transactions <u>between other parties and</u> the Company;</p> <p>(IX) not to disclose the secrets of the Company without consent;</p> <p>(X) not to use their connections to harm the interests of the Company;</p> <p>(XI) other fiduciary duties stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.</p> <p>The Company shall be entitled to the income gained by the Directors in violation of this Article; the Directors shall be liable for compensation if any loss is caused to the Company.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
	<p><u>Close relatives of Directors, Supervisors or senior management, enterprises directly or indirectly controlled by Directors, Supervisors, senior management or their close relatives, and connected persons having other association relationships with Directors, Supervisors or senior management, when entering into contracts or transactions with the Company, shall be subject to the provisions of sub-paragraph (V) of paragraph 2 of this Article.</u></p>
<p><b>Article 107</b> A Director shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.</p>	<p><b>Article 107</b> Where a Director causes damage to others in the performance of their duties for the Company, the Company shall be liable for compensation; if the Director acted with willful misconduct or gross negligence, they shall also be personally liable for compensation.</p> <p><u>A Director shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.</u></p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 113</b> The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to implement resolutions of general meetings;</p> <p>(III) to resolve on the Company's business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;</p> <p>(VII) to formulate plans for material acquisitions, re-purchase of shares of the Company;</p> <p>(VIII) to formulate plans for merger, division, dissolution or transformation of the Company;</p> <p>(IX) to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external financing, etc.;</p> <p>(X) to carry out investment activities, acquisition or disposal of assets, financing activities and connected transactions that resolution of the Board is needed as required by the listing rules of the stock exchange where the shares of the Company are listed;</p>	<p><b>Article 113</b> The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to implement resolutions of general meetings;</p> <p>(III) to resolve on the Company's business plans and investment plans;</p> <p><u>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</u></p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;</p> <p>(VII) to formulate plans for material acquisitions, re-purchase of shares of the Company;</p> <p>(VIII) to formulate plans for merger, division, dissolution or transformation of the Company;</p> <p>(IX) to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external financing, etc.;</p> <p>(X) to carry out investment activities, acquisition or disposal of assets, financing activities and connected transactions that resolution of the Board is needed as required by the listing rules of the stock exchange where the shares of the Company are listed;</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p>(XI) to decide on the establishment of internal management organizations of the Company;</p> <p>(XII) to appoint or dismiss the general manager and secretary to the Board of the Company; to appoint or dismiss senior management officers including the chief finance officer in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;</p> <p>(XIII) to set up the basic management system of the Company;</p> <p>(XIV) to formulate the proposals for any amendment to the Articles of Association;</p> <p>(XV) to propose to the general meeting the appointment or replacement of the accounting firm which provides audit services to the Company;</p> <p>(XVI) to listen to work reports of the general manager and review his/her work;</p> <p>(XVII) to manage the information disclosure of the Company;</p> <p>(XVIII) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.</p> <p>The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the Directors save for the issues specified in Sub-paragraphs (VI), (VIII) and (XIV), for which approval of more than two-thirds of the Directors is required.</p>	<p>(XI) to decide on the establishment of internal management organizations of the Company;</p> <p>(XII) to appoint or dismiss the general manager and secretary to the Board of the Company; to appoint or dismiss senior management officers including the chief finance officer in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;</p> <p>(XIII) to set up the basic management system of the Company;</p> <p>(XIV) to formulate the proposals for any amendment to the Articles of Association;</p> <p>(XV) to propose to the general meeting the appointment or replacement of the accounting firm which provides audit services to the Company;</p> <p>(XVI) to listen to work reports of the general manager and review his/her work;</p> <p>(XVII) to manage the information disclosure of the Company;</p> <p>(XVIII) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.</p> <p>The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the Directors save for the issues specified in Sub-paragraphs (VI), (VIII) and (XIV), for which approval of more than two-thirds of the Directors is required.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 134</b> The provision of Article 99 hereof in relation to non-appointment as a director also applies to senior management. The provisions of Article 101 in relation to the Directors' duty of loyalty and the provisions of Items (IV), (V) and (VI) of Article 102 on the Directors' duty of diligence apply to senior management.</p>	<p><b>Article 134</b> The provision of Article 99 hereof in relation to non-appointment as a director also applies to senior management. The provisions <del>of Article 101</del> in relation to the Directors' duty of loyalty and <del>the provisions of Items (IV), (V) and (VI) of Article 102 on the</del> Directors' duty of diligence apply to senior management.</p>
<p><b>Article 137</b> The general manager, who reports to the Board, may exercise the following functions and powers:</p> <p>(I) to manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the Board, and report to the Board;</p> <p>(II) to arrange for the implementation of the Company's annual operation plans and investment proposals;</p> <p>(III) to formulate proposals for the establishment of the Company's internal management organs;</p> <p>(IV) to formulate the fundamental management system of the Company;</p> <p>(V) to formulate the specific rules and regulations of the Company;</p> <p>(VI) to recommend the appointment or dismissal of the chief financial officer of the Company by the Board;</p> <p>(VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board);</p> <p>(VIII) to exercise any other functions and powers conferred by the Articles of Association or the Board.</p> <p>The general manager shall be present at meetings of the Board. However, the general manager shall have no voting rights at meetings of the Board unless he/she concurrently serves as a Director.</p>	<p><b>Article 137</b> The general manager, who reports to the Board, may exercise the following functions and powers:</p> <p>(I) to manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the Board, and report to the Board;</p> <p>(II) to arrange for the implementation of the Company's annual operation plans and investment proposals;</p> <p>(III) to formulate proposals for the establishment of the Company's internal management organs;</p> <p>(IV) to formulate the fundamental management system of the Company;</p> <p>(V) to formulate the specific rules and regulations of the Company;</p> <p>(VI) to recommend the appointment or dismissal of the <u>deputy general manager</u> and chief financial officer of the Company by the Board;</p> <p>(VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board);</p> <p>(VIII) to exercise any other functions and powers conferred by the Articles of Association or the Board.</p> <p>The general manager shall be present at meetings of the Board. However, the general manager shall have no voting rights at meetings of the Board unless he/she concurrently serves as a Director.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 170</b> The common reserve fund of the Company shall be applied to make good the Company's losses, expand its business operations or increase its capital. Capital reserve fund includes the following items:</p> <p>(I) premium over the nominal value per share on issue;</p> <p>(II) other income as required by the regulations of the finance regulatory department of the State Council to be treated as the capital reserve fund.</p> <p>Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the Company before such transfer.</p>	<p><b>Article 170</b> The common reserve fund of the Company shall be applied to make good the Company's losses, expand its business operations or increase its capital. <u>When using the common reserve fund to make good the Company's losses, the Company shall first apply the discretionary reserve fund and statutory reserve fund. If the losses still cannot be fully covered, the capital reserve fund may be used in accordance with relevant regulations.</u> <del>The capital reserve fund, however, shall not be used to make good the Company's losses.</del> Capital reserve fund includes the following items:</p> <p>(I) premium over the nominal value per share on issue;</p> <p>(II) other income as required by the regulations of the finance regulatory department of the State Council to be treated as the capital reserve fund.</p> <p>Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the Company before such transfer.</p>



Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 184</b> In the event of the merger or division of the Company, a proposal shall be presented by the Board and shall be approved by the general meeting in accordance with the procedures stipulated in the Articles of Association. The Company shall then undertake the relevant approval process in a manner prescribed by law. A Shareholder who objects to the proposal of merger or division shall be entitled to demand the Company or the Shareholders who consent to the proposal of merger or division to acquire such dissenting Shareholders' shareholding at a fair price. The contents of the resolution of merger or division of the Company shall be compiled into special documents which shall be available for inspection by the Shareholders of the Company.</p>	<p><b>Article 184</b> In the event of the merger or division of the Company, a proposal shall be presented by the Board and shall be approved by the general meeting in accordance with the procedures stipulated in the Articles of Association. The Company shall then undertake the relevant approval process in a manner prescribed by law. <u>Unless otherwise stipulated in the Hong Kong Listing Rules, mergers and acquisitions where the consideration paid by the Company does not exceed 10% of the Company's net assets shall be approved by a Board resolution without requiring a resolution at the shareholders' general meeting.</u> A Shareholder who objects to the proposal of merger or division shall be entitled to demand the Company or the Shareholders who consent to the proposal of merger or division to acquire such dissenting Shareholders' shareholding at a fair price. The contents of the resolution of merger or division of the Company shall be compiled into special documents which shall be available for inspection by the Shareholders of the Company.</p>
<p><b>Article 185</b> In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution approving the merger and shall publish a public notice in newspapers or by other means within 30 days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within 30 days after the receipt of the written notification, or in the event that no such notification is received, within 45 days after the date of the announcement.</p>	<p><b>Article 185</b> In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution approving the merger and shall publish a public notice in newspapers <u>or through the National Enterprise Credit Information Publicity System</u> within 30 days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within 30 days after the receipt of the written notification, or in the event that no such notification is received, within 45 days after the date of the announcement.</p>



Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 187</b> Where there is a division of the Company, its assets shall be divided up accordingly.</p> <p>In the event of division of the Company, the parties shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution approving the division and shall publish a public announcement at least 3 times in newspapers within 30 days thereafter.</p>	<p><b>Article 187</b> Where there is a division of the Company, its assets shall be divided up accordingly.</p> <p>In the event of division of the Company, the parties shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution approving the division and shall publish a public announcement <del>at least 3 times in</del> newspapers <u>or through the National Enterprise Credit Information Publicity System</u> within 30 days thereafter.</p>
<p><b>Article 189</b> A balance sheet and an inventory of assets must be prepared by the Company if it needs to reduce registered capital.</p> <p>The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish a public announcement in newspapers within 30 days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within 30 days after the receipt of the written notification, or in the event that no such notification is received, within 45 days after the date of the announcement.</p>	<p><b>Article 189</b> A balance sheet and an inventory of assets must be prepared by the Company if it needs to reduce registered capital.</p> <p>The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish a public announcement in newspapers <u>or through the National Enterprise Credit Information Publicity System</u> within 30 days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within 30 days after the receipt of the written notification, or in the event that no such notification is received, within 45 days after the date of the announcement.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 191</b> The Company shall be dissolved upon the occurrence of the following events:</p> <p>(I) the term of its operation set out in the Articles of Association has expired;</p> <p>(II) a resolution for dissolution is passed by Shareholders at a general meeting;</p> <p>(III) dissolution is necessary due to a merger or division of the Company;</p> <p>(IV) the Company's business license is revoked or the Company is ordered to close down or de-registered according to laws;</p> <p>(V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of Shareholders, and no solution can be found through any other channel, Shareholders representing more than 10% of the voting rights of all Shareholders of the Company may request the People's Court to dissolve the Company.</p>	<p><b>Article 191</b> The Company shall be dissolved upon the occurrence of the following events:</p> <p>(I) the term of its operation set out in the Articles of Association has expired <u>or other dissolution events specified herein has occurred</u>;</p> <p>(II) a resolution for dissolution is passed by Shareholders at a general meeting;</p> <p>(III) dissolution is necessary due to a merger or division of the Company;</p> <p>(IV) the Company's business license is revoked or the Company is ordered to close down or de-registered according to laws;</p> <p>(V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of Shareholders, and no solution can be found through any other channel, Shareholders representing more than 10% of the voting rights of all Shareholders of the Company may request the People's Court to dissolve the Company.</p> <p><u>Where any dissolution event under the preceding paragraphs occurs, the Company shall publicize the dissolution cause through the National Enterprise Credit Information Publicity System within ten days.</u></p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 192</b> The Company may continue to exist by amending the Articles of Association in the event of the circumstance as set forth in paragraph (I) of the preceding Article.</p> <p>The amendment to the Articles of Association according to the preceding article shall be passed by two-thirds of the voting rights held by Shareholders present at the general meeting.</p>	<p><b>Article 192</b> The Company may continue to exist by amending the Articles of Association <u>or through a resolution passed at a shareholders' general meeting</u> in the event of the circumstances as set forth in paragraphs (I) <u>and (II)</u> of the preceding Article, <u>and where the Company has not yet distributed its assets to shareholders.</u></p> <p>The amendment to the Articles of Association according to the preceding article shall be passed by two-thirds of the voting rights held by Shareholders present at the general meeting.</p>
<p><b>Article 193</b> In the case of dissolution of the Company under paragraphs (I), (II), (IV) and (V) of Article 194 hereof, a liquidation committee shall be formed to commence liquidation within 15 days from the date of occurrence of events giving rise to dissolution. The members of the liquidation committee shall be determined by the Directors or the general meeting. Where a liquidation committee is not established according to schedule, the creditors may apply to the People's Court to designate the relevant personnel to establish a liquidation committee to proceed with the liquidation.</p>	<p><b>Article 193</b> In the case of dissolution of the Company under paragraphs (I), (II), (IV) and (V) of Article 191 hereof, <del>a liquidation committee shall be formed to commence liquidation within 15 days from the date of occurrence of events giving rise to dissolution. The members of the liquidation committee shall be determined by the Directors or the general meeting,</del> it shall undergo liquidation. The Directors shall be the liquidation obligors and shall form a liquidation committee within fifteen days <u>from the occurrence of the dissolution event to conduct liquidation.</u></p> <p><u>The liquidation committee shall be composed of Directors, unless otherwise stipulated in the Articles of Association or a shareholders' general meeting resolves to appoint other persons.</u></p> <p><u>Where liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation. —Where a liquidation committee is not established according to schedule, the creditors may apply to the People's Court to designate the relevant personnel to establish a liquidation committee to proceed with the liquidation.</u></p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 195</b> The liquidation committee shall notify the Company's creditors within 10 days of its establishment, and publish an announcement in newspapers at least 3 times within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.</p>	<p><b>Article 195</b> The liquidation committee shall notify the Company's creditors within 10 days of its establishment, and publish an announcement in newspapers <u>or through the National Enterprise Credit Information Publicity System</u> <del>at least 3 times</del> within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.</p>
<p><b>Article 198</b> Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses received and made during the liquidation period and a financial report, which shall be verified by a Chinese registered accountant and submitted the same to the general meeting or the People's Court for confirmation, and submit to the companies registration authority and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.</p>	<p><b>Article 198</b> Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, <del>a statement of income and expenses received and made during the liquidation period and a financial report, which shall be verified by a Chinese registered accountant</del> and submitted the same to the general meeting or the People's Court for confirmation, and submit to the companies registration authority and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.</p>

Current Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 205</b> Definitions</p> <p>(I) a de facto controller means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.</p> <p>(II) the “connected transaction” refers to that as defined in the Hong Kong Listing Rules.</p> <p>(III) the meaning of an “accounting firm” is the same as that of “auditors”.</p>	<p><b>Article 205</b> Definitions</p> <p>(I) a de facto controller means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.</p> <p>(II) the “connected transaction” refers to that as defined in the Hong Kong Listing Rules.</p> <p>(III) the meaning of an “accounting firm” is the same as that of “auditors”.</p> <p><u>(IV) the meaning of each of the “Shareholders’ meeting”, “extraordinary shareholders’ meeting” and “annual shareholders’ meeting” is the same as each of the “General Meeting (股東大會)”, “Extraordinary General Meeting (臨時股東大會)” and “Annual General Meeting (年度股東大會)” respectively, under the Hong Kong Listing Rules.</u></p>



Boan Biotech  
博安生物

**Shandong Boan Biotechnology Co., Ltd.**  
**山东博安生物技术股份有限公司**

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

**(Stock Code: 6955)**

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of Shandong Boan Biotechnology Co., Ltd. (the “**Company**”) will be held at Building 1, No. 39 Keji Avenue, High-Tech Industrial Development Zone, Yantai, Shandong Province, China on Thursday, 5 June 2025 at 10:00 a.m. for the following purposes:

**ORDINARY RESOLUTIONS**

1. To consider and approve the report of the board of directors of the Company (the “**Board**”) for the year 2024.
2. To consider and approve the report of the board of supervisors of the Company for the year 2024.
3. To consider and approve the annual report of the Company for the year 2024.
4. To consider and approve the appointment of Mr. Wang Shenghan as an executive Director of the Company;
5. To consider and approve the appointment of Mr. Li Shixu as a non-executive Director of the Company;
6. To consider and approve the re-appointment of Ernst & Young as the auditor of the Company for the year 2025 and authorise the Board to determine its remuneration.
7. To authorise the Board to determine the remuneration of the Directors.
8. To authorise the Board of Supervisors to determine the remuneration of the Supervisors.

## NOTICE OF ANNUAL GENERAL MEETING

### SPECIAL RESOLUTIONS

9. To consider and approve the proposed granting of general mandate to the Board to allot, issue and deal with additional H Shares ("**Shares**") and to sell and transfer treasury shares of the Company not exceeding 20% of the total number of the issued Shares of the Company as at the date of passing of the related resolution, and to authorise the Board to make amendments to the articles of association ("**Articles of Association**") of the Company as it thinks fit so as to reflect the new share capital structure upon the issue or allotment of additional shares of the Company pursuant to such mandate.

"**THAT:**

- (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time (the "**Listing Rules**"), the Articles of Association and relevant laws and regulations of the Peoples' Republic of China (the "**PRC**"), the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or deal with, either separately or concurrently, additional Shares of the Company, to sell and transfer treasury shares of the Company and to make or grant offers, agreements, options, awards and rights of exchange or conversion which might be required for the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Board during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options, awards and rights of exchange or conversion which might require the exercise of such powers after the expiration of the Relevant Period;
- (c) each of the total number of Shares allotted, issued, sold, transferred or dealt with or agreed conditionally or unconditionally to be allotted, issued, sold, transferred or dealt with (whether by an option and awards or otherwise) by the Board pursuant to the approval granted in paragraph (a) shall not exceed the aggregate of:
  - (i) 20% of the total number of issued Shares of the Company as at the date of passing this resolution; and
  - (ii) (if the Board is so authorised by special resolution 11) the aggregate number of Shares repurchased by the Company pursuant to the authority given under special resolution 10 (if the Board is so authorised);



## NOTICE OF ANNUAL GENERAL MEETING

- (d) the Board will only exercise the above powers in accordance with the Company Law of the PRC and the Listing Rules and when all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government departments are obtained; and
- (e) for the purpose of this resolution:

**“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 or other applicable laws to be held; or
- (iii) the date of revocation or variation of the authority given under this resolution by a special resolution of shareholders of the Company at a general meeting.”

- 10. To consider and approve the proposed granting of general mandate to the Board to repurchase Shares not exceeding 10% of the total number of the issued Shares of the Company as at the date of passing the related resolution, and to authorise the Board to make amendments to the Articles of Association as it thinks fit so as to reflect the new share capital structure upon the repurchase of Shares of the Company pursuant to such mandate.

**“THAT:**

- (a) subject to paragraphs (b) and (c) below, the Board be and is hereby authorized to exercise all the powers of the Company to repurchase the Shares of the Company on the Stock Exchange during the Relevant Period (as hereinafter defined), subject to and in accordance with the Articles of Association and all applicable laws, rules and regulations and/or requirements of the PRC, the Stock Exchange or any other governmental or regulatory bodies;
- (b) the total number of Shares of the Company authorised to be repurchased subject to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of the issued Shares of the Company as at the date of the passing of this resolution;

## NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this resolution:

“**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 or other applicable laws to be held; or
  - (iii) the date of revocation or variation of the authority given under this resolution by a special resolution of shareholders of the Company at a general meeting.”
11. Conditional upon special resolutions 9 and 10 set out in this notice being passed, to consider and approve the adding of the aggregate number of Shares which are repurchased by the Company after the date of passing of special resolution 10 (up to a maximum of 10% of the total number of issued Shares of the Company as at the date of passing of special resolution 10), to the aggregate number of Shares that may be (or agreed conditionally or unconditionally to be) allotted, issued, sold, transferred or otherwise dealt with by the Directors pursuant to special resolution 9.
12. To consider and approve the resolutions on the amendments to the Articles of Association as set out in Appendix III to the circular published by the Company dated 30 April 2025 and to authorize the Board to handle the relevant formalities including but not limited to the registration/filing of changes with the relevant authorities in respect of the amendments to the Articles of Association.

By Order of the Board  
**Shandong Boan Biotechnology Co., Ltd.**  
**Jiang Hua**  
*Chairlady, Chief Executive Officer and Executive Director*

Hong Kong, 30 April 2025

## NOTICE OF ANNUAL GENERAL MEETING

*Notes:*

1. All resolutions at the Annual General Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at [www.boan-bio.com](http://www.boan-bio.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the Annual General Meeting.
2. Any shareholder entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's 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 (for holders of H shares), at least 24 hours before the Annual General Meeting (i.e. before 10:00 a.m. on Wednesday, 4 June 2025) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the Annual General Meeting or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of shareholders who are entitled to attend the Annual General Meeting, the register of members of the Company will be closed from Monday, 2 June 2025 to Thursday, 5 June 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the eligibility to attend and vote at the Annual General Meeting will be Thursday, 5 June 2025. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of the shares shall ensure all properly completed transfer documents 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 not later than 4:30 p.m. on Friday, 30 May 2025 for registration.
5. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. A shareholder or his/her proxy should produce proof of identity when attending the Annual General Meeting.
8. References to date and time in this notice are to Hong Kong dates and time.

*As at the date of this notice, the executive directors of the Company are Ms. Jiang Hua and Dr. Dou Changlin; the non-executive directors of the Company are Mr. Liu Yuanchong and Ms. Li Li; and the independent non-executive directors of the Company are Professor Shi Luwen, Mr. Dai Jixiong and Dr. Yu Jialin.*