

Chongqing Zhifei Biological Products Co., Ltd.
Grant/Donation Management System

Chapter 1 General Provisions

Article 1 In order to further standardize the external grant and donation activities of Chongqing Zhifei Biological Products Co., Ltd. (hereinafter referred to as "the Company" or "Zhifei"), strengthen the management of the Company's external grants and donations, better fulfill the company's social responsibilities, and protect the interests of the company's shareholders, creditors, and employees, The company has developed this system. This system is formulated in accordance with the provisions of laws, regulations, and normative documents such as the "Public Welfare Donation Law of the People's Republic of China", the "Company Law of the People's Republic of China", and the "Shenzhen Stock Exchange Social Responsibility Guidelines Instructions to listed companies".

Chapter 2 Definition and Scope

Article 2 The term "grants and donations" as referred to in this system means the support in the form of cash and in-kind provided by the company to non-profit, public welfare, and charitable organizations without the purpose of making a profit. This includes the company's external grants, donations, and charitable donations to support public health capacity building and promote health policy and environmental initiatives that are in line with the company's strategic focus and interests. The aforementioned "grants and donations" should not be used as a means to achieve market objectives.

Article 3 The company's external public welfare grants/donations must comply with the provisions of the "Public Welfare Donation Law of the People's Republic of China", and the specific scope includes:

(1) Activities to help disaster relief, poverty alleviation, and support for people with

- disabilities and other socially disadvantaged groups and individuals;
- (2) Education, science, culture, health, sports, and other undertakings;
 - (3) Environmental protection and the construction of social public facilities;
 - (4) Other social public and health, welfare undertakings that promote social development and progress.

Article 4 Beyond the scope of this policy (the following do not belong to grants and donations):

- (1) Services/Tangible benefits obtained in exchange for specific service payments (such as remuneration for medical professional services, market research costs, overseas conferences sponsored by Zhifei such as seminar fees, exhibition/exhibit fees, independent symposium fees, etc.);
- (2) Sponsorships with promotional nature;
- (3) Costs of services paid, such as direct patient medical care, purchase of drugs, equipment, biological preparations, and diagnostic costs.

Chapter 3 Principles of External Grants/Donations

Article 5 Basic Principles and Restrictions

- (1) It shall not be used to induce, exchange, or reward the prescription of the company's products, or to provide any benefits related to sales to the company.
- (2) The target should not be promotional or considered to have promotional intent, and should be independent of Zhifei 's control or input.
- (3) It should not obtain tangible benefits or business returns. Occasional praise and certification are exceptions.
- (4) Ensure that the funds provided are not used to support capital expenditures such as new construction or building costs, or to cover the organization's daily or normal business expenses.
- (5) It should not be used directly or indirectly to meet the interests of individuals or some people; and in principle, it should not be provided to privately owned "profit"

entities.

(6) In line with China Association of Enterprises with Foreign Investment R&D-based Pharmaceutical Association Committee , applicable laws and regulations.

(7) It should not solicit or publish fundraising announcements for company property or through company property. It should not solicit or imply that the fundraising is made on behalf of Zhifei or benefits Zhifei from employees, suppliers, or contractors.

Chapter 4 Procedures and Regulations for External Grants/Donations

Article 6 The approval of the company's external grants and donations should strictly follow the approval procedures in accordance with relevant national laws, regulations, and the company's "Articles of Association", "Shareholders' Meeting Rules", "Board of Directors Meeting Rules", "Project Management Committee Meeting Rules", etc.

Article 7 Establish an annual plan for grants and donations. The annual plan must provide a summary of the plan according to the type of funds (for example, total amount of grants, total amount of donations, etc.), and must be reviewed by the Project Management Committee and approved by the company's president. In the event that a project is not included in the annual plan, the actual expenditure of a planned project exceeds the budget, or the funding category of a planned project is adjusted (e.g., charitable contribution funds in the annual plan are partially or wholly used to fund a project), the project should be re-approved.

Article 8 Project Approval Requirements:

(1) The project/contract application department must collect and provide appropriate certification materials and documents for the grant and donation projects, including applications from organizations (such as letters or emails), which must contain at least the following information:

A. Organization Information:

a. The name and address of the organization applying for or receiving grants,

donations, and charitable donations.

b. Contact person and related information: such as telephone number, fax number, email address.

B. Funding Application Information:

a. The amount of application (or the equivalent currency of the donated equipment), time of payment

b. Application description, including purpose or objectives, the use of funds, the start and end time of the project or activity supported by the funds.

C. Conflict of Interest/Anti-Bribery Identification:

Before project application approval or making any oral or written commitment, an assessment of the main individual members of the third-party organization must be made, or it has been assessed through a cooperative business partner. These main individual members include those who apply for grants and donations to the company, the board of directors, the leadership of the organization [such as chairman, vice chairman], and members who have influence on how the funds will be used and may affect the company's business.

Projects are subject to due diligence completed by an independent third party, or have passed the due diligence of a cooperating business partner and such due diligence is valid.

Before project application approval or making any oral or written commitment, it is necessary to fully understand the conflict of interest between the third-party organization and the company. The third-party organization must complete the "Conflict of Interest Statement" in full and truthfully. If the third-party organization refuses to fill in or makes false statements, conceals the truth, it should be refused to approve the project.

The "Conflict of Interest Statement" should be completed before the first grant/donation contract with the third-party organization, and it should be updated at least once every three years in subsequent years. When the project contact person learns that there is a change in the conflict of interest between the third-party organization and the company at any time, it should be reported to the company in a timely manner.

D. The Project Management Committee (members of departments such as the Medical Department, Party Committee Office, Finance Department, Risk Control Department, Academic Support Department, Legal Compliance Department, etc., which are independent of market and sales functions) reviews and approves the above documents. The approval process for all the company's grant/donation and charity donation projects is as follows:

The activity applicant submits the project application - the Project Management Committee reviews - the president approves - the board of directors approves (if necessary) - the shareholders' meeting approves (if necessary).

Although the sales team or marketing department can propose funding needs as a contact person, or provide assistance during the execution of the activity, no one from the sales team or marketing department should be the applicant/executor of the activity. The activity applicant/executor should come from departments that are independent of sales and marketing functions.

(2) The specific provisions for the decision-making procedures for external grants/donations occurring within each fiscal year, including cash donations and in-kind asset donations (at fair value), are as follows:

A. If the company's single donation amount or the total amount of donations in a year accounts for less than 5% (excluding this number) of the net assets value of the most recent audited period (calculated according to the consolidated financial statements), it is approved by the company's president;

B. If the company's single donation amount or the total amount of donations in a year accounts for more than 5% (including this number) but less than 20% (excluding this number) of the net assets value of the most recent audited period (calculated according to the consolidated financial statements), it is submitted by the chairman to the board of directors for consideration and approval ;

C. In case of exceeding the above standards or meeting the requirements of laws and regulations, relevant documents of China Securities Regulatory Commission, and the " Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange ", which shall be submitted to the shareholders' general meeting for

consideration, the approval of the shareholders' general meeting shall be obtained.

Article 9 On the basis of completing the final approval according to the above grant/donation procedures, the contract must be signed after being approved by the company's Project Management Committee and the president, and it must be signed before paying to the organization. The agreement should use the company's contract template as a priority. The agreement must specify that the funds provided by Zhifei can only be used for the original purpose specified in the contract, and the funding should comply with Chinese laws and regulations.

Chapter 5 Other

Article 10 The following documents are required to be preserved and should be retained and filed by the responsible personnel in accordance with the company's document retention policy.

- (1) Project application and approval records.
- (2) Effective agreements signed with institutions or organizations.
- (3) Progress reports.

A. Once the grant is accepted, the recipient organization must agree to use the funds in a reasonable manner and in accordance with the purpose of the grant. The recipient must also agree to submit an annual report and a final report within 12 months of receiving the grant. If the project cannot be completed within 12 months, please submit an annual interim progress report and a final report when the project is completed.

B. The interim progress report/final report should include the following information:

The completion status of the project, meaningful experiences and lessons, and results, including whether the project objectives have been achieved, and if not, the reasons for missing objectives. Both positive and negative results need to be reported.

If applicable, the information dissemination plan for the project results to a wider range, such as through lectures or publications.

Records of the use of grant funds, listing the main expenditure items specified in

the budget.

If appropriate, the final report should be accompanied by deliverable project results.

The interim report includes the current results or achievements of the project, along with a schedule for completing the entire project.

Article 11 To ensure the legality and compliance of the execution process of the grant / donation project, the company's Project Management Committee should regularly review the execution of the grant / donation project.

Article 12 The relevant departments of the company should strictly implement this system. The person in charge of the finance department must ensure that all grants, donations, and charitable donations are accurately recorded in the company's books. The risk control department will conduct spot checks from time to time to see if the grants, and donations comply with the company's system.

Article 13 This system shall come into effect from the date of issuance and will be reviewed additionally when necessary to ensure compliance with relevant national laws, regulations, and company policies.