

Changchun BCHT Biotechnology Co.
Improving Quality and Efficacy, Enhancing Value Return
Corporate Action Plan 2024

Changchun BCHT Biotechnology Co (Hereinafter as "the company" or "BCHT") , in order to implement the "investor-centered " philosophy by listed companies and protect the interests of all shareholders of the company, articulates the "Improving Quality and Efficacy, Enhancing Value Return" Corporate Action Plan 2024 to further optimize the company's management, standardize its governance, enhance its market competitiveness, and protect investors' rights and interests with active measures and better returns. This Plan is based on the company's confidence in current operational status and future development prospects and is mainly covered in the field of focusing on the main business, which also promoting scientific and technological innovation, and consolidating communication with investors. The main measures are as follows:

1.Focusing on the main business development, capturing more market share with better recognition

The company always persist "Devote Biotech Today, Create Health Tomorrow" as the mission since its establishment in 2004. BCHT has been engaged in research and development, manufacturing and distribution of vaccines for human use. At present, the company has marketed includes Varicella Vaccine Live; Influenza Vaccine, Live, Nasal, Freeze-dried; Herpes Zoster Vaccine, Live etc. Among these products, the domestic market share of Varicella Vaccine Live has been in a leading position for many years, which is one of the company's main sources of revenue; Furthermore, the Influenza Vaccine, Live, Nasal, Freeze-dried has been included in the WHO Global Pandemic Influenza Action Plan, and also is the only live attenuated influenza vaccine administered by nasal spray in China, which greatly improves the compliance of inoculators.

In January 2023, the company's zoster vaccine marketing license application was

approved, which becoming the first zoster vaccine applicable to people over 40 years old in China. Meanwhile, this vaccine breaking the monopoly by imported vaccines in domestic zoster prevention products, filling the gap of domestic zoster vaccine market, and generating a new growth point of the company's performance.

The company has established a professional marketing management team and extensive sales channels. At present, the products from BCHT have covering 31 provinces, autonomous regions, municipalities directly under the Central Government in China except Hong Kong, Macao and Taiwan, and are exported to overseas countries.

In 2024, the company will continue to focus on its main business in that to improve continuously leading position in its product technology and market share, also to promote comprehensively the company's core competitiveness and industry recognition, focus on to reinforce promotion and education of vaccinees, and increase the products market share. Specific measures are as follows:

The company will keep an eye on industry policy and market trends, and timely adjust sales strategies according to market changes. Meanwhile, the company will rely on high-quality varieties with obvious advantages, continue to publicize product quality through professional and efficient market services, actively promote the public to prevent diseases. In accordance with the annual brand promotion plan, through the community and new media such as Douyin and Meituan, BCHT will systematically carry out the publicity work of disease and disease prevention knowledge, focusing on the core advantages of listed varieties. It will help the company to establish high quality brand concept in the public consumption consciousness.

In 2024, with the launch of the company's Herpes Zoster Vaccine, Live, the company's products cover both children vaccine and adult vaccine. The company will develop differentiated marketing strategies characterized by product features and applicable demographics. In the tasks to consolidate the market position of existing products, the company will prioritize most of all to the promotion of zoster vaccine by taking the first-mover advantage to increase the coverage of POV. From online marketing aspect, the company will improve constantly the digital reservation system, making full use of "online reservation+ offline vaccination". The company will persistently explore

publicity and drainage channels, such as hospitals, communities, and elderly care institutions, to increase investment in science popularization education, improve product market penetration, and strive to return investors with better performance.

2. Accelerate progress of research pipeline and achieve innovation-driven development

Since its establishment, the company has always adhered to the development concept of "standardization, innovation, focus, inclusiveness and sharing". After years of accumulation, the company has established a professional research and development system and has a relatively complete biological vaccine laboratory and pilot workshop, which has strong research and development and industrialization capabilities in the vaccine field. Besides that, BCHT has been awarded as High-tech Enterprise by Jilin Provincial Science and Technology Agency, and approved the establishment of "Jilin Province Vaccine Science and Technology Innovation Center"; which also has been identified as "Changchun National Biological Industry Base Vaccine Engineering Research Center" by Changchun National Biological Industry Base; Jilin Province Development and Reform Commission approved the company to established "Jilin Province Vaccine Engineering Research Center"; Moreover, recognized as "Provincial Enterprise Technology Center" by Jilin Provincial Department of Industry and Information Technology.

BCHT has established five core technology platforms: Virus culture scale-up technology platform, Formulation and adjuvant technology platform, Genetic engineering technology platform, Bacterial vaccine technology platform and mRNA Vaccine Technology Platform.

On the basis of independent research and development, the company attaches great importance to the construction of innovation environment, carries out various forms of industry-university-research cooperation with domestic and foreign universities and research and development institutions, establishes close research cooperation relations. It has established technical exchange and cooperation with Jilin University, Institute of Pathogen Biology, Chinese Academy of Medical Sciences and other research institutes. In addition, the introduction of technology from Intravacc, NIH and other international

partners has further improved the company's technical strength and scientific research level.

In 2024, while accelerate the project of Influenza vaccine, nasal, live (liquid) vaccine and Adsorbed DTaP combined vaccine (three components), the following projects will be in safeguard to ensure progress:

Promote the registration of live attenuated nasal spray influenza vaccine series.

Promote the clinical research of adsorbed acellular DTaP (three components) combined vaccine project.

The phase I clinical study of fully human monoclonal antibody against rabies virus will be completed and phase II clinical trial will be conducted.

Conduct phase I clinical trials on Rabies vaccine (MRC-5 cell) for human use and fully human monoclonal antibody against tetanus.

Besides that, the company will complete preclinical studies of Influenza vaccine (split virion, BK-01 adjuvant), Recombinant herpes zoster vaccine, HSV-2 mRNA vaccine (herpes simplex virus-2) and Hib vaccine to submit IND to NMPA.

In addition, the company will continue to promote the preclinical study of multiple research and development projects, such as RSV vaccine and antibody, Alzheimer's disease therapeutic vaccine to enhance constantly its core competitiveness.

While continuing to dig deep in the field of vaccine research and development, the company continues to expand the boundaries of vaccine research and development, adhere to the characteristics of equal emphasis on research and development and production, based on innovative vaccines, monoclonal antibodies and other company advantages, to achieve the strategic layout of “production generation, research and development generation, reserve generation”, to get better meet the market demand in the future.

3.Improve corporate governance and operational quality and efficiency

The company attaches great importance to the sound governance structure and the effectiveness of the internal control system. In 2023, The Company has revised a total of 13 governance systems, including the “Articles of Association”, the “Independent Director Work System”, the “Related Party Transaction System” and the “Raised Funds Management System” in accordance with the relevant governance rules of the China

Securities Regulatory Commission and the Shanghai Stock Exchange. The company closely integrates the corporate development strategy with the practice of business sustainability and attaches great importance to the guiding and promoting role of ESG in corporate governance and production operations. In 2023, BCHT has released its first environmental, social and governance (ESG) report (the third corporate social Responsibility report). In the future, the company will continue to fulfill its corporate social responsibility, take into account the interests of shareholders, employees, customers and other relevant parties in operation and management, and promote the deep integration of ESG concepts into corporate strategic decision-making, daily functional management and business operations. The same year, the company won the "Top 50 Science and Technology Leaders" award in the "First China New Cup ·ESG Golden Bull Award" organized by China Securities Journal; In the Securities Market Weekly's "Crystal Ball Award for Listed Companies 2023", the company won the "Most Socially Responsible (ESG) Listed Company" award.

In 2024, the Company will strengthen the implementation and process supervision of the new system, the revised system and the important system by improving the efficiency of operation. At the same time, the company will formulate systematic publicity and implementation plans according to the execution. The company will also comprehensively review the original management system, focusing on the level of internal control system and the matching of information system. Through these measures, the company will provide rigorous and orderly system and process support for the operation of the company. Further clarify the responsibilities and authority of relevant departments, form a benign internal drive for enterprise development, and build a solid foundation for the sustainable development of enterprises.

Besides, as “directors, supervisors and senior managers” play a vital role in corporate governance, the Company will establish a continuous tracking and publicity mechanism for regulatory regulations and developments in 2024, and actively organize directors, supervisors and senior managers to participate in various trainings held by CSRC, Shanghai Stock Exchange, Pujiang Auditorium, local securities regulatory Bureau and other regulatory bodies to ensure that these key roles are familiar with the knowledge of

the securities market. Keep abreast of relevant laws and regulations, constantly improve the awareness of risk and self-discipline, and lead the company to sustainable high-quality development.

4. Maintain steady performance growth and share the results of corporate development with investors

The company firmly establishes the investor-based concept, continuously focuses on the main business, consolidates the dominant position of the industry, strives to improve the company's performance, and makes full use of cash dividends and other measures to share the dividends of the company's development with all shareholders.

The company achieved operating income of 1,824.69 million yuan in 2023, compared with 1,071.45 million yuan in the same period of last year, that is an increase of 753.24 million yuan, grow by 70.30%;Also, the net profit attributable to shareholders of listed companies was 501.01 million yuan in 2023, compared with 181.54 million yuan in the same period of last year, it is an increase of 31.95 million yuan, the rate of increase is 175.98%;Then, the net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses amounted to 493.36 million yuan, compared to 166.75 million yuan in the same period of last year, an increase of 326.60 million yuan, or 195.86%.

Since its listing, the company has carried out stable and sustainable cash dividends and has paid cash dividends every year, in strict accordance with the profit distribution policy formulated in “the Articles of Association.” Up to now, the company's total accumulated cash dividends reached 103.21 million yuan, of which the 2022 cash dividend amount accounted for 34.11% of the company's net profit attributable to shareholders of listed companies in the year.

On March 18, 2024, the Company held the 23rd meeting of the fifth Board of Directors, and unanimously approved “the Motion on 2023 Annual Profit Distribution Plan”. In 2023, based on the total share capital, the Company intends to pay cash dividends of 1.5 yuan (including tax) for every 10 shares, and cash dividends of 61,926,104.70 yuan (including tax). The company's 2023 profit distribution plan has yet to be submitted to the shareholders' meeting for consideration.

In 2024, BCHT will formulate a scientific production plan to ensure the orderly production and approval of vaccine products. Actively carry out the process optimization and improvement of existing products, strictly implement the product life cycle quality management, continue to promote the lean development of production quality, and ensure that products are stable, timely and fully supplied to the market.

The company will continue to balance the dynamic balance between performance growth and shareholder returns according to its own development stage and the capital needs of key research and construction projects. Besides that, BCHT will also explore the feasibility of medium-term cash dividends.

adhere to the "long-term, stable and sustainable" shareholder return mechanism, and share the company's development results with shareholders.

5. Strengthen communications with investors and improve the quality of information disclosure

Since the listing of the Company, the directors, supervisors and senior management have attached great importance to investor relations management, ensuring that the information disclosure is true, accurate, complete and timely, and treating all shareholders and potential investors of the company fairly. BCHT will always following the principles of honesty, high efficiency, low consumption and interactive communication, through compliance and efficient means to promote the positive relationship between the company and investors, enhance investors' further understanding and familiarity with the company, under the premise of stable and good performance, which also establish a stable and high-quality investor base, so as to obtain long-term market support. In 2023, the company issued a total of 104 announcements and related disclosure documents, including 13 announcements related to investor relations management, accounting for 12.5% of the total announcements in the year.

The office of the Board of Directors is a specialized department for the company to communicate with investors, since listing, through "SSE E Interactive", investor email and the telephone of the office of the Board of Directors, truthfully and sincerely reply to investors' questions, the response rate of investor questions is 100%. Based on this effort, the company establish a benign mechanism with investors.

In terms of information disclosure, through the comprehensive evaluation of the Shanghai Stock Exchange, the company's information disclosure work evaluation results in the 2022-2023 year of information disclosure work evaluation of listed companies on the Science and Technology innovation Board of the Shanghai Stock Exchange are A-level. In addition, the company also won the Jilin Provincial Securities Industry Association "2023 Outstanding Practice of Investor Relations management Listed Company in Jilin".

In 2024, the Company will continue to strictly comply with laws, regulations and regulatory requirements, and fulfill its information disclosure obligations truthfully, accurately, completely, timely and fairly, including the following aspects:

a. The simplicity and clarity of information disclosure and its visualization

In 2024, BCHT will make full use of the online methods with greater coverage and publicity influence, take the company's website and public number as the publicity carrier, pass on the company's information to the majority of investors through multiple channels and forms, and constantly improve the transparency of the company's information disclosure. Besides that, during the company releases periodic reports, the company will also interpret the periodic reports in visual forms such as performance presentations and graphic presentations, and help investors understand the company's operating results more intuitively and more simply and discover the company's value through visualization.

b. Smooth communication channels for investors

The company plans to arrange a series of investor relations activities, hold no less than 4 performance presentations, and the chairman/general manager will lead the team to participate in investor interaction.

In addition, we will actively participate in the strategy meeting organized by the organization, invite investors to visit the company's vaccine production base offline more than 10 times, and have face-to-face communication with various investors to enhance investors' understanding of the company's development strategy and business conditions.

6. Strengthen the responsibility of management and share the interests with shareholders

The company formulated the "Executive Compensation and Assessment

Management Measures” and combined with the initial equity incentive plan implemented after listing, formulated the "2022 Restricted Stock Incentive Plan Implementation Assessment Management Measures", the relevant management measures stipulate that the performance assessment of the company's senior management personnel and incentivize business backbone should be combined with their own job responsibilities. Conduct comprehensive evaluation on the company's overall development goals such as R&D project progress, sales, customer development, production plan, product quality, and safety guarantee, so as to effectively link the compensation and equity incentive ownership of senior management personnel and business backbone to the company's operating performance, and ensure the company's healthy, sustainable and stable development.

In 2023, based on the firm confidence in the company's future development prospects and the high recognition of medium and long-term investment value, in order to effectively safeguard the interests of small and medium-sized investors and the stability of the capital market, boost the confidence of the majority of investors, Mr. Kong Wei, a shareholder, director and general manager who holds more than 5% of the Company's shares, increased his holdings of 187,913 shares of the Company by centralized bidding in April 2023, with an additional holding amount of 9,990,125.98 yuan. In October, Mr. Kong Wei voluntarily issued the "Commitment Letter on not reducing the Company's shares in the next six months", promising not to reduce all the shares of the Company held by him in any way during the period from October 18, 2023, to April 17, 2024.

In 2024, the company will strictly follow the requirements of relevant laws, regulations and normative documents, strengthen the responsibility of the management, always adhere to the principle of good faith business, improve the governance structure with complete functions and mutual checks and balances, establish a clear division of responsibilities, standardized and efficient work processes and procedures, clarify the responsibilities and objectives of all levels and departments, and form a more perfect corporate governance mechanism.

It shall abide by the Company Law, the Securities Law, relevant laws and regulations, the rules and normative documents of the China Securities Regulatory Commission, and

the restrictive provisions on the transfer of shares in the rules of the stock exchange, strictly regulate the trading behavior of directors, supervisors and high officials on the company's stocks, and put an end to violations such as short-term trading, insider trading, and window period trading of the company's stocks.

This action plan of “Improving Quality and Efficacy, Enhancing Value Return” is based on the current situation of the company, and does not constitute a performance commitment. In the future, it may be affected by domestic and international market environments, policy adjustment and other factors, with certain uncertainties. Investors are advised to invest cautiously and be attention to investment risks.

The Company will continue to evaluate the specific implementation of the corporate action plan of “Improving Quality and Efficacy, Enhancing Value Return”, fulfill the obligation of information disclosure in a timely manner, actively practice the responsibilities of listed companies, and strive to actively repay the attention and trust of investors with good performance and standardized corporate governance.

Hereby notice.

Changchun BCHT Biotechnology Co.
Board of Directors
20-March-2024