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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Shanghai Junshi Biosciences Co., Ltd.\*, you should at once hand this circular, the accompanying form of proxy to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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**SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\***

**上海君實生物醫藥科技股份有限公司**

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

**(Stock code: 1877)**

**ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR  
PROPOSED AMENDMENTS TO CERTAIN  
INTERNAL MANAGEMENT POLICIES  
CHANGE IN REGISTERED CAPITAL, ABOLISHMENT OF THE  
BOARD OF SUPERVISORS, AND PROPOSED AMENDMENTS TO THE  
ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURES  
PROPOSED ADOPTION OF THE 2025 A SHARE  
OPTION INCENTIVE SCHEME  
AND PROPOSED GRANT OF A SHARE OPTIONS  
TO A DIRECTOR AND SUBSTANTIAL SHAREHOLDER  
PROPOSED ADOPTION OF THE ASSESSMENT  
MANAGEMENT MEASURES FOR THE IMPLEMENTATION OF  
THE 2025 A SHARE OPTION INCENTIVE SCHEME  
PROPOSED ADOPTION OF THE 2025 H SHARE  
OPTION INCENTIVE SCHEME  
PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS  
TO HANDLE MATTERS IN RELATION  
TO THE 2025 A SHARE OPTION INCENTIVE SCHEME  
PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS  
TO HANDLE MATTERS IN RELATION  
TO THE 2025 H SHARE OPTION INCENTIVE SCHEME**

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A letter from the Board is set out on pages 10 to 49 of this circular. The notice convening the 2025 First EGM to be held at 15th Floor, Building 7, No. 6, Lane 100, Pingjiaqiao Road, Pudong New Area, Shanghai, the PRC on Friday, 26 September, 2025 2:40 p.m. is set out on pages 318 to 320 of this circular.

The form of proxy for the 2025 First EGM has been published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company ([www.junshipharma.com](http://www.junshipharma.com)). Whether or not you are able to attend the 2025 First EGM, you are reminded to complete, sign and return the form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form(s) of proxy for the 2025 First EGM shall be lodged at the Company's Hong Kong H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 24 hours before the time fixed for holding the 2025 First EGM or any adjournment thereof. Completion and return of the form(s) of proxy will not preclude you from attending the 2025 First EGM and any adjournment thereof and voting in person.

Reference to times and dates in this circular are to Hong Kong local times and dates.

\* For identification purposes only

5 September 2025

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## DEFINITIONS

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*Unless the context otherwise requires, the following expressions in this circular have the following meanings:*

“2020 Restricted A Share Incentive Scheme”	the Company’s 2020 Restricted A Share Incentive Scheme approved and adopted by its Shareholders at the 2020 third extraordinary general meeting, the 2020 second class meeting of A Shareholders and the 2020 second class meeting of H Shareholders of the Company held on 16 November 2020
“2025 A Share Option Incentive Scheme”	the A Share Option Incentive Scheme proposed to be adopted by the Company at the EGM
“2025 A Share Option Incentive Scheme Rules”	the rules governing the operation of the 2025 A Share Option Incentive Scheme as well as the implementation procedure (as amended from time to time)
“2025 H Share Option Incentive Scheme”	the H Share Option Incentive Scheme proposed to be adopted by the Company at the EGM
“2025 H Share Option Incentive Scheme Rules”	the rules governing the operation of the 2025 H Share Option Incentive Scheme as well as the implementation procedure (as amended from time to time)
“A Shares”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in RMB and are listed on the Shanghai Stock Exchange
“A Share Option”	the right to be granted to a Participant by the Company to acquire certain number of A Shares under the pre-determined conditions in a particular period of time in the future
“Actual Selling Price”	the proceeds from the Board or the Scheme Administrator (whether or not through a trustee or other third party) arranging to sell the relevant H Shares on market through the facilities of the Hong Kong Stock Exchange at prevailing market prices
“Adoption Date”	the date on which the Shareholders approve the 2025 A Share Option Incentive Scheme and 2025 H Share Option Incentive Scheme, as applicable

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## DEFINITIONS

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“Articles of Association” or “Articles”	the articles of association of the Company
“Assessment Management Measures”	Assessment Management Measures for the Implementation of the 2025 A Share Option Incentive Scheme
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Auditors”	the auditors for the time being of the Company
“Audit Committee”	audit committee of the Company
“Board of Directors” or “Board”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“Business Day”	any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities, and excluding Saturdays, Sundays and any other days when banks in the PRC and Hong Kong are closed for business
“Certain Internal Management Policies”	working rules of Independent Non-executive Directors, the management policies for raised funds, the management policies for distribution of profits, the management policies for external investment, the management policies for related party transactions, and the management policies for external guarantees
“Chairman”	chairman of the Board of Directors
“Company”	Shanghai Junshi Biosciences Co., Ltd.* 上海君實生物醫藥科技股份有限公司, a joint stock limited company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“core connected person”	has the meaning ascribed thereto under the Hong Kong Listing Rules

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## DEFINITIONS

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“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“draft 2025 A Share Option Incentive Scheme”	the draft scheme document of the 2025 A Share Option Incentive Scheme published by the Company on the website of Shanghai Stock Exchange on 3 September 2025
“EGM” or “2025 First EGM”	the 2025 first extraordinary general meeting of the Company to be held on Friday, 26 September 2025 (and any adjournment thereof)
“Employee Participant”	in respect of the 2025 H Share Option Incentive Scheme, any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of the Company or any of its subsidiaries on the Grant Date
“Exercise Conditions”	the conditions required to be satisfied by the Participants to exercise the A Share Options under the 2025 A Share Option Incentive Scheme
“Exercise Period”	the period during which an A Share Option or a H Share Option is exercisable by a Participant
“Exercise Price of A Share Options”	the price for the Participants to purchase A Shares, as determined by the Company when the Participants are being granted with the A Share Options
“Exercise Price of H Share Options”	the price for the Participants to purchase H Shares, as determined by the Company when the Participants are being granted with the H Share Options
“First Grant of A Share Options”	has the meaning ascribed thereto under the section headed “Letter from Board – (3) Proposed adoption of the 2025 A Share Option Incentive Scheme and the proposed grant of A Share Options to a Director and substantial shareholder – (C) Source and number of the underlying shares in respect of the A Share Options to be granted” in this circular

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## DEFINITIONS

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“Grantees”	seven executive Directors (including Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang, Dr. Li Xin) and three other Employee Participants
“Group”	the Company and its subsidiaries
“Grant Date”	in respect of the 2025 A Share Option Incentive Scheme, the date on which the Company grants A Share Options to the Participants, which must be a trading day on the Shanghai Stock Exchange; in respect of the 2025 H Share Option Incentive Scheme, the date on which the Company grants H Share Options to the Participants
“Grant Letter”	the letter issued by the Company in respect of the grant of H Share Option(s)
“Grant of A Share Options”	a total of 26,175,871 A Share Options proposed to be granted by the Company to the Participants under the 2025 A Share Option Incentive Scheme, including the First Grant of A Share Options and the Reserved Grant of A Share Options
“Grant Price”	the consideration payable by the grantee on acceptance of a Grant of H Share Option, as the case may be, as determined by the Board or the Scheme Administrator in its sole and absolute discretion, which can be nil
“Guidelines for Articles of Listed Companies”	Guidelines for Articles of Association of Listed Companies (2023 Revision)* (《上市公司章程指引(2023年修訂)》)
“H Share(s)”	overseas-listed share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on the main board of the Hong Kong Stock Exchange
“H Share Option”	the right to be granted to a Participant by the Company to acquire certain number of H Shares under the pre-determined conditions in a particular period of time in the future
“H Shareholder(s)”	holder(s) of H Shares

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## DEFINITIONS

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“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Interim Measures for the Administration of Share Reduction by Shareholders of Listed Companies”	Interim Measures for the Administration of Share Reduction by Shareholders of Listed Companies* (《上市公司股東減持股份管理暫行辦法》)
“Latest Practicable Date”	5 September 2025, being the latest practicable date prior to the publication of this circular of ascertaining certain information herein
“Measures for the Administration of Equity Incentive Schemes for Listed Companies”	Measures for the Administration of Equity Incentive Schemes for Listed Companies* (《上市公司股權激勵管理辦法》)
“Measures for the Administration of Independent Directors of Listed Companies”	Measures for the Administration of Independent Directors of Listed Companies* (《上市公司獨立董事管理辦法》)
“Mr. Xiong”	Mr. Xiong Jun, chairman of the Board of Directors, executive Director and substantial shareholder of the Company
“Dr. Yang”	Dr. Yang Jin, the proposed Independent Non-executive Director
“Notice of EGM”	the notice of the EGM dated 5 September 2025, a copy of which is set out on pages 318 to 320 of this circular

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## DEFINITIONS

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“Participant(s)”	person(s) eligible to participate in the 2025 A Share Option Incentive Scheme or 2025 H Share Option Incentive Scheme
“Placing”	has the meaning ascribed thereto in the section headed “Letter from the Board – II. Details of the Resolutions – (3) Change in registered capital, abolishment of the Board of Supervisors, and proposed amendments to the Articles of Association and the Rules of Procedures”
“PRC” or “China”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan of China
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	the PRC Generally Accepted Accounting Principles
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Proposed Grant to Mr. Xiong”	proposed conditional grant of the 8,000,000 A Share Options to Mr. Xiong, conditional upon the adoption of the 2025 A Share Option Incentive Scheme
“Proposed Grant to the Grantees”	proposed grant of 13,210,000 H Share Options to seven executive Directors (including Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang, Dr. Li Xin) and three other Employee Participants
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant”	any director or employee (whether full-time or part-time employees, including senior management and supervisors) of the Related Entity
“Remuneration and Appraisal Committee”	remuneration and appraisal committee of the Board of Directors

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## DEFINITIONS

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“Reserved Grant of A Share Options”	has the meaning ascribed thereto under the section headed “Letter from the Board – (3) Proposed adoption of the 2025 A Share Option Incentive Scheme and the proposed grant of A Share Options to a Director and substantial shareholder – (C) Source and number of the underlying shares in respect of the A Share Options to be granted” in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Rules for the Management of Shares Held by Directors and Senior Management of Listed Companies and Changes Therein”	Rules for the Management of Shares Held by Directors and Senior Management of Listed Companies and Changes Therein* (《上市公司董事和高級管理人員所持本公司股份及其變動管理規則》)
“Rules of Procedures” or “Appendices to the Articles of Association”	Rules of Procedures of General Meeting, and the Rules of Procedures of the Board of Directors
“Scheme Administrator”	the Board of Directors and/or any committee of the Board of Directors or person(s) to whom the Board has delegated its authority (as applicable) to administer the 2025 H Share Option Incentive Scheme
“Scheme Mandate Limit”	has the meaning thereto in the section headed “Letter from the Board – (5) Proposed Adoption of the 2025 H Share Option Incentive Scheme – (C) Scheme Mandate Limit” in this circular
“Scheme Period of the 2025 H Share Option Incentive Scheme”	a period of ten (10) years commencing from (and including) the Adoption Date, unless terminated earlier in accordance with the 2025 H Share Option Incentive Scheme
“Self-Regulatory Guidelines No. 4”	Self-Regulatory Guidelines No. 4 for Listed Companies on the STAR Market – Disclosure of Equity Incentive Information
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)

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## DEFINITIONS

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“Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 15”	Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 15 – Reduction of Shares by Shareholders and Directors and Senior Management* (《上海證券交易所上市公司自律監管指引第15號–股東及董事、高級管理人員減持股份》)
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising H Shares and A Shares
“Share Options”	the right to be granted to a Participant by the Company to acquire certain number of A Shares or H Shares (as the case may be) under the pre-determined conditions in a particular period of time in the future
“Shareholder(s)”	holder(s) of Share(s)
“STAR Market”	the STAR Market of the Shanghai Stock Exchange (上海證券交易所科創板)
“STAR Market Listing Rules”	the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》)
“substantial shareholder”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Taxes”	has the meaning ascribed thereto in the section headed “Appendix XII Principal Terms of the 2025 H Share Option Incentive Scheme – 13. Taxation” in this circular
“treasury shares”	has the meaning ascribed thereto under the Hong Kong Listing Rules and as amended from time to time
“Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies”	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法》)

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## DEFINITIONS

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“Trust”	a trust established or to be established by the Company in respect of and for the purpose of the 2025 H Share Option Incentive Scheme
“Trustee”	a professional trustee as may be appointed by the Company from time to time to administer the Trust and who, for the avoidance of doubt, shall be an independent third party to the Company
“Validity Period”	the period from the date on which the A Share Options or H Share Options are granted to the date on which all of the A Share Options or H Share Options are exercised or cancelled, as the case may be
“Vesting Date”	in respect of the 2025 H Share Option Incentive Scheme, the date on which the H Share Options are vested
“%”	per cent

*\* For identification purposes only*

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## LETTER FROM THE BOARD

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**SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\***

**上海君實生物醫藥科技股份有限公司**

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

**(Stock code: 1877)**

*Executive Directors:*

Mr. Xiong Jun (*Chairman and  
Legal Representative*)  
Dr. Li Ning (*Vice Chairman*)  
Dr. Zou Jianjun (*Chief Executive Officer and  
General Manager*)  
Mr. Li Cong (*Co-Chief Executive Officer*)  
Mr. Zhang Zhuobing  
Dr. Yao Sheng  
Dr. Wang Gang  
Dr. Li Xin

*Registered address, headquarters and  
principal place of business in the PRC:*  
Level 4, No. 987 Cai Lun Road  
China (Shanghai) Pilot Free Trade Zone  
The PRC

*Principal place of business  
in Hong Kong:*  
Room 1918, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

*Non-executive Director:*

Mr. Tang Yi

*Independent Non-executive Directors:*

Mr. Zhang Chun  
Dr. Feng Xiaoyuan  
Dr. Yang Yue  
Mr. Li Zhongxian  
Ms. Lu Kun

*To the Shareholders*

Dear Sir or Madam,

**ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR  
PROPOSED AMENDMENTS TO CERTAIN  
INTERNAL MANAGEMENT POLICIES  
CHANGE IN REGISTERED CAPITAL, ABOLISHMENT OF THE  
BOARD OF SUPERVISORS, AND PROPOSED AMENDMENTS TO THE  
ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURES  
PROPOSED ADOPTION OF THE 2025 A SHARE  
OPTION INCENTIVE SCHEME  
AND PROPOSED GRANT OF A SHARE OPTIONS  
TO A DIRECTOR AND SUBSTANTIAL SHAREHOLDER  
PROPOSED ADOPTION OF THE ASSESSMENT  
MANAGEMENT MEASURES FOR THE IMPLEMENTATION OF  
THE 2025 A SHARE OPTION INCENTIVE SCHEME  
PROPOSED ADOPTION OF THE 2025 H SHARE  
OPTION INCENTIVE SCHEME  
PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS  
TO HANDLE MATTERS IN RELATION  
TO THE 2025 A SHARE OPTION INCENTIVE SCHEME  
PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS  
TO HANDLE MATTERS IN RELATION  
TO THE 2025 H SHARE OPTION INCENTIVE SCHEME**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the EGM to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the EGM.

At the EGM, the following resolutions will be proposed to consider and, if thought fit, approve:

#### Ordinary Resolutions

- (1) election of Independent Non-executive Director;
- (2) the proposed amendments to Certain Internal Management Policies;

#### Special Resolutions

- (3) change in registered capital, abolishment of the Board of Supervisors, and proposed amendments to the Articles of Association and the Rules of Procedures;
- (4) the proposed adoption of 2025 A Share Option Incentive Scheme and the proposed grant of A Share Options to a Director and substantial shareholder;
- (5) the proposed adoption of the Assessment Management Measures for the Implementation of the 2025 A Share Option Incentive Scheme;
- (6) the proposed authorization to the Board of Directors to handle matters in relation to the 2025 A Share Option Incentive Scheme;
- (7) the proposed adoption of 2025 H Share Option Incentive Scheme; and
- (8) the proposed authorization to the Board of Directors and/or the Scheme Administrator to handle matters in relation to the 2025 H Share Option Incentive Scheme.

### II. DETAILS OF THE RESOLUTIONS

#### (1) Election of Independent Non-executive Director

An ordinary resolution will be proposed at the EGM to consider and, if thought fit, approve the election of Dr. Yang Jin as an Independent Non-executive Director.

The Board has considered and approved the nomination of Dr. Yang as a candidate for independent non-executive Director. The biography of Dr. Yang is as follows:

Dr. Yang Jin (楊勁), male, aged 55, obtained his bachelor, master, and doctoral degrees in pharmacology from China Pharmaceutical University during the period from July 1993 to December 2008. Dr. Yang has served as a teaching assistant, lecturer, associate professor and professor at China Pharmaceutical University since July 1993.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, save as disclosed above, Dr. Yang has confirmed that he: (i) does not hold any position in the Company or any other subsidiaries of the Company, nor did he hold any directorship or positions of supervisor in any other listed companies in Hong Kong or overseas in the last three years and does not have any other major appointments and professional qualifications; (ii) does not have any relationship with any directors, supervisors, senior management or substantial or controlling shareholders (as defined in the Hong Kong Listing Rules) of the Company; and (iii) does not have any interests in the shares or underlying shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

If Dr. Yang is appointed as an Independent Non-executive Director at the extraordinary general meeting of the Company, the Company will enter into a service contract with Dr. Yang in relation to his election as Independent Non-executive Director for a term commencing from the date of approval of his election at the extraordinary general meeting of the Company and expiring on the conclusion of the fourth session of the Board, which is subject to retirement by rotation and re-election in accordance with the articles of association of the Company and the Hong Kong Listing Rules. The remuneration of Dr. Yang will be determined with reference to his duties and responsibilities in the Company and prevailing market conditions, and will be subject to review by the Board and the Remuneration and Appraisal Committee from time to time. Dr. Yang has not entered into nor proposed to enter into any service contracts, which fall within the meaning of Rule 13.68 of the Hong Kong Listing Rules requiring the prior approval of Shareholders at general meetings, with the Company. Save as disclosed above, there are no other matters concerning Dr. Yang's election as Independent Non-executive Director that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

Save as disclosed above, there are no other matters concerning Dr. Yang's election as an Independent Non-executive Director that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

Dr. Yang has confirmed that (a) he has satisfied all the criteria for independence as set out in Rule 3.13(1) to (8) of the Listing Rules; (b) he has no past or present financial or other interest in the business of the Group or any connection with any core connected person (as defined under the Listing Rules) of the Company; and (c) there are no other factors that may affect his independence at the time of his appointment.

An ordinary resolution will be proposed at the EGM to consider and, if thought fit, approve the election of Dr. Yang as an Independent Non-executive Director. If approved, the appointment of Dr. Yang shall take effect on the date of the EGM.

### **(2) Proposed Amendments to Certain Internal Management Policies**

In accordance with the Articles of Association, relevant laws, regulations and regulatory documents, the Company proposes to amend, the working rules of Independent Non-executive Directors, the management policies for raised funds, the management policies for distribution of profits, the management policies for external investment, the management policies for related party transactions, the management policies for external guarantees, and details of which are set out in Appendices IV to IX.

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## LETTER FROM THE BOARD

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These internal management policies are prepared in the Chinese language, and in the event of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

**(3) Change in registered capital, abolishment of the Board of Supervisors, and proposed amendments to the Articles of Association and the Rules of Procedures**

Reference is made to the announcement of the Company dated 26 August 2025 in relation to, among others, the proposed change in registered capital, abolishment of the Board of Supervisors, and amendments to the Articles of Association and the Rules of Procedures.

On 20 June 2025, the Company completed the placing of new H Shares under general mandate, and an aggregate of 41,000,000 H placing shares were successfully placed to eligible placees at a placing price of HK\$25.35 per H share (the “**Placing**”). Upon completion of the Placing, the total share capital of the Company increased from 985,689,871 Shares to 1,026,689,871 Shares, including 766,394,171 A Shares and 260,295,700 H Shares. The registered capital increased from RMB985,689,871 to RMB1,026,689,871.

In accordance with the PRC Company Law, the Guidelines for Articles of Association of Listed Companies, Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, Measures for the Administration of Independent Directors of Listed Companies, STAR Market Listing Rules, the Hong Kong Listing Rules and other relevant laws, administrative regulations and regulatory documents, and taking into account the circumstances of the Company, the Company proposes to abolish the Board of Supervisors, amend the Articles of Association accordingly to delete provisions relating to Supervisors, and transfer the powers of the Board of Supervisors under the PRC Company Law and other laws and regulatory requirements to the Audit Committee.

Details of the proposed amendments to the Articles of Association, the Rules of Procedures of General Meeting and the Rules of Procedures of the Board of Directors are set out in Appendices I to III to this circular.

Save for the proposed amendments to the Articles of Association in Appendix I and the proposed amendments to the Rules of Procedures in Appendices II to III set out in this circular, other provisions of the Articles of Association and the Rules of Procedures remain unchanged. In the event of any discrepancy between the English translation and the Chinese version of the proposed amendments to the Articles of Association and the Rules of Procedures, the Chinese version shall prevail. The change in registered capital, abolishment of the Board of Supervisors, and proposed amendments to the Articles of Association and the Rules of Procedures are subject to Shareholders’ approval by way of special resolution at the EGM, and will take effect upon the resolutions being passed by the Shareholders at the EGM.

**(4) Proposed Adoption of the 2025 A Share Option Incentive Scheme and the proposed grant of A Share Options to a Director and substantial shareholder**

Reference is made to the announcement of the Company dated 2 September 2025 in relation to, among others, the proposed adoption of the 2025 A Share Option Incentive Scheme and the proposed grant of A Share Options to a Director and substantial shareholder.

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## LETTER FROM THE BOARD

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On 2 September 2025, the Board resolved to approve the proposed adoption of the 2025 A Share Option Incentive Scheme and the proposed grant of A Share Options to a Director and substantial shareholder. The 2025 A Share Option Incentive Scheme and the proposed grant of A Share Options to a Director and substantial shareholder are subject to the consideration and approval by the Shareholders at the EGM.

As at the Latest Practicable Date, the Company does not have any share scheme which involves the issue of new Shares (including the transfer of treasury shares (if any)). On 29 November 2024, restricted shares granted but yet to be attributed under the Company's 2020 Restricted A Share Incentive Scheme have been nullified, and the 2020 Restricted A Share Incentive Scheme is no longer in effect.

The 2025 A Share Option Incentive Scheme constitutes a share scheme under Chapter 17 of the Hong Kong Listing Rules and will therefore comply with the requirements of Chapter 17 of the Hong Kong Listing Rules. A summary of the principal terms of the 2025 A Share Option Incentive Scheme is set out in Appendix X to this circular. The 2025 A Share Option Incentive Scheme is prepared in the Chinese language, and in the event of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

### ***(A) Purpose of the 2025 A Share Option Incentive Scheme***

The 2025 A Share Option Incentive Scheme is established for the purpose of further refining and enhancing the Company's long-term incentive framework. The 2025 A Share Option Incentive Scheme is designed with the primary objectives of: (i) attracting and retaining individuals possessing exceptional qualifications and capabilities; (ii) fully stimulating and maximizing the motivation and initiative of employees of the Company and its subsidiaries; and (iii) effecting a close alignment of the interests of the Shareholders, the Company, and the core team members. The 2025 A Share Option Incentive Scheme is intended to promote a unified and sustained focus on the long-term development of the Company, thereby ensuring that the interests of all relevant parties are aligned. The implementation of the 2025 A Share Option Incentive Scheme shall be conducted in a manner that safeguards the legitimate rights and interests of the Shareholders and adheres to the principle that remuneration and incentives shall be commensurate with the individual contributions made by Participants to the Company.

### ***(B) Scope and List of Participants***

The Participants of the 2025 A Share Option Incentive Scheme may include the Directors, senior management and employees of the Company and its subsidiaries. The Board of Directors shall draft a list of eligible Participants within the defined scope, which shall be verified and confirmed by the Board of Supervisors (or a supervisory authority in the case that the Board of Supervisors has been abolished). The criteria for determining the basis of eligibility of Participants include (i) experience in relation to the Group's business; (ii) length of service with and the quality of service provided to the Group; and (iii) amount of support, assistance, guidance, advice, efforts and contributions the Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, effort and contributions the Participant is likely to be able to give or make towards the success of the Group in the future.

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## LETTER FROM THE BOARD

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The total number of Participants for the first grant under the 2025 A Share Option Incentive Scheme is 251, who are employees whom the Board of Directors determines to be eligible and Mr. Xiong, being the chairman of the Board, executive Director and substantial shareholder of the Company. The Participants for the first grant under the 2025 A Share Option Incentive Scheme do not include, Directors (other than Mr. Xiong), Supervisors, and senior management of the Company. All Participants must maintain an employment or labor relationship with the Company or its subsidiaries when the Company grants the A Share Options and during the appraisal period of the 2025 A Share Option Incentive Scheme.

### *First Grant of A Share Options*

On 2 September 2025, the Board resolved to propose to grant a total of 25,360,000 A Share Options to 250 employees and Mr. Xiong under the first grant of the 2025 A Share Option Incentive Scheme, conditional upon the adoption of the 2025 A Share Option Incentive Scheme and the Board meeting approving the first grant.

The first grant of the 2025 A Share Option Incentive Scheme includes the grant of 8,000,000 A Share Options to Mr. Xiong and 17,360,000 A Share Options to 250 employees whom to Board of Directors determines to be eligible, representing approximately 30.56% and 66.32% of the total number of A Share Options under the Grant of A Share Options, respectively.

As at the Latest Practicable Date, no grant of A Share Options has been made to Mr. Xiong by the Company under the 2025 A Share Option Incentive Scheme and any other share option schemes of the Company within the 12-month period prior to the Proposed Grant to Mr. Xiong.

None of the Directors is the trustee of the 2025 A Share Option Incentive Scheme, nor do they have any direct or indirect interest in the trustee of the 2025 A Share Option Incentive Scheme.

### *Proposed Grant to Mr. Xiong*

Reference is made to the announcement of the Company dated 2 September 2025 in relation to, among others, the proposed grant of 8,000,000 A Share Options to Mr. Xiong, being the chairman of the Board, an executive Director and a substantial shareholder of the Company, upon the approval of the adoption of the 2025 A Share Option Incentive Scheme at the EGM.

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## LETTER FROM THE BOARD

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The principal terms of the Proposed Grant to Mr. Xiong is set out below:

Total number of A Share Options to be granted	:	8,000,000 A Share Options
Total number of A Shares issuable upon full exercise of the A Share Options	:	8,000,000 A Shares, which represent approximately 0.78% of the total issued Shares (excluding treasury shares) as at the Grant Date of the First Grant of A Share Options (assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date to the Grant Date of the First Grant of A Share Options)
Exercise price of A Share Options to be granted	:	RMB46.67 per A Share, which represents the higher of (i) the average trading price of the A Shares on the trading day preceding the announcement date of the draft 2025 A Share Option Incentive Scheme, i.e., RMB46.67 per A Share; and (ii) the average trading price of the A Shares for the 120 trading days preceding the announcement date of the draft 2025 A Share Option Incentive Scheme, i.e., RMB37.00 per A Share.
Vesting period of the A Share Options	:	The vesting periods are 12 months or 24 months from the date of Proposed Grant to Mr. Xiong. During the vesting periods, the A Share Options granted may not be transferred, used as collateral, or used to repay debts.
Exercise period of the A Share Options	:	Upon the fulfillment of conditions of the exercise of the A Share Options, the A Share Options are exercisable in two tranches upon expiry of 12 months from the date of the Proposed Grant to Mr. Xiong.

<b>Exercise Arrangement    Exercise Period</b>		<b>Proportion of exercisable A Share Options to the total number of A Share Options granted</b>
First Exercise Period	Commencing from the first trading day after the expiry of the 12 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options, and ending on the last trading day of the 24 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options, and ending on the last trading day of the 36 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options	50%

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## LETTER FROM THE BOARD

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Performance targets : The performance targets for the 2025 A Share Option Incentive Scheme stipulate that the ability of Mr. Xiong to exercise A Share Options each year from 2025 to 2026 depends on both performance assessment requirements at the Company level and individual level.

(i) Performance assessment requirements at the Company level

The assessment years applicable to the vesting of the A Share Options granted under the Proposed Grant to Mr. Xiong shall be the two fiscal years (from 2025 to 2026), and the performance assessment shall be carried out on a yearly basis. Mr. Xiong shall be assessed once in a fiscal year, and the satisfaction of the performance assessment targets shall be one of the conditions of vesting of the relevant year. The performance assessment targets for each year are subject to the vesting amounts:

Exercise Period	Corresponding Assessment Years	Performance Target A	Performance Target B	Performance Target C
		Exercise proportion 100%	Exercise proportion 90%	Exercise proportion 80%
First Exercise Period	2025	Fulfillment of any of the following conditions:	Fulfillment of any of the following conditions:	Fulfillment of any of the following conditions:
		(1) the operating income in 2025 shall not be less than RMB2.4 billion;	(1) the operating income in 2025 shall not be less than RMB2.3 billion;	(1) the operating income in 2025 shall not be less than RMB2.2 billion;
		(2) the loss reduction ratio for net profit in 2025 shall not be less than 29% as compared with 2024.	(2) the loss reduction ratio for net profit in 2025 shall not be less than 27% as compared with 2024.	(2) the loss reduction ratio for net profit in 2025 shall not be less than 25% as compared with 2024.

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## LETTER FROM THE BOARD

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Second Exercise Period	2026	Fulfillment of any of the following conditions:	Fulfillment of any of the following conditions:	Fulfillment of any of the following conditions:
		(1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion;	(1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion;	(1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion;
		(2) the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024.	(2) the loss reduction ratio for net profit in 2026 shall not be less than 74% as compared with 2024.	(2) the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024.

*Notes:*

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment.
2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to shareholders of the listed company, excluding the share-based payment expenses incurred by the company in implementing all share incentive plans.
3. The performance targets associated with the Exercise Conditions do not constitute the Company's performance forecast or substantive commitment to investors.

During the Exercise Period, the Company shall handle the issues concerning the exercise of the A Share Options for Mr. Xiong when he fulfills the Exercise Conditions. If the performance levels for the current period of the Company do not fulfill the conditions of performance target C during such Exercise Period, Mr. Xiong shall not exercise the exercisable A Share Options that shall be assessed in such year, the Company shall cancel the A Share Options exercisable by Mr. Xiong for the current period.

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## LETTER FROM THE BOARD

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(ii) Performance assessment requirements at the individual level

The individual assessment of Mr. Xiong is carried out according to the internal performance assessment system of the Company. The results of the individual performance assessment of Mr. Xiong are divided into five levels: “outstanding”, “excellent”, “meets standards”, “partly meets standards” and “fails to meet standards”, and the corresponding exercising availability is as follows:

Appraisal Results	“Outstanding” or “Excellent” or “Meets Standard”	Partially Meets Standard	Does Not Meet Standard
Individual Exercise Availability Factor (P)	100%	50%	0%

(iii) Application of the Assessment Results

The actual number of A Share Options available for exercise by Mr. Xiong for the current assessment year = the number for exercise by Mr. Xiong under the 2025 A Share Option Incentive Scheme for the current year × company exercise availability factor × individual exercise availability factor (P).

The A Share Options of Mr. Xiong that cannot be exercised or cannot be fully exercised for the current assessment year shall be cancelled by the Company, and shall not be deferred to subsequent years.

Rights of the A Share Options and the A Shares to be issued upon exercise of the A Share Options :

Prior to Mr. Xiong being registered as a Shareholder on the register of members of the Company in respect of the A Shares to be issued upon the exercise of the A Share Options, Mr. Xiong shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register.

The A Shares to be allotted upon the exercise of the A Share Options shall be subject to the provisions of the Articles of Association for the time being in force and shall rank *pari passu* in all respects with the fully paid Shares in issue on the date on which those A Shares are allotted on exercise of the A Share Options and will entitle Mr. Xiong to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment.

Other terms :

Under the 2025 A Share Option Incentive Scheme Rules, the Company will not provide any loans, guarantee any borrowings, or offer other forms of financial assistance to a Participant (including Mr. Xiong) in connection with acquiring any interest under the A Share Option Incentive Scheme, if such assistance would be contrary to the Company’s interests. The Proposed Grant to Mr. Xiong is also subject to the same clawback mechanisms as any other A Share Options which may be granted under the 2025 A Share Option Incentive Scheme, including but not limited to situations where a Participant is deemed to be an inappropriate candidate by the stock exchanges in the PRC or the CSRC or its dispatch agencies in the most recent 12 months, as set forth under the section headed “Letter from the Board – (4) Proposed Adoption of the 2025 A Share Option Incentive Scheme and the proposed grant of A Share Options to a Director and substantial shareholder – (H) Conditions – (II) Exercise Conditions of the A Share Options and Clawback Mechanism.”

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## LETTER FROM THE BOARD

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### *Reasons for and benefits of the Proposed Grant to Mr. Xiong*

Mr. Xiong has been serving as the Chairman of the Company since March 2015. As a key leader in the operation management of the Company, Mr. Xiong has had great influence on, and has assumed significantly responsibility in, among other things, the daily operation decision-making, strategic development, international expansion, pipeline layout and team management of, the Company. The proposed grant of A shares further aligns Mr. Xiong's interest with that of the Group and encourage his continued contribution to the Group's long term goals, which is in line with the purposes of the 2025 A Share Option Incentive Scheme. The Proposed Grant to Mr. Xiong will provide an incentive for him to devote himself to enhancing the value of the Company and the Shares for the overall benefit of the Company and its Shareholders by consistently contributing his strategic guidance, sound performance and professional and industry knowledge to the Group to enhance the long-term business of the Group.

The Directors (including all Independent Non-executive Directors, other than Mr. Xiong who has abstained from voting on the Board resolution relating to the Proposed Grant to Mr. Xiong) consider that the terms of the Proposed Grant to Mr. Xiong are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Subject to the approval of the adoption of the 2025 A Share Option Incentive Scheme, the grant of 8,000,000 A Share Options to Mr. Xiong shall be further considered and approved by the Board of Directors at a Board meeting to be held after the EGM.

### *Reserved Grant of A Share Options*

The list of Participants eligible for the reserved grant under the 2025 A Share Option Incentive Scheme shall be determined within 12 months from the EGM, otherwise such reserved grant shall lapse. The Participants for the reserved grant under the 2025 A Share Option Incentive Scheme may include Directors, senior management and employees whom the Board of Directors determines to be eligible, but do not include Independent Non-executive Directors, Supervisors, Shareholders or actual controllers holding individually or collectively more than 5% of the Shares, along with their spouses, parents, and children. For the avoidance of doubt, the Participants for the reserved grant of the 2025 A Share Option Incentive Scheme will not include Mr. Xiong and the Grantees. The criteria for determining the list of Participants eligible for the reserved grant under the 2025 A Share Option Incentive Scheme shall be based on the same standards as those for the first grant under the 2025 A Share Option Incentive Scheme.

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## LETTER FROM THE BOARD

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The following individuals are prohibited from becoming Participants under the 2025 A Share Option Incentive Scheme:

- (1) the individual being determined as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
- (2) the individual being identified as an inappropriate candidate by the CSRC and its dispatch agencies within the most recent 12 months;
- (3) the individual being subject to administrative punishment or market access restrictions by the CSRC and its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;
- (4) the individual being prohibited from acting as a director or senior management of a company under the PRC Company Law;
- (5) being prohibited to participate in the equity incentives of listed companies under laws and regulations; and
- (6) any other circumstance as prescribed by the CSRC.

If, during the implementation of the 2025 A Share Option Incentive Scheme, any of the aforementioned situations occur with respect to a Participant, the Company will terminate that individual's eligibility to participate in the 2025 A Share Option Incentive Scheme. Any A Share Options that have been granted to the Participant but have not yet been exercised will become non-exercisable and will be cancelled by the Company.

The scope of Participants under the 2025 A Share Option Incentive Scheme is expressly delineated to further the objectives of attracting and retaining qualified personnel, incentivizing employee performance, and aligning the interests of Shareholders, the Company, and its core team members. By encompassing Directors, senior management, and employees of the Company and its subsidiaries, while expressly excluding individuals subject to regulatory or legal prohibitions, as well as substantial Shareholders (excluding Mr. Xiong) and their immediate family members, the 2025 A Share Option Incentive Scheme ensures that only those individuals whose ongoing contributions are integral to the Company's long-term development and comply with applicable laws and regulations are eligible to participate in the 2025 A Share Option Incentive Scheme. This structure is intended to safeguard the legitimate rights and interests of Shareholders, promote sustained corporate growth, and ensure that remuneration and incentives are commensurate with individual contributions, which aligns with the purpose of the 2025 A Share Option Incentive Scheme.

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## LETTER FROM THE BOARD

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***(C) Source and number of the underlying shares in respect of the A Share Options to be granted***

The source of the underlying shares of the 2025 A Share Option Incentive Scheme shall be Treasury Shares and/or new A Shares to be specifically issued to the Participants.

As at the Latest Practicable Date, the Company has a total of 1,025,874,000 issued Shares (excluding treasury shares), comprising 765,578,300 A Shares and 260,295,700 H Shares. The number of underlying A Shares in respect of the A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme is 26,175,871, representing approximately 2.55% of the total issued Shares of the Company (excluding treasury shares) as at the Adoption Date (assuming there is no change in the total number of issued Shares between the period from the Latest Practicable Date up to the Adoption Date), among which, (i) the first grant of A Share Options consists of 25,360,000 A Shares (the **“First Grant of A Share Options”**), representing approximately 2.47% of the total issued Shares of the Company (excluding treasury shares) and 96.88% of the total number of A Share Options under the Grant of A Share Options; (ii) the reserved grant of A Share Options consists of 815,871 A Shares (the **“Reserved Grant of A Share Options”**), representing approximately 0.08% of the total issued Shares of the Company (excluding treasury shares) and 3.12% of the total number of A Share Options under the Grant of A Share Options.

The total number of underlying shares which may be issued in respect of the 2025 A Share Option Incentive Scheme and shares under all other effective share incentive schemes of the Company shall not exceed 10% of the total issued Shares of the Company (excluding treasury shares) as at the Adoption Date. The total number of Shares to be granted to any Participant under the 2025 A Share Option Incentive Scheme shall not exceed 1% of the total issued Shares of the Company (excluding treasury shares).

***(D) Vesting Period***

The A Share Options granted to the Participants are subject to different vesting periods, all calculated from the respective Grant Dates. The vesting periods for the First Grant of A Share Options are 12 months, 24 months from the Grant Date of the First Grant of A Share Options. The vesting periods for the Reserved Grant of A Share Options are 12 months, 24 months from the Grant Date of the Reserved Grant of A Share Options. During the vesting periods, the A Share Options granted to the Participants may not be transferred, used as collateral, or used to repay debts.

The vesting period stipulated under the 2025 A Share Option Incentive Scheme serves as a fundamental mechanism to advance the objectives of the 2025 A Share Option Incentive Scheme by conditioning the exercisability of granted A Share Options upon the continued service of Participants for a specified duration, thereby fostering long-term retention and aligning the interests of employees with those of the Company and its Shareholders. The longer 24-month vesting period is crucial for the execution of long-term projects and key initiatives, ensuring these individuals remain committed to fully exercising their options and supporting

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## LETTER FROM THE BOARD

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continuity in achieving major milestones that enhance shareholder value. The shorter 12-month vesting period is to provide a balance between retention and flexibility, while motivating ongoing contribution to the company's operational stability. Such differentiation aligns with the purpose of the 2025 A Share Option Incentive Scheme.

### ***(E) Exercise Period***

Upon the fulfillment of conditions of the exercise of the A Share Options, the A Share Options are exercisable in two tranches upon expiry of 12 months from the Grant Date. The exercise arrangement for the First Grant of A Share Options and the Reserved Grant of A Share Options are as follows.

#### *(1) The exercise arrangement for the First Grant of A Share Options*

<b>Exercise Arrangement</b>	<b>Exercise Period</b>	<b>Proportion of exercisable A Share Options to the total number of A Share Options granted</b>
First Exercise Period	Commencing from the first trading day after the expiry of the 12 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options, and ending on the last trading day of the 24 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options, and ending on the last trading day of the 36 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options	50%

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## LETTER FROM THE BOARD

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(2) *The exercise arrangement for the Reserved Grant of A Share Options*

Exercise Arrangement	Exercise Period	Proportion of exercisable A Share Options to the total number of A Share Options granted
First Exercise Period	Commencing from the first trading day after the expiry of the 12 <sup>th</sup> month from the Grant Date of the Reserved Grant of A Share Options, and ending on the last trading day of the 24 <sup>th</sup> month from the Grant Date of the Reserved Grant of A Share Options	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24 <sup>th</sup> month from the Grant Date of the Reserved Grant of A Share Options, and ending on the last trading day of the 36 <sup>th</sup> month from the Grant Date of the Reserved Grant of A Share Options	50%

A Share Options for which the Exercise Conditions are not fulfilled during the above agreed period shall not be exercised or deferred to the next Exercise Period, and the relevant A Share Options of such Participants shall be cancelled by the Company in accordance with the principles stipulated in the 2025 A Share Option Incentive Scheme. After the end of each Exercise Period of the A Share Options, the A Share Options exercisable by the Participants for the current period that have not been exercised shall be terminated and cancelled by the Company.

Upon fulfilment of the Exercise Conditions for the A Share Options, the Company shall handle the matters in relation to the exercise of such A Share Options for the Participants.

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## LETTER FROM THE BOARD

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### ***(F) Black-out period***

A black-out period refers to the time interval during which the Participants are restricted from selling the Shares obtained after exercise of the A Share Options. The provisions for black-out periods under the 2025 A Share Option Incentive Scheme shall be implemented in accordance with the requirements in the PRC Company Law, PRC Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association. Details of which are set out below:

- (1) if the Participant is a Director or a senior management of the Company, the number of Shares that may be transferred each year during the term of office of the Participant shall not exceed 25% of the total number of Shares held by such Participant. No Shares shall be transferred within 6 months after the Participant has left his or her office;
- (2) if the Participant is a Director or a senior management of the Company and sells any Shares purchased in the last 6 months, or purchases Shares in the 6 months following a disposal, all gains arising therefrom shall belong to the Company and be recovered by the Board;
- (3) if the Participant is a Director or a senior management of the Company, the reduction of Shares must comply with the relevant PRC rules and regulations, and the Articles of Association; and
- (4) if, the Participants are the Company's directors or senior management, during the Validity Period of the 2025 A Share Option Incentive Scheme, there are any changes in the provisions of the PRC Company Law, PRC Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association regarding the transfer of the Shares held by a Director or a senior management of the Company, the relevant Participants shall comply with the relevant amended provisions prevailing at the time of the share transfer.

### ***(G) Exercise Price of the A Share Options and its basis for determination***

The Exercise Price of the A Share Options for the First Grant of A Share Options of the 2025 A Share Option Incentive Scheme is RMB46.67 per A Share. As such, the Participants have the right to purchase A Shares at a price of RMB46.67 per A Share after satisfying the conditions of the grant of the A Share Options and Exercise Conditions.

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## LETTER FROM THE BOARD

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The Exercise Price of the A Share Options to be granted under the 2025 A Share Option Incentive Scheme shall not be lower than the face value of the Shares, and shall not be lower than the higher of:

- (1) the average trading price of the A Shares on the trading day preceding the announcement date of the draft 2025 A Share Option Incentive Scheme, i.e., RMB46.67 per A Share; and
- (2) the average trading price of the Company's A Shares for the 120 trading days preceding the announcement date of the draft 2025 A Share Option Incentive Scheme, i.e., RMB37.00 per A Share.

The exercise price of the A Share Options granted in the Reserved Grant of A Share Options under the 2025 A Share Option Incentive Scheme is the same as the exercise price of the A Share Options granted in the First Grant of A Share Options, being RMB46.67 per A Share. The Board of Directors shall convene a meeting to review and approve the relevant proposals, and disclose the details of the Reserved Grant of A Share Options.

The aforementioned basis of determination of the Exercise Price of A Share Options prevents the granting of A Share Options at prices below prevailing market values, thereby supporting the 2025 A Share Option Incentive Scheme's purpose of incentivizing Participants to contribute to the long-term growth and performance of the Company. By linking the Exercise Price of A Share Options to objective and transparent market benchmarks, the 2025 A Share Option Incentive Scheme promotes fairness, protects interests of Shareholders, and reinforces the integrity and effectiveness of the incentive mechanism, which aligns with the purpose of the 2025 A Share Option Incentive Scheme. Under the 2025 A Share Option Incentive Scheme, the Company will not provide any loans, guarantee any borrowings, or offer other forms of financial assistance to a Participant in connection with acquiring any interest thereunder, if such assistance would be contrary to the Company's interests.

### ***(H) Conditions***

#### ***(I) Conditions of grant of the A Share Options***

The Company shall grant the A Share Options to the Participants upon satisfaction of all of the following conditions of grant. Conversely, no A Share Options shall be granted to the Participants if any of the following conditions of grant has not been satisfied:

- (1) there is no occurrence of any of the following to the Company:
  - (a) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;

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## LETTER FROM THE BOARD

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- (b) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;
  - (c) failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;
  - (d) prohibition from implementation of any equity incentives by applicable laws and regulations;
  - (e) any other circumstances as prescribed by the CSRC.
- (2) there is no occurrence of any of the following to the Participants:
- (a) being deemed as an inappropriate candidate by the stock exchanges in the PRC in the most recent 12 months;
  - (b) being deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;
  - (c) being imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;
  - (d) being prohibited from acting as a director or a senior management of a company under the PRC Company Law;
  - (e) being prohibited from participating in any equity incentives of a listed company under laws and regulations; or
  - (f) any other circumstances as prescribed by the CSRC.

### *(II) Exercise Conditions of the A Share Options and Clawback Mechanism*

During the Exercise Period, the A Share Options shall only be exercised by the Participants upon satisfaction of all of the following Exercise Conditions:

- (1) there is no occurrence of any of the following to the Company:
- (a) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;

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## LETTER FROM THE BOARD

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- (b) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;
  - (c) failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;
  - (d) prohibition from implementation of any equity incentives by applicable laws and regulations; or any other circumstances as prescribed by the CSRC;
  - (e) any other circumstances as prescribed by the CSRC.
- (2) there is no occurrence of any of the following to the Participants:
- (a) being deemed as an inappropriate candidate by the stock exchanges in the PRC in the most recent 12 months;
  - (b) being deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;
  - (c) being imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;
  - (d) being prohibited from acting as a director or a senior management of a company under the PRC Company Law;
  - (e) being prohibited from participating in any equity incentives of a listed company under laws and regulations; or
  - (f) any other circumstances as prescribed by the CSRC.

In the event that one of the circumstances set forth in (1) above occurs to the Company, the 2025 A Share Option Incentive Scheme shall be terminated, and all A Share Options that have been granted to the Participants but not exercised shall not be exercised and shall be cancelled by the Company. In the event that one of the clawback circumstances set forth in (2) above occurs to a Participant, the A Share Options that have been granted to such Participant shall not be exercised and shall be cancelled by the Company. The inclusion of clawback provision empowers the Company to cancel A Share Options granted to a Participant in the event of the aforesaid circumstances, which protects the interests of Shareholders and aligns with the purpose of the 2025 A Share Option Incentive Scheme.

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## LETTER FROM THE BOARD

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(3) Tenure requirements for Participants to exercise A Share Options

Participants must complete a tenure period of at least 12 months before they are eligible to exercise each tranche of A Share Options granted to them.

(4) Performance appraisal requirements

The performance appraisal requirements for the 2025 A Share Option Incentive Scheme stipulate that the ability of the Participants to exercise A Share Options each year from 2025 to 2027 depends on both company-level and individual-level assessments. At the company level, the operating revenue or the percentage of reduction in net loss must meet or exceed predetermined targets for Participants to fully or partially exercise their A Share Options; while failure to meet minimum thresholds results in cancellation of the A Share Options for the relevant year. At the individual level, Participants are evaluated according to the Company's internal appraisal system. The actual number of exercisable A Share Options is calculated by multiplying the A Share Options planned to be exercised by the Participant by both the company and individual scale factors, and any unexercised or partially unexercised A Share Options for a given year are cancelled and cannot be carried forward.

The performance appraisal requirements for the 2025 A Share Option Incentive Scheme thereby ensure that Participants' interests are aligned with those of the Company and its shareholders. In the event that such performance conditions are not satisfied, any unexercised A Share Options shall be subject to cancellation in accordance with the terms of the 2025 A Share Option Incentive Scheme, thereby reinforcing the objective of promoting sustained, value-oriented performance and safeguarding the integrity of its incentive structure, which aligns with the purpose of the 2025 A Share Option Incentive Scheme.

Details of the performance appraisal requirements for the 2025 A Share Option Incentive Scheme are set out in Appendix X to this circular. Please refer to "4. *Performance assessment at the Company level*" and "5. *Performance assessment at the Individual level*" under "CONDITIONS OF THE GRANT AND EXERCISE CONDITIONS OF THE A SHARE OPTIONS" in Appendix X for more information.

***(I) Methods of and procedures for adjustment of the 2025 A Share Option Incentive Scheme***

In the event of conversion of capital reserve into share capital, bonus issue and share split, rights issue, share consolidation and dividend distribution of the Company during the period from the date of announcement of the draft 2025 A Share Option Incentive Scheme to the completion of registration of exercise of the A Share Options by the Participants, the Exercise Price of A Share Options and/or the number of A Shares subject to A Share Options to be granted under the Grant of A Share Options should be adjusted accordingly, but no adjustments may be made to the extent that the Exercise Price of A Share Options would be lower than the nominal value of the shares. The details of such adjustments are set out in Appendix X to this circular.

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## LETTER FROM THE BOARD

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### *(J) Implications under the Hong Kong Listing Rules*

The 2025 A Share Option Incentive Scheme constitutes a share option scheme under Chapter 17 of the Hong Kong Listing Rules.

The terms of the 2025 A Share Option Incentive Scheme do not require the Company to appoint a trustee to administer the 2025 A Share Option Incentive Scheme. As at the Latest Practicable Date, the Company does not intend to appoint a trustee to the 2025 A Share Option Incentive Scheme. Accordingly, none of the Directors will be a trustee of the 2025 A Share Option Incentive Scheme or will have any direct or indirect interest in the trustee of the 2025 A Share Option Incentive Scheme. The Company will comply with the Hong Kong Listing Rules if and when a trustee is appointed to the 2025 A Share Option Incentive Scheme.

Pursuant to the Rule 17.04(1) of the Hong Kong Listing Rules, any grant of A Share Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the 2025 A Share Option Incentive Scheme must be approved by the Independent Non-executive Directors. On 2 September 2025, the Proposed Grant to Mr. Xiong was approved by all the Independent Non-executive Directors.

Pursuant to Rule 17.04(3) of the Hong Kong Listing Rules, where any grant of A Share Options to a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all share options or share awards granted (excluding any share options and share awards lapsed in accordance with the terms of their respective schemes) to a substantial shareholder of the Company in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue (excluding treasury shares), such grant must be approved by the Shareholders in general meeting, whereby such grantee and his/her associates and all core connected persons of the Company must abstain voting in favour of the relevant resolution at such general meeting. The total number of A Shares to be issued upon exercise of the 8,000,000 A Share Options granted to Mr. Xiong under the proposed grant represents approximately 0.78% of the total Shares in issue (excluding treasury shares) as at the Grant Date of the First Grant of A Share Options (assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date to the Grant Date of the First Grant of A Share Options). This would result in the A Shares issued and to be issued in respect of all share options and share awards granted (excluding any shares options and awards lapsed in accordance with the terms of their respective schemes) to Mr. Xiong, who is a substantial shareholder of the Company, in the 12-month period up to and including the date of Board meeting of approving the Proposed Grant to Mr. Xiong in aggregate exceeding 0.1% of the A Shares in issue (excluding treasury shares) as at the Grant Date of the First Grant of A Share Options (assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date to the Grant Date of the First Grant of A Share Options).

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## LETTER FROM THE BOARD

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Therefore, adoption of the 2025 A Share Option Incentive Scheme and the Proposed Grant to Mr. Xiong will, pursuant to Rule 17.04(3) of the Listing Rules and the draft 2025 A Share Option Incentive Scheme, be conditional upon and subject to the approval of the Shareholders at the EGM, where any of the 250 Employee Participants who has material interest in such resolution, and Mr. Xiong, his associates and all core connected persons of the Company shall abstain from voting in favour of such resolution in the EGM pursuant to Rule 17.04(4) of the Hong Kong Listing Rules. Mr. Xiong has abstained from voting in favour of such resolution at the Board meeting held on 2 September 2025 to approve such resolution.

***(K) Waivers from strict compliance with the Listing Rules***

As the 2025 A Share Option Incentive Scheme involves the issuance of new A Shares by the Company, Chapter 17 and certain provisions under the Listing Rules are therefore applicable to the 2025 Share Option Incentive Scheme, and the relevant PRC laws and regulations relating to the establishment of the 2025 A Share Option Incentive Scheme and the Grant of A Share Options are also applicable. Therefore, the Company has complied with the requirements of the relevant PRC laws and regulations as well as the Hong Kong Listing Rules as far as possible when preparing the terms of the 2025 A Share Option Incentive Scheme, and has applied for, and the Hong Kong Stock Exchange has granted, certain waivers from strict compliance with the requirements for Exercise Price and its adjustment under the Rule 17.03 of the Listing Rules.

***(I) Waiver from strict compliance with Rule 17.03E of the Listing Rules regarding the basis of determination of the Exercise Price***

Rule 17.03E of the Listing Rules requires that the exercise price of relevant share options must be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of granting the options. However, the relevant PRC laws and regulations require that the exercise price of A Share Option Incentive Scheme shall not be lower than the higher of: (i) the average trading price of the A Shares on the trading day immediately preceding the date of announcement of the 2025 Share Option Incentive Scheme; and (ii) one of the average trading price of the A Shares for the 20/60/120 trading days immediately preceding the date of announcement of the draft 2025 A Share Option Incentive Scheme. Rule 19A.39C of the Listing Rules further provides that the Hong Kong Stock Exchange may waive the exercise price requirement under Rule 17.03E for a share option scheme of a PRC issuer dually listed on the Hong Kong Stock Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares on the PRC stock exchange at the time of grant of the options.

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## LETTER FROM THE BOARD

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Since the A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme involve A Shares only, the Exercise Price of the A Share Options has been set at no less than the prevailing market price of the A Shares traded on the Shanghai Stock Exchange on RMB46.27, the date of the first Board meeting approving the adoption of the 2025 A Share Option Incentive Scheme, and the Exercise Price of A Share Options must be determined based on the relevant PRC laws and regulations, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 17.03E of the Hong Kong Listing Rules in respect of the Exercise Price of the A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme.

For details of the Exercise Price of A Share Options and the basis of determination, please refer to Appendix X to this circular.

*(II) Waiver from strict compliance Rule 17.03(13) of the Hong Kong Listing Rules regarding the adjustment of Exercise Price in the event of dividend distribution*

Rule 17.03(13) of the Hong Kong Listing Rules requires that the scheme document must include a provision for adjustment to the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital. Note to Rule 17.03(13) of the Hong Kong Listing Rules states that any adjustment required under Rule 17.03(13) must give the Participants the same proportion of the equity capital as that to which that person was previously entitled. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 17.03(13) of the Hong Kong Listing Rules so as to enable adjustments to the Exercise Price of the A Share Options in the event of dividend distribution on the basis that, among other things, (i) the proposed terms of the 2025 A Share Option Incentive Scheme, including the provision of adjustment of Exercise Price of the A Share Options in the event of dividend distribution, are prepared in accordance with the relevant requirements under the PRC laws and regulations and the requirements of the relevant regulatory authorities in the PRC; (ii) the number of A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme is 26,175,871, representing approximately 2.55% of the total number of issued shares (excluding treasury shares) of the Company as at the Latest Practicable Date, and the dilution effect as a result of the issue of new A Shares pursuant to the exercise of the A Share Options is minimal; (iii) according to the relevant PRC laws and regulations, the issue price of the A Shares shall not be below the nominal value of the A Shares and therefore, the A Shares shall not be issued at less than its nominal value of RMB1 per A Share pursuant to the exercise of the A Share Options; (iv) the A Shares, being the underlying shares of the A Share Options, have been trading at a premium over the H Shares.

A special resolution will be proposed at the EGM to consider and, if thought fit, approve the adoption of the 2025 A Share Option Incentive Scheme and the Proposed Grant to Mr. Xiong.

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## LETTER FROM THE BOARD

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**(5) Proposed Adoption of the Assessment Management Measures for the Implementation of the 2025 A Share Option Incentive Scheme**

To ensure the smooth implementation of the 2025 A Share Option Incentive Scheme, the Assessment Management Measures have been formulated according to the PRC Company Law, the PRC Securities Law, the Management Measures and other relevant laws, administrative regulations, normative documents, the relevant requirements of the Articles of Association as well as the actual situation of the Company.

The full text of Assessment Management Measures for implementation of the 2025 A Share Option Incentive Scheme is set out in Appendix XI to this circular. The Assessment Management Measures were prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the Assessment Management Measures, the Chinese version shall prevail.

A special resolution will be proposed at the EGM to consider and, if thought fit, approve the adoption of the Assessment Management Measures for implementation of the 2025 A Share Option Incentive Scheme.

**(6) Proposed Authorization to the Board of Directors to Handle Matters in Relation to the 2025 A Share Option Incentive Scheme**

To ensure the smooth implementation of the 2025 A Share Option Incentive Scheme, it is proposed that the Board of Directors be authorized to handle matters in relation to the 2025 A Share Option Incentive Scheme, including but not limited to the following:

1. To propose at the EGM that the Board of Directors be authorized to be responsible for the following matters in relation to the implementation of the 2025 A Share Option Incentive Scheme:
  - (1) To authorize the Board of Directors to determine the participation qualification and conditions of the Participants under the 2025 A Share Option Incentive Scheme, and determine the Grant Date under the 2025 A Share Option Incentive Scheme;
  - (2) To authorize the Board of Directors to adjust the number of the A Share Options and the number of underlying shares involved according to the terms of the 2025 A Share Option Incentive Scheme in the event of capitalization of capital reserves, bonus issue, share split or consolidation and rights issue of the Company;
  - (3) To authorize the Board of Directors to adjust the Exercise Price according to the terms of the 2025 A Share Option Incentive Scheme in the event of capitalization of capital reserves, bonus issue, share split or consolidation, rights issue and dividend distribution of the Company;

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- (4) To authorize the Board of Directors to adjust the portion of the A Share Options that the Participants have waived to subscribe to the Reserved Grant of A Share Options, or allocate and adjust such A Share Options among the Participants before the grant of the A Share Options;
- (5) To authorize the Board of Directors to grant the A Share Options to a Participant upon his/her fulfillment of the conditions of grant, and to handle all necessary matters in connection with the grant of the A Share Options, including but not limited to submitting an application for grant to the stock exchange and applying to the securities registration and clearing company for registration and clearing services;
- (6) To authorize the Board of Directors to review and confirm the exercise qualification of the Participants and the conditions for exercising the A Share Options, and to agree to the Board of Directors delegating such rights to the Remuneration and Appraisal Committee;
- (7) To authorize the Board of Directors to determine whether the A Share Options may be exercised to a Participant;
- (8) To authorize the Board of Directors to handle all matters necessary in connection with the exercise of the A Share Options to the Participants, including but not limited to the submission of application to a stock exchange in respect of the exercise of the A Share Options, applying to the securities registration and clearing company for registration and clearing services, amending the Articles of Association; and applying to register the change in registered capital of the Company;
- (9) To authorize the Board of Directors to handle the exercise of A Share Options that have not yet been exercised;
- (10) To authorize the Board of Directors to determine all matters including the Participants, the number of A Share Options to be granted, the Exercise Price and the Grant Date of the A Share Options for the Reserved Grant of A Share Options under the 2025 A Share Option Incentive Scheme;
- (11) To authorize the Board of Directors to sign, execute, amend or terminate any agreement in connection with the 2025 A Share Option Incentive Scheme and other relevant agreements;
- (12) To authorize the Board of Directors to manage and adjust the 2025 A Share Option Incentive Scheme, and from time to time formulate or amend the management and implementation rules of the 2025 A Share Option Incentive Scheme, subject to compliance with the 2025 A Share Option Incentive Scheme Rules. However, if such amendments are subject to approval at the general meeting or/and by relevant regulatory authorities under the requirements of laws, regulations or relevant regulatory authorities, such amendments by the Board of Directors shall be subject to such approvals;

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## LETTER FROM THE BOARD

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- (13) To authorize the Board of Directors to implement all other necessary matters in connection with the 2025 A Share Option Incentive Scheme, except such rights as expressly required under the relevant documents to be exercised by the Shareholders at a general meeting;
2. To propose at the EGM to authorize the Board of Directors to complete procedures with relevant governments and authorities in relation to the 2025 A Share Option Incentive Scheme including review, registration, filing, approval and consent; to sign, execute, amend and complete documents submitted to relevant governments, authorities, organizations, and individuals; to amend the Articles of Association and handle the registration of the change in registered capital of the Company; and to carry out all actions deemed to be necessary, appropriate, or expedient in relation to the 2025 A Share Option Incentive Scheme;
3. To propose at the EGM to authorize the Board of Directors to engage intermediaries, such as receiving bank, accountants, lawyers, securities companies, or financial advisor for the implementation of the 2025 A Share Option Incentive Scheme;
4. To propose at the EGM to approve the period of authorization given to the Board of Directors to be consistent with the Validity Period of the 2025 A Share Option Incentive Scheme.

Save as specifically required by the laws, administrative regulations, rules of the CSRC, regulatory documents, the 2025 A Share Option Incentive Scheme, or the Articles of Association to be approved by the Board of Directors through resolutions, other matters may be directly exercised on behalf of the Board of Directors by the chairman of the Board of Directors or appropriate person(s) authorized thereby.

A special resolution will be proposed at the EGM to consider and, if thought fit, approve the authorization to the Board of Directors to handle matters in relation to the 2025 A Share Option Incentive Scheme.

### **(7) Proposed Adoption of the 2025 H Share Option Incentive Scheme**

Reference is made to the announcement of the Company dated 2 September 2025 in relation to, among others, the proposed adoption of the 2025 H Share Option Incentive Scheme.

On 2 September 2025, the Board resolved to approve the proposed adoption of the 2025 H Share Option Incentive Scheme. The 2025 H Share Option Incentive Scheme is subject to the consideration and approval by the Shareholders at the EGM.

As at the Latest Practicable Date, the Company does not have any share scheme which involves the issue of new Shares (including the transfer of Treasury Shares (if any)).

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The 2025 H Share Option Incentive Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and will therefore comply with the requirements of Chapter 17 of the Listing Rules. A summary of the principal terms of the 2025 H Share Option Incentive Scheme is set out in Appendix XII to this circular.

***(A) Purposes of the 2025 H Share Option Incentive Scheme***

The purposes of the 2025 H Share Option Incentive Scheme are:

- (1) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to the Participants;
- (2) to align the interests of Participants with those of the Company and Shareholders by providing such Participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and
- (3) to encourage Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

***(B) Participants and basis of determining eligibility of the Participants***

The Participants of the 2025 H Share Option Incentive Scheme include Employee Participant(s) and Related Entity Participant(s). The basis of eligibility of any Participants to the grant of any H Share Options shall be determined by the Board or the Scheme Administrator from time to time. For the avoidance of doubt, the Participants of the 2025 H Share Option Incentive Scheme will not include Mr. Xiong and the 250 employees who will be granted A Share Options under the first grant of 2025 A Share Option Incentive Scheme.

The inclusion of Related Entity Participant in the 2025 H Share Option Incentive Scheme serves to align their interests with those of the Company and its Shareholders. Such individuals, by virtue of their positions within the broader corporate group, contribute materially to the Company's overall performance and strategic objectives. The grant of H Share Options to these Participants is intended to incentivize continued collaboration and to promote a unified commitment to the long-term growth and value enhancement of the Company which aligns with the purpose of the 2025 H Share Option Incentive Scheme.

Related Entity Participants include any director or employee (whether full-time or part-time employee, including senior management and supervisor) of the Related Entity. The eligibility of any of the Participants to a grant of 2025 H Share Options shall be determined by the Board or the Scheme Administrator from time to time on the basis of the Board's or the Scheme Administrator's opinion as to the Participant's contribution to the development and growth of the Group. The criteria for determining the basis of eligibility of Participants include (i) experience in relation to the Group's business; (ii) length of service with and the quality of service provided to the Group; and (iii) amount of support, assistance, guidance, advice, efforts

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and contributions the Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, effort and contributions the Participant is likely to be able to give or make towards the success of the Group in the future. Without limiting the generality of the foregoing:

- (a) in assessing the eligibility of Employee Participants (including the Directors and chief executive), the Board or the Scheme Administrator will consider, among other things, educational background, professional experience, qualification, skills, knowledge, the length of service, job position, job duties, contribution to the Group and performance evaluation results of the Employee Participant;
- (b) in assessing the eligibility of Related Entity Participants, the Board or the Scheme Administrator will consider a range of factors, such as the length of service, job position and job duties in the Related Entity, the shareholding relationship between the Group and the Related Entity and the benefits and synergies provided by the Related Entity to the Group.

In view of the past significant contributions made by Related Entity Participants to the Company's long-term business growth, the Company considers it to be in its interests to retain the flexibility to grant H Share Options to such individuals as recognition of their contributions. In particular, Related Entities are expected to continue support the Company's future success, particularly in areas such as research and development, manufacturing, and commercialisation of biopharmaceutical products, which is in line with the business needs of the Company. While Related Entity Participants are not employees of the Group, they are expected to collaborate closely with Group members in pursuit of common business objectives. Accordingly, the Board (including independent non-executive Directors) is of the view that the inclusion of the grants of H Share Options to the Related Entity Participant into the scope of Participants aligns with the purpose of the 2025 H Share Option Incentive Scheme.

### ***(C) Scheme Mandate Limit***

The total number of H Shares which may be issued in respect of H Share Option(s) to be granted under the 2025 H Share Option Incentive Scheme and other Shares which may be issued under any other share scheme(s) of the Company is up to 10% of the total Shares (excluding Treasury Shares) in issue as at the Adoption Date (the "**Scheme Mandate Limit**").

As at the Latest Practicable Date, the Company has 1,025,874,000 issued Shares (excluding 815,871 Treasury Shares). Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of H Shares which may be issued in respect of all H Share Options which may be granted pursuant to the 2025 H Share Option Incentive Scheme, together with the Shares which may be issued in respect of share options and awards which may be granted under any other share scheme(s) of the Company (including under the 2025 A Share Option Incentive Scheme) will be 102,587,400 Shares, representing approximately 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date.

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The Company may issue new H Shares or utilize Treasury Shares (if any) to satisfy the grant of the H Share Options under the 2025 H Share Option Incentive Scheme.

New H Shares that may be issued in respect of H Share Option(s) which have lapsed in accordance with the terms of the 2025 H Share Option Incentive Scheme Rules (or the terms of any other share schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit.

### ***(D) Vesting Period***

The Board or the Scheme Administrator may, subject to all applicable laws, rules and regulations, determine vesting periods for vesting of the H Share Options in its sole and absolute discretion. The vesting period of the H Share Options shall not be less than twelve (12) months, save and except that the H Share Options to be granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months in the following circumstances:

- (1) grants of “make-whole” H Share Options to new Employee Participants to replace the options they forfeited when leaving his/her previous employer;
- (2) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (3) grants with performance-based vesting conditions;
- (4) grants of H Share Options the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the grant would have been granted if not for such administrative or compliance requirements;
- (5) grants with a mixed vesting schedule such as where the H Share Options may vest evenly over a period of 12 months; and
- (6) grants of H Share Options with a total vesting and holding period of more than 12 months.

H Share Options do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of a H Share Option unless and until the H Shares underlying a H Share Option are delivered to the grantee pursuant to the vesting and exercise of such H Share Option.

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The Board is of the view that (i) there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the Employee Participants; (ii) there is a need for the Group to retain flexibility in exceptional circumstances where justified; and (iii) the Group should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. For example, (1) for make-whole grants, replacing options forfeited at previous employers removes a key barrier to recruiting talent, aligning with the goal of building a competitive team, (2) shorter vesting for death or disability ensures fairness while honoring the participant's past contributions to the company, which should be expected from the Company being a responsible employer, and (3) a shorter, performance-based vesting tied to deliverables aligns with the scheme's objective of promoting the Company's growth. Hence, the Board is of the view that the shorter vesting period prescribed above is in line with the market practice and is appropriate and aligns with the purpose of the 2025 H Share Option Incentive Scheme.

### ***(E) Performance Targets***

The Board or the Scheme Administrator may, in respect of each grant of H Share Option and subject to all applicable laws, rules and regulations, determine such performance targets, criteria or conditions for vesting of a H Share Option in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the Grant Letter with reference to key performance targets including, among others, key performance indicators at corporate, subsidiary, project or individual level, or otherwise commonly adopted by businesses operating in the industry in which the Group operates or other criteria, such as the operation income, business or financial milestones or performance results, transaction milestones, etc., as considered appropriate by the Board or the Scheme Administrator, therefore such performance targets would be tied to advancing the Company's business interests, directly aligning with the purpose of the 2025 H Share Option Incentive Scheme. For the avoidance of doubt, the vesting of an H Share Option shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Grant Letter. By making the vesting of H Share Options contingent upon the satisfaction of such performance targets, the 2025 H Share Incentive Scheme incentivises Participants to advance the Company's performance, thereby aligning their interests with those of the Company and its Shareholders, and with the purpose of the 2025 H Share Option Incentive Scheme. Please refer to "9. Performance Targets" in Appendix XII for more information.

### ***(F) Clawback Mechanism***

Under the 2025 H Share Option Incentive Scheme, there are specific circumstances where clawback or lapse of the H Share Options may be triggered. These include, (i) the grantee ceasing to be a Participant due to termination of employment/contractual engagement for cause, without notice, or over offences involving integrity; (ii) the grantee committing material breaches of the Group's internal policies, agreements (including non-compete obligations); (iii) the grantee engaging in serious misconduct, including breaches of the 2025 H Share Option

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Incentive Scheme's terms; (iv) granting H Share Options to a grantee is no longer appropriate or align with the 2025 H Share Option Incentive Scheme's purpose; or (v) the Company being required to exercise clawback under applicable laws (such as the Hong Kong Listing Rules) or at the request of regulatory authorities (such as the Hong Kong Stock Exchange). In the event of the above circumstances, the Board of Directors may, at its absolute discretion, determine that all unexercised H Share Options (whether vested or not) lapse immediately, and require the grantee to transfer back to the Company or its nominee the H Shares delivered or the Actual Selling Price received (in the form of equivalent H Shares, cash equal to their market value or the Actual Selling Price, or a combination thereof). For full details of these clawback circumstances and specific provisions, please refer to paragraph 16 in Appendix XII to this circular.

The Board is of the view that the clawback mechanism in the 2025 H Share Option Incentive Scheme provides the Board of Directors with the discretion to require the return of equity incentives granted to Participants in specific circumstances so as to ensure the scheme does not reward behaviour that undermines the Company's development. This mechanism enhances the flexibility of the Board of Directors in setting the terms and conditions of the H Share Options under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract, motivate and retain skilled and experienced individuals who are valuable to the development of the Group, and therefore aligns with the purpose of the 2025 H Share Option Incentive Scheme and in the interests of the Company and the Shareholders as a whole.

### ***(G) Exercise Price of H Share Options***

The Exercise Price of H Share Options shall be such price determined by the Board of Directors or the Scheme Administrator in its absolute discretion and notified to the Participant in the Grant Letter, provided that the Exercise Price shall in any event be no less than the highest of:

- (1) the closing price of the H Shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the Grant Date, which must be a Business Day; and
- (2) the average closing price of the H Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five Business Days immediately preceding the Grant Date.

The basis for determining the Exercise Price is in compliance with the requirements of the Hong Kong Listing Rules. This approach provides the Company with sufficient flexibility to determine the Exercise Price in a manner that offers meaningful incentives to the Participants, thereby supporting the objectives of the 2025 H Share Option Incentive Scheme. By allowing the Board or the Scheme Administrator to set the terms and conditions of the H Share Options according to the particular circumstances of each grant, the 2025 H Share Option Incentive Scheme facilitates the attraction, motivation, and retention of high-caliber personnel who are valuable to the Group's ongoing development. The Board believes that this flexibility preserves

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the value of the Company, while also encourages the Participants to acquire proprietary interests in the Company, which is the interests of the Company and its shareholders as a whole and aligns with the purpose of the 2025 H Share Option Incentive Scheme.

### **(H) Duration**

Subject to early termination by the Board of Directors, the 2025 H Share Option Incentive Scheme shall remain in effect for a period of 10 years commencing from the Adoption Date, unless terminated earlier in accordance with the 2025 H Share Option Incentive Scheme Rules.

### **(I) Proposed Grant to the Grantees**

On 2 September 2025, the Board resolved to grant a total of 13,210,000 H Share Options to the following Grantees, conditional upon the adoption of the 2025 H Share Option Incentive Scheme:

Grantee	Position in the Company	Number of H Share Options to be granted (option)	Percentage of total issued Shares (excluding Treasury Shares)
Li Ning	Executive Director and Vice Chairman	1,200,000	0.12%
Zou Jianjun	Executive Director, Chief Executive Officer and General Manager	5,000,000	0.49%
Li Cong	Executive Director and Co-Chief Executive Officer	1,200,000	0.12%
Zhang Zhuobing	Executive Director	1,200,000	0.12%
Yao Sheng	Executive Director	1,200,000	0.12%
Wang Gang	Executive Director	1,200,000	0.12%
Li Xin	Executive Director	1,200,000	0.12%
Three other Employee Participants	Employee	1,010,000	0.10%
<b>Total:</b>		<b>13,210,000</b>	<b>1.29%</b>

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## LETTER FROM THE BOARD

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A summary of the details of the Proposed Grant to the Grantees is set out below:

Date of  
conditional  
grant: 2 September 2025

Exercise price  
of H Share  
Options to  
be granted: HK\$32.30 per H Share, which represents the higher of: (1) the closing price of the H Shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the date of conditional grant; and (2) the average closing price of the H Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five Business Days immediately preceding the date of the conditional grant.

The Group will not provide any financial assistance to the above Grantees to facilitate the exercise of the H Share Options under the 2025 H Share Option Incentive Scheme.

Closing price  
of the H  
Shares on  
the date of  
the  
conditional  
grant: HK\$32.3 per H Share

Vesting period  
of H Share  
Options: All the H Shares Options granted shall vest in two equal installments on each of the first and second anniversaries of the date of the Proposed Grant of H Share Options:

<b>Vesting Batch</b>	<b>Vesting Date</b>	<b>Percentage to be vested</b>
First Batch	The first anniversary of the date of the conditional grant (i.e. 2 September 2026)	50%
Second Batch	The Second anniversary of the date of the conditional grant (i.e. 2 September 2027)	50%

Exercise  
period of H  
Share  
Options: Subject to the vesting of the H Share Options, the Exercise Period of the H Share Options granted shall be not more than five (5) years commencing on the date of the Proposed Grant of H Share Options.

## LETTER FROM THE BOARD

**Performance targets: (1) Performance assessment requirements at the Company level**

The assessment years applicable to the vesting of the H Share Options granted under the conditional grant shall be the two fiscal years (from 2025 to 2026), and the performance assessment shall be carried out on a yearly basis. The Grantees under the 2025 H Share Option Incentive Scheme shall be assessed once in a fiscal year, and the satisfaction of the performance assessment targets shall be one of the conditions of vesting of the relevant year. The performance assessment targets for each year are subject to the vesting amounts:

<b>Vesting Date</b>	<b>Corresponding Assessment Year</b>	<b>Performance Target A Percentage to be vested: 100%</b>	<b>Performance Target B Percentage to be vested: 90%</b>	<b>Performance Target C Percentage to be vested: 80%</b>
First Vesting Date	2025	<p>Fulfillment of any of the following conditions:</p> <p>(1) the operating income in 2025 shall not be less than RMB2.4 billion;</p> <p>(2) the loss reduction ratio for net profit in 2025 shall not be less than 29% as compared with 2024</p>	<p>Fulfillment of any of the following conditions:</p> <p>(1) the operating income in 2025 shall not be less than RMB2.3 billion;</p> <p>(2) the loss reduction ratio for net profit in 2025 shall not be less than 27% as compared with 2024</p>	<p>Fulfillment of any of the following conditions:</p> <p>(1) the operating income in 2025 shall not be less than RMB2.2 billion;</p> <p>(2) the loss reduction ratio for net profit in 2025 shall not be less than 25% as compared with 2024</p>
Second Vesting Date	2026	<p>Fulfillment of any of the following conditions:</p> <p>(1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion;</p> <p>(2) the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024</p>	<p>Fulfillment of any of the following conditions:</p> <p>(1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion;</p> <p>(2) the loss reduction ratio for net profit in 2025 shall not be less than 74% as compared with 2024</p>	<p>Fulfillment of any of the following conditions:</p> <p>(1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion;</p> <p>(2) the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024</p>

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## LETTER FROM THE BOARD

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*Notes:*

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment.
2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to the Shareholders, excluding the share-based payment expenses incurred by the Company in implementing all the share incentive schemes.
3. The above performance assessment targets do not constitute the Company's performance forecast or substantive commitment to investors.

In the event that the performance target C at the Company level is not met, the H Share Options granted to the Grantees scheduled to vest for the applicable appraisal year shall not vest, and all such H Share Options shall immediately lapse.

### (2) Performance assessment at the individual level

The individual assessment of grantees is carried out according to the internal performance assessment system of the Company. The results of the individual performance assessment of Grantees are divided into five levels: "outstanding", "excellent", "meets standards", "partly meets standards" and "fails to meet standards", and the corresponding vesting availability is as follows:

Appraisal Results	Outstanding or Excellent or Meets Standard	Partially Meets Standard	Does Not Meet Standard
Individual Exercise Availability Factor (P)	100%	50%	0%

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## LETTER FROM THE BOARD

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### (3) Application of the Assessment Results

The number of Share Options actually vested by a Grantee in the assessment year = the number scheduled to be vested by the individual in the same year  $\times$  the coefficient of the vested ratio at the Company level  $\times$  the coefficient of the vested ratio at the individual level (P).

Rights of the H Share Options and the H Shares to be issued upon exercise of the H Share Options:	<p>Prior to the Grantees being registered as Shareholders on the register of members of the Company in respect of the H Shares to be issued upon the exercise of the H Share Options, the Grantees shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register.</p> <p>The H Shares to be allotted upon the exercise of the H Share Options shall be subject to the provisions of the Articles of Association for the time being in force and shall rank <i>pari passu</i> in all respects with the fully paid Shares in issue on the date on which those H Shares are allotted on exercise of the H Share Options and will entitle the Grantees to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment.</p>
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For the avoidance of doubt, the grant of H Share Options to the above Grantees is not subject to the approval of the Shareholders and is included in this circular for completeness.

### *(J) Implications under the Hong Kong Listing Rules*

The 2025 H Share Option Incentive Scheme constitutes a share option scheme under Chapter 17 of the Hong Kong Listing Rules.

The terms of the 2025 H Share Option Incentive Scheme do not require the Company to appoint a trustee to administer the 2025 H Share Option Incentive Scheme. As at the Latest Practicable Date, the Company does not intend to appoint a trustee to the 2025 H Share Option Incentive Scheme. Accordingly, none of the Directors will be a trustee of the 2025 H Share Option Incentive Scheme or will have any direct or indirect interest in the trustee of the 2025 H Share Option Incentive Scheme. The Company will comply with the Hong Kong Listing Rules if and when a trustee is appointed to the 2025 H Share Option Incentive Scheme.

Pursuant to the Rule 17.04(1) of the Hong Kong Listing Rules, any grant of A Share Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the 2025 A Share Option Incentive Scheme must be approved by the Independent Non-executive Directors. On 2 September 2025, the Proposed Grant to the above Grantees was approved by all the Independent Non-executive Directors.

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## LETTER FROM THE BOARD

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The adoption of the 2025 H Share Option Incentive Scheme and the Proposed Grant to the Grantees have been reviewed and approved by the Board (including all the Independent Non-executive Directors but excluding Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang and Dr. Li Xing who had abstained from voting on such Board resolutions). Dr. Li Ning, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Wang Gang, Dr. Li Xin and one other Employee Participant shall also abstain from voting in favour of such resolution at the EGM.

An application will be made to the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, the H Shares to be issued pursuant to the exercise of the H Share Options to be granted under the 2025 H Share Option Incentive Scheme.

A special resolution will be proposed at the EGM to consider and, if thought fit, approve the adoption of the 2025 H Share Option Incentive Scheme.

**(9) Proposed Authorization to the Board of Directors and/or the Scheme Administrator to Handle Matters in Relation to the 2025 H Share Option Incentive Scheme**

In order to ensure the successful implementation of the 2025 H Share Option Incentive Scheme, the Board of Directors proposed that, subject to the approval of the 2025 H Share Option Incentive Scheme by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board of Directors, and/or the Scheme Administrator to take all relevant measures and deal with all relevant matters to approve and execute on behalf of the Company such documents as are necessary, appropriate or expedient for the purpose of giving effect to and implementation of and to handle matters in relation to the 2025 H Share Option Incentive Scheme with full authority, including but not limited to:

- (1) construe and interpret the 2025 H Share Option Incentive Scheme Rules and the terms of the H Share Options granted under the 2025 H Share Option Incentive Scheme;
- (2) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the 2025 H Share Option Incentive Scheme, provided that they are not inconsistent with the 2025 H Share Option Incentive Scheme Rules;
- (3) grant H Share Options to the Participants whom it shall select from time to time;
- (4) determine the number of H Share Options to be granted;
- (5) determine the terms and conditions of the H Share Options and make any such appropriate adjustments to the terms of the H Share Options granted as they deem necessary or appropriate;
- (6) determine whether and to what extent, and circumstances pursuant to which a H Share Option may be lapsed, cancelled, forfeited and/or surrendered;

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## LETTER FROM THE BOARD

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- (7) where applicable, establish and administer performance targets in respect of the 2025 H Share Option Incentive Scheme;
- (8) approve the form of a Grant Letter;
- (9) decide any other matters that need to be determined in connection with an offer and make any other determination and take any other actions as it deems necessary or desirable for the administration of the 2025 H Share Option Incentive Scheme;
- (10) take such other steps or actions to give effect to the terms and intent of the 2025 H Share Option Incentive Scheme Rules and/or the H Share Options; and
- (11) on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

The aforementioned authorization to the Board of Directors and/or the Scheme Administrator shall be valid for the Validity Period of the 2025 H Share Option Incentive Scheme.

A special resolution will be proposed at the EGM to consider and, if thought fit, approve the authorization to the Board of Directors and/or the Scheme Administrator to handle matters in relation to the 2025 H Share Option Incentive Scheme.

### III. EGM

The EGM will be held at 15th Floor, Building 7, No. 6, Lane 100, Pingjiaqiao Road, Pudong New Area, Shanghai, the PRC at 2:40 p.m. on Friday, 26 September 2025. The Notice of EGM is set out on pages 318 to 320 of this circular and published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company ([www.junshipharma.com](http://www.junshipharma.com)).

The form of proxy for use at the EGM is published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company ([www.junshipharma.com](http://www.junshipharma.com)).

The Notice of the EGM has also been separately published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn/>).

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## LETTER FROM THE BOARD

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### IV. CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The register of members of H Shares will be closed from Monday, 22 September 2025 to Friday, 26 September 2025, both days inclusive, during which period no transfer of H Shares will be registered, in order to determine the entitlements of the Shareholders to attend and vote at the EGM. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be Friday, 26 September 2025. In order to be eligible to attend and vote at the EGM, holders of H Shares whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) for registration before 4:30 p.m. on Friday, 19 September 2025.

### V. PROXY FORM

A Shareholder entitled to attend and vote at the meeting may appoint one or more persons as his/her/its proxy(ies) to attend and vote on his/her/its behalf. A proxy need not be a Shareholder of the Company but must attend the meeting in person to represent the member. Shareholders who intend to attend the meeting by proxy should complete the proxy form.

For holders of H Shares, the proxy form for the EGM should be returned to the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Centre, 16 Harcourt Road, Hong Kong, in person or by post as soon as possible and no later than 24 hours before the time fixed for holding the meeting (i.e. not later than Thursday, 25 September 2025 at 2:40 p.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the meeting and any adjournment thereof and voting in person. In such event, the form of proxy shall be deemed to be revoked.

### VI. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the EGM will demand a poll for all resolutions to be proposed at the EGM in accordance with Article 97 of the Articles of Association. Poll results will be announced by the Company in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules after the EGM.

To the best of the Directors' knowledge, information and belief, save as disclosed in this circular, none of the Shareholders are required to abstain from voting at the EGM.

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## LETTER FROM THE BOARD

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### VII. RECOMMENDATIONS

The Board considers that all resolutions set out in the Notice of EGM are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that the Shareholders to vote in favor of the resolutions set out in the Notice of EGM.

### VIII. DOCUMENTS AVAILABLE FOR DISPLAY

Copies of the draft 2025 A Share Option Incentive Scheme and the 2025 H Share Option Incentive Scheme Rules will be published on the respective websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company ([www.junshipharma.com](http://www.junshipharma.com)) for display for a period of not less than 14 days before the date of EGM and will be made available for inspection at the EGM.

### IX. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong 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.

### X. FURTHER INFORMATION

Your attention is drawn to the appendices to this circular.

By Order of the Board  
**Shanghai Junshi Biosciences Co., Ltd.\***  
**Mr. Xiong Jun**  
*Chairman*

5 September 2025

\* *For identification purposes only*

Details of the proposed amendments to the Articles of Association are as follows:

**Comparison Table of the Amendments to the Articles of Association of Shanghai  
Junshi Biosciences Co., Ltd.\***

Original provisions	After amendments
<p>Article 1 Shanghai Junshi Biosciences Co., Ltd. (the “Company”) is a joint stock company with limited liability incorporated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Rules Governing the Listing of Securities on the STAR Market on the Shanghai Stock Exchange (“STAR Market Listing Rules”), Guidance for the Articles of Listed Company, Code of Corporate Governance for Listed Companies in China, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant regulations.</p> <p>These Articles are formulated with a view to protect the legitimate rights and interests of the Company, its shareholders and creditors and to regulate the Company’s organizations and conducts.</p> <p>The Company was established by Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技有限公司) by way of entire transformation and registered at the Shanghai Administration for Industry and Commerce on 5 May, 2015 with a business license granted. The unified social credit code is 91310000059383413A.</p>	<p>Article 1 Shanghai Junshi Biosciences Co., Ltd. (the “Company”) is a joint stock company with limited liability incorporated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Rules Governing the Listing of Securities on the STAR Market on the Shanghai Stock Exchange (“STAR Market Listing Rules”), Guidance for the Articles of Listed Company, Code of Corporate Governance for Listed Companies in China, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant regulations.</p> <p>These Articles are formulated with a view to protect the legitimate rights and interests of the Company, its shareholders, <b>employees</b> and creditors and to regulate the Company’s organizations and conducts.</p> <p>The Company was established by Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技有限公司) by way of entire transformation and registered at the Shanghai Administration for Industry and Commerce on 5 May, 2015 with a business license granted. The unified social credit code is 91310000059383413A.</p>
<p>Article 3 Address of the Company: Level 4, No. 987 Cai Lun Road, China (Shanghai) Pilot Free Trade Zone Telephone: 021-6105-8800 Fax: 021-6175-7377 Postal code: 201203</p>	<p>Article 3 Address of the Company: Level 4, No. 987 Cai Lun Road, China (Shanghai) Pilot Free Trade Zone <b>Telephone: 021-6105-8800</b> <b>Fax: 021-6175-7377</b> Postal code: 201203</p>

Original provisions	After amendments
<p>Article 4 The Company's legal representative is the chairman of the board of directors (the "Board") of the Company, who represents the Company externally.</p>	<p>Article 4 <i>Directors acting on behalf of the Company in its affairs shall be t</i>The Company's legal representative, <i>is</i> the chairman of the board of directors (the "Board") of the Company, <del>who represents the Company externally</del> <i>shall be a director acting on behalf of the Company in its affairs.</i></p> <p><i>Where the director who serves as the legal representative resigns, the director shall be deemed to have resigned from the position of the legal representative at the same time.</i></p> <p><i>Where the legal representative resigns, the Company shall appoint a new legal representative within 30 days after the date of the resignation.</i></p>
<p><i>Added</i></p>	<p><i>Article 5 The legal consequences of civil activities conducted by legal representative in the name of the Company shall be borne by the Company.</i></p> <p><i>Restrictions on the powers of the legal representative by the Articles of Association or the general meeting shall not be enforceable against bona fide third parties.</i></p> <p><i>If the legal representative, in the course of performing duties, causes harm to others, the Company shall bear civil liability. After assuming civil liability, the Company may seek compensation from the legal representative at fault in accordance with the laws or the Articles of Association.</i></p>
<p>Article 5 The registered capital of the Company is RMB985,689,871. After the issuance of new shares, the Company's registered capital shall be adjusted according to the actual situations. Registration procedures of change in registered capital shall be handled for the change in registered capital.</p>	<p>Article <del>5</del>6 The registered capital of the Company is <del>RMB1,026,689,871</del> <b>RMB1,026,689,871</b> <del>985,689,871</del>. After the issuance of new shares, the Company's registered capital shall be adjusted according to the actual situations. Registration procedures of change in registered capital shall be handled for the change in registered capital.</p>

Original provisions	After amendments
<i>Added</i>	<i>Article 8 The shareholders are responsible to the Company to the extent of the shares they have subscribed for. The Company is responsible for its debts with all of its assets.</i>
<p>Article 8 The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior management, and the above-mentioned persons shall be entitled to make claims on matters relating to the Company in accordance with the Articles of Association.</p> <p>Pursuant to the Articles of Association, a shareholder can sue the Company; the Company can sue its shareholder(s), directors, supervisors, general manager and other senior management; and a shareholder can sue another shareholder(s); and a shareholder can sue the directors, supervisors, general manager and other senior management.</p> <p>The term “sue” as mentioned in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.</p> <p>The term “other senior management” as mentioned in the Articles of Association shall include the deputy general manager(s), the chief financial officer, the secretary to the Board and the chief executive officer and other members designated by the Board.</p>	<p>Article <del>8</del><b>10</b> The Articles of Association shall be binding on the Company and its shareholders, directors,<del>supervisors, general manager</del> and <del>other</del> senior management, and the above-mentioned persons shall be entitled to make claims on matters relating to the Company in accordance with the Articles of Association.</p> <p>Pursuant to the Articles of Association, a shareholder can sue the Company; the Company can sue its shareholder(s), directors,<del>supervisors, general manager</del> and <del>other</del> senior management; and a shareholder can sue another shareholder(s); and a shareholder can sue the directors,<del>supervisors, general manager</del> and <del>other</del> senior management.</p> <p>The term “sue” as mentioned in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.</p> <p>The term “<del>other</del> senior management” as mentioned in the Articles of Association shall include the <b>general manager</b>, deputy general manager(s), the chief financial officer, the secretary to the Board and the chief executive officer and other members designated by the Board.</p>

Original provisions	After amendments
<p>Article 13 The Company's shares shall be in the form of share certificates. All the shares issued by the Company shall have a par value which shall be RMB1 for each share.</p> <p>The "RMB" as mentioned in the preceding paragraph refers to the lawful currency of the People's Republic of China.</p> <p>The total assets of the Company are divided into equal shares. Shareholders take responsibilities for the Company according to their subscribed shares, and the Company takes responsibilities for the Company's debt according to its total assets.</p> <p>The Company's shares shall be issued based on the principles of fairness, justice and openness. Shares of the same class shall carry equal rights. For the same class of shares of the same issuance, each share shall be issued at the same price and subject to the same conditions. Any entity or individual shall pay the same price per share for any such shares subscribed. A shares and H shares issued by the Company shall enjoy equal rights in the distribution of dividends or distributions in any other forms.</p> <p>The Company and its subsidiaries (including affiliated companies) shall not subsidize any person who has purchased or proposes to purchase the Company's shares through gift, advancement, guarantee, compensation or loan, etc., apart from the implementation of the employee stock ownership plan by the Company.</p>	<p>Article <del>13</del><b>15</b> The Company's shares shall be in the form of share certificates. All the shares issued by the Company shall have a par value which shall be RMB1 for each share.</p> <p>The "RMB" as mentioned in the preceding paragraph refers to the lawful currency of the People's Republic of China.</p> <p><del><i>The total assets of the Company are divided into equal shares. Shareholders take responsibilities for the Company according to their subscribed shares, and the Company takes responsibilities for the Company's debt according to its total assets.</i></del></p> <p>The Company's shares shall be issued based on the principles of fairness, justice and openness. Shares of the same class shall carry equal rights. For the same class of shares of the same issuance, each share shall be issued at the same price and subject to the same conditions. <del><i>Any entity or individual</i></del><b>Subscribers</b> shall pay the same price per share for any such shares subscribed. A shares and H shares issued by the Company shall enjoy equal rights in the distribution of dividends or distributions in any other forms.</p> <p><del><i>The Company and its subsidiaries (including affiliated companies) shall not subsidize any person who has purchased or proposes to purchase the Company's shares through gift, advancement, guarantee, compensation or loan, etc., apart from the implementation of the employee stock ownership plan by the Company.</i></del></p>

Original provisions	After amendments
<p>Article 18 Upon approval by the China Securities Regulatory Commission (the “CSRC”) on 20 November, 2018, the Company issued 158,910,000 overseas-listed foreign shares (prior to the exercise of the over-allotment option), which were listed on the Hong Kong Stock Exchange on 24 December, 2018. Upon the exercise of the over-allotment option, the Company issued additional 23,836,500 overseas-listed foreign shares, which were listed on the Hong Kong Stock Exchange on 9 January, 2019.</p> <p>Upon approval by the CSRC on 20 May, 2020, the Company made an initial public offering of 87,130,000 ordinary shares denominated in RMB, which were listed on the STAR Market of the Shanghai Stock Exchange on 15 July, 2020.</p> <p>The total number of shares of the Company is 985,689,871 shares, and the share capital of the Company is: 766,394,171 A shares and 219,295,700 H shares.</p>	<p>Article <del>18</del><b>20</b> Upon approval by the China Securities Regulatory Commission (the “CSRC”) on 20 November, 2018, the Company issued 158,910,000 overseas-listed foreign shares (prior to the exercise of the over-allotment option), which were listed on the Hong Kong Stock Exchange on 24 December, 2018. Upon the exercise of the over-allotment option, the Company issued additional 23,836,500 overseas-listed foreign shares, which were listed on the Hong Kong Stock Exchange on 9 January, 2019.</p> <p>Upon approval by the CSRC on 20 May, 2020, the Company made an initial public offering of 87,130,000 ordinary shares denominated in RMB, which were listed on the STAR Market of the Shanghai Stock Exchange on 15 July, 2020.</p> <p>The total number of <i>issued</i> shares of the Company is <del>1,026,689,871</del><b>985,689,871</b> shares, and the share capital of the Company is: 766,394,171 A shares and <del>260,295,700</del><b>219,295,700</b> H shares.</p>
<p><b>Added</b></p>	<p><b>Article 21 The Company and its subsidiaries (including affiliated companies) shall not subsidize any person to acquire shares of the Company through gift, advancement, guarantee or borrowing, etc., apart from the implementation of the employee share ownership plan by the Company.</b></p> <p><b>For the benefit of the Company, the Company may, upon the passing of a resolution of the general meeting or a resolution of the Board in accordance with the Articles of Association or the authorization from the general meeting, provide financial assistance for others to acquire shares of the Company, provided that the cumulative total amount of financial assistance provided shall not exceed 10% of its total issued share capital. Resolution of the Board shall be adopted by two-thirds or more of all the directors.</b></p>

Original provisions	After amendments
<p>Article 20 Based on the capital needs for its operation and development, the Company may, in accordance with the provisions under the laws, regulations and the Articles of Association and upon approval at the general meeting respectively, increase its capital by the following methods:</p> <ol style="list-style-type: none"> <li>(1) public offering of shares;</li> <li>(2) non-public offering of shares;</li> <li>(3) distributing bonus shares to existing shareholders;</li> <li>(4) converting capital reserve into shares;</li> <li>(5) other means as permitted by the laws and administrative regulations.</li> </ol> <p>The Company's increase of capital by issuing new shares shall be carried out in accordance with the procedures specified in the relevant state laws, administrative regulations and relevant regulatory rules in the place where the Company's shares are listed, after having been approved in accordance with the Articles of Association.</p> <p>Existing shareholders shall have no preemptive rights on shares publicly or non-publicly issued by the Company.</p> <p>The Company shall not issue preferred shares convertible into ordinary shares.</p> <p>Subject to the fulfillment of relevant conditions, the Company's general meeting may authorize the Board to make decision on the issuance of a certain number of domestic shares to specific investors in accordance with provisions under relevant national laws, administrative regulations, and relevant regulatory rules of the place where the Company's shares are listed.</p>	<p>Article <b>2023</b> Based on the capital needs for its operation and development, the Company may, in accordance with the provisions under the laws, regulations and the Articles of Association and upon approval at the general meeting respectively, increase its capital by the following methods:</p> <ol style="list-style-type: none"> <li>(1) <del>public</del> offering of shares <del>to non-specific targets</del>;</li> <li>(2) <del>non-public</del> offering of shares <del>to specific targets</del>;</li> <li>(3) distributing bonus shares to existing shareholders;</li> <li>(4) converting capital reserve into shares;</li> <li>(5) other means as <del>permitted</del><b>required</b> by the laws, <del>and</del> administrative regulations <del>and the CSRC</del>.</li> </ol> <p>The Company's increase of capital by issuing new shares shall be carried out in accordance with the procedures specified in the relevant state laws, administrative regulations and relevant regulatory rules in the place where the Company's shares are listed, after having been approved in accordance with the Articles of Association.</p> <p><del>Existing shareholders shall have no preemptive rights on shares publicly or non-publicly issued by the Company.</del></p> <p>The Company shall not issue preferred shares convertible into ordinary shares.</p> <p>Subject to the fulfillment of relevant conditions, the Company's general meeting may authorize the Board to make decision on the issuance of a certain number of domestic shares to specific investors in accordance with provisions under relevant national laws, administrative regulations, and relevant regulatory rules of the place where the Company's shares are listed.</p>

Original provisions	After amendments
<p>Article 22 The Company may reduce its registered capital pursuant to the provisions of the Articles of Association.</p>	<p>Article <del>22</del><b>25</b> The Company may reduce its registered capital pursuant to the provisions of the Articles of Association. <i><b>The Company shall reduce its registered capital in accordance with the procedures stipulated by the Company Law and other relevant regulations and the Articles of Association.</b></i></p>
<p>Article 23 Where the Company reduces its registered capital, it must prepare a balance sheet and an inventory of assets.</p> <p>Unless otherwise specified in the laws, administrative regulations and departmental rules, the Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall publish a public announcement in newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor shall be entitled, within 30 days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within 45 days from the date of the public announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debts.</p> <p>The Company's registered capital after the capital reduction shall not be less than the minimum statutory amount.</p>	<p>Article <del>23</del><b>26</b> Where the Company reduces its registered capital, it must prepare a balance sheet and an inventory of assets.</p> <p>Unless otherwise specified in the laws, administrative regulations and departmental rules, the Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall publish a public announcement in newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor shall be entitled, within 30 days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within 45 days from the date of the public announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debts.</p> <p>The Company's registered capital after the capital reduction shall not be less than the minimum statutory amount.</p> <p><i><b>Where the Company reduces its registered capital, the contribution or shares shall be reduced in proportion to the shares held by the shareholders, unless otherwise stipulated in the laws or the Articles of Association.</b></i></p>

Original provisions	After amendments
<p>Article 24 The Company shall not acquire any shares of the Company, except under any one of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) to cancel shares for the purpose of reducing the registered capital of the Company;</li> <li>(2) to merge with other companies that hold shares in the Company;</li> <li>(3) to use the shares for Employee Stock Ownership Plan or as equity incentives;</li> <li>(4) to acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;</li> <li>(5) to use the shares in the conversion of the convertible corporate bonds issued by the Company;</li> <li>(6) necessary for the Company to protect the Company value and the shareholders' equity;</li> <li>(7) other circumstances as permitted by the laws and administrative regulations.</li> </ol>	<p>Article <del>24</del><b>27</b> The Company shall not acquire any shares of the Company, except under any one of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) to cancel shares for the purpose of reducing the registered capital of the Company;</li> <li>(2) to merge with other companies that hold shares in the Company;</li> <li>(3) to use the shares for Employee Stock Ownership Plan or as equity incentives;</li> <li>(4) to acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;</li> <li>(5) to use the shares in the conversion of the convertible corporate bonds issued by the Company;</li> <li>(6) necessary for the Company to protect the Company value and the shareholders' equity;</li> <li>(7) other circumstances as permitted by the laws and administrative regulations.</li> </ol>
<p>Article 25 If the Company intends to repurchase its shares, the repurchase may be conducted through public and centralized trading or other means recognized by laws, regulations and the CSRC.</p> <p>If the Company intends to repurchase its shares in the situations set out under sub-paragraph (3), sub-paragraph (5) and sub-paragraph (6) of paragraph 1 of Article 24, the repurchase shall be conducted through public and centralized trading.</p>	<p>Article <del>25</del><b>28</b> If the Company intends to repurchase its shares, the repurchase may be conducted through public and centralized trading or other means recognized by laws, regulations and the CSRC.</p> <p>If the Company intends to repurchase its shares in the situations set out under sub-paragraph (3), sub-paragraph (5) and sub-paragraph (6) of paragraph 1 of Article <del>24</del><b>27</b>, the repurchase shall be conducted through public and centralized trading.</p>

Original provisions	After amendments
<p>Article 26 In the event of a repurchase of its own shares by the Company for the reasons under sub-paragraphs (1) and (2) of Article 24 hereof, it shall be passed at a general meeting. In the event of a repurchase of its own shares by the Company for the reasons under sub-paragraphs (3), (5) and (6) of Article 24 hereof, the Company shall do so by a resolution passed by the Board by more than two-thirds of the directors attending the meeting.</p>	<p>Article <del>26</del><b>29</b> In the event of a repurchase of its own shares by the Company for the reasons under sub-paragraphs (1) and (2) of Article <del>24</del><b>27</b> hereof, it shall be passed at a general meeting. If the Company intends to repurchase its shares in the situations set out under sub-paragraph (3), sub-paragraph (5) and sub-paragraph (6) of paragraph 1 of Article <del>24</del><b>27</b>, the repurchase shall be conducted through public and centralized trading.</p>
<p>Article 27 If the Company repurchases its own shares in accordance with laws under the circumstances set forth in sub-paragraph (1) of Article 24 of the Articles of Association, the shares so repurchased shall be cancelled within 10 days from the date of repurchase. In the event of the circumstances set forth in sub-paragraphs (2) and (4) of Article 24, the shares so repurchased shall be transferred or cancelled within six (6) months. If the Company repurchases its own shares in accordance with sub-paragraph (3), sub-paragraph (5) and sub-paragraph (6) of Article 24, the total number of shares of the Company held by the Company shall not exceed 10% of the total shares issued by the Company, and the shares so repurchased shall be transferred or cancelled in 3 years.</p>	<p>Article <del>27</del><b>30</b> If the Company repurchases its own shares in accordance with laws under the circumstances set forth in sub-paragraph (1) of Article <del>24</del><b>27</b> of the Articles of Association, the shares so repurchased shall be cancelled within 10 days from the date of repurchase. In the event of the circumstances set forth in sub-paragraphs (2) and (4) of Article <del>24</del><b>27</b>, the shares so repurchased shall be transferred or cancelled within six (6) months. If the Company repurchases its own shares in accordance with sub-paragraph (3), sub-paragraph (5) and sub-paragraph (6) of Article <del>24</del><b>27</b>, the total number of shares of the Company held by the Company shall not exceed 10% of the total shares issued by the Company, and the shares so repurchased shall be transferred or cancelled in 3 years.</p>
<p>Upon the cancellation or repurchase of shares by the Company in accordance with laws, the Company shall apply to the Company's original registration authorities for registration of the change in its registered capital and publish relevant announcement.</p>	<p>Upon the cancellation or repurchase of shares by the Company in accordance with laws, the Company shall apply to the Company's original registration authorities for registration of the change in its registered capital and publish relevant announcement.</p>
<p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>	<p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>

Original provisions	After amendments
<p>Article 31 The shares already issued before initial public offering of the Company shall not be transferred within one (1) year from the date when the Company's shares are listed on the stock exchange.</p> <p>Directors, supervisors, general manager and other senior management of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office as determined at the date of appointment more than 25% of the total number of shares of the same class of the Company which they hold, the shares held of the Company shall not be transferred within one (1) year from the date when the Company's shares are listed; The aforesaid persons shall not transfer the shares of the Company held by them within six (6) months from the date of their leaving the Company.</p> <p>If directors, supervisors, senior management and those shareholders holding more than 5% of shares of the Company disposes the shares or other securities with equity nature within six (6) months after purchase, or purchase within six (6) months after disposal, the earnings therefrom shall belong to the Company, and the Board shall reclaim the earnings. However, a security company that holds more than 5% shares due to underwriting purchase of all remaining stock, and the circumstances stipulated by the CSRC shall be excluded.</p> <p>The shares or other securities with equity nature held by directors, supervisors, senior management and natural person shareholders mentioned in the preceding paragraph include those held by their spouses, parents, children, and held by others' accounts.</p>	<p>Article <del>31</del><b>34</b> The shares already issued before initial public offering of the Company shall not be transferred within one (1) year from the date when the Company's shares are listed on the stock exchange.</p> <p>Directors, <del>supervisors, general manager</del> and <del>other</del> senior management of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office as determined at the date of appointment more than 25% of the total number of shares of the same class of the Company which they hold, the shares held of the Company shall not be transferred within one (1) year from the date when the Company's shares are listed; The aforesaid persons shall not transfer the shares of the Company held by them within six (6) months from the date of their leaving the Company. <i><b>If the listing rules of the place where the company's shares are listed have other provisions on the transfer restrictions of H shares, such provisions shall prevail.</b></i></p> <p>If directors, <del>supervisors</del>, senior management and those shareholders holding more than 5% of shares of the Company disposes the shares or other securities with equity nature within six (6) months after purchase, or purchase within six (6) months after disposal, the earnings therefrom shall belong to the Company, and the Board shall reclaim the earnings. However, a security company that holds more than 5% shares due to underwriting purchase of all remaining stock, and the circumstances stipulated by the CSRC shall be excluded. <i><b>If the listing rules of the place where the company's shares are listed have other provisions on the transfer restrictions of H shares, such provisions shall prevail.</b></i></p> <p>The shares or other securities with equity nature held by directors, <del>supervisors</del>, senior management and natural person shareholders mentioned in the preceding paragraph include those held by their spouses, parents, children, and held by others' accounts.</p>

Original provisions	After amendments
<p>If the Board does not implement in accordance with the provisions in the third paragraph of this Article, shareholders have the right to request the Board to implement them within thirty (30) days. Where the Board fails to implement within the aforesaid time limit, the shareholders shall have the right to file a lawsuit in their own name to the People's Court for the interest of the Company. Where the Board fails to implement in accordance with the provisions in the third paragraph of this Article, the responsible directors shall bear joint liability in accordance with the law.</p>	<p>If the Board does not implement in accordance with the provisions in the third paragraph of this Article, shareholders have the right to request the Board to implement them within thirty (30) days. Where the Board fails to implement within the aforesaid time limit, the shareholders shall have the right to file a lawsuit in their own name to the People's Court for the interest of the Company. Where the Board fails to implement in accordance with the provisions in the third paragraph of this Article, the responsible directors shall bear joint liability in accordance with the law.</p>
<p>Article 33 The Company shall maintain a register of members, which is sufficient evidence to verify that a shareholder holds shares of the Company. A shareholder of the Company is a person who lawfully holds shares of the Company and has his name (title) recorded in the register of members.</p> <p>A shareholder shall enjoy relevant rights and assume relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.</p> <p>All classes of shareholders of the Company shall have equal rights in any distribution in the form of a dividend or any other form.</p> <p>A shareholder of legal person shall appoint its legal representative or a proxy authorized by the legal representative to exercise its rights on its behalf.</p> <p>The Company shall protect the rights of shareholders in accordance with the law and pay attention to protecting the legitimate rights and interests of small and medium shareholders. The Company shall establish smooth and effective communication channels with shareholders to protect shareholders' rights to know about major issues of the Company, participate in decision-making and supervision, etc.</p>	<p>Article <del>33</del><b>36</b> The Company shall maintain a register of members, which is sufficient evidence to verify that a shareholder holds shares of the Company. A shareholder of the Company is a person who lawfully holds shares of the Company and has his name (title) recorded in the register of members.</p> <p>A shareholder shall enjoy relevant rights and assume relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.</p> <p>All classes of shareholders of the Company shall have equal rights in any distribution in the form of a dividend or any other form.</p> <p>A shareholder of legal person shall appoint its legal representative or a proxy authorized by the legal representative to exercise its rights on its behalf.</p> <p>The Company shall protect the rights of shareholders in accordance with the law and pay attention to protecting the legitimate rights and interests of small and medium shareholders. The Company shall establish smooth and effective communication channels with shareholders to protect shareholders' rights to know about major issues of the Company, participate in decision-making and supervision, etc.</p>

Original provisions	After amendments
<p>Article 34 Holders of the ordinary shares of the Company shall enjoy the following rights:</p> <p>(1) the right to dividends and other profit distributions in proportion to the number of shares held;</p> <p>(2) the right to propose, convene and preside over, to attend or appoint proxies to attend general meetings, to speak at general meetings, and to exercise the voting right based on respective shareholding in accordance with laws;</p> <p>(3) the right to supervise and manage, present proposals or raise enquiries about the Company's business operations;</p> <p>(4) the right to transfer, give as a gift or pledge the shares in their possession in accordance with the laws, administrative regulations and the Articles of Association;</p> <p>(5) the right to inspect the Articles of Association, the register of members, the register of corporate bond holders, the minutes of general meetings, the resolutions of the Board meetings, the resolutions of meetings of the Board of Supervisors, the financial statements;</p> <p>(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;</p>	<p>Article <del>34</del><b>37</b> Holders of the ordinary shares of the Company shall enjoy the following rights:</p> <p>(1) the right to dividends and other profit distributions in proportion to the number of shares held;</p> <p>(2) the right to propose <b>to hold</b>, convene and preside over, to attend or appoint proxies to attend general meetings, to speak at general meetings, and to exercise the voting right based on respective shareholding in accordance with laws;</p> <p>(3) the right to supervise and manage, present proposals or raise enquiries about the Company's business operations;</p> <p>(4) the right to transfer, give as a gift or pledge the shares in their possession in accordance with the laws, administrative regulations and the Articles of Association;</p> <p>(5) the right to inspect <b>and copy</b> the Articles of Association, the register of members, <del>the register of corporate bond holders</del>, the minutes of general meetings, the resolutions of the Board meetings, <del>the resolutions of meetings of the Board of Supervisors</del>, the financial statements. <b>Shareholders who meet the requirements may inspect the Company's accounting books and accounting documents;</b></p> <p>(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;</p>

Original provisions	After amendments
<p>(7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(8) with respect to shareholders individually or jointly hold 3% or more shares of the Company, the right to propose extraordinary resolutions and submit to the Board in written ten (10) days before the date of general meeting;</p> <p>(9) such other rights conferred by the laws, administrative regulations, departmental rules and the Articles of Association.</p> <p>Shareholders shall provide written document that can prove the class and number of shares held by them if they request to inspect the aforementioned information or collect information, the Company should provide the information according to the shareholder's request after verifying the identity of the shareholder.</p>	<p>(7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(8) with respect to shareholders individually or jointly hold <b>31%</b> or more shares of the Company, the right to propose extraordinary resolutions and submit to the Board in written ten (10) days before the date of general meeting;</p> <p>(9) such other rights conferred by the laws, administrative regulations, departmental rules and the Articles of Association.</p> <p>Shareholders shall <b><i>comply with the provisions of laws and administrative regulations, such as the Company Law and Securities Law, and</i></b> provide written document that can prove the class and number of shares held by them if they request to inspect <b><i>and copy</i></b> the aforementioned information or collect information, the Company should provide the information according to the shareholder's request after verifying the identity of the shareholder.</p>

Original provisions	After amendments
<p>Article 35 If any resolution of the general meeting or the Board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit to a People's Court to nullify such resolution.</p> <p>If the convening procedures or voting methods for the general meeting or the Board meeting violate the laws, administrative regulations or the Articles of Association, or any content of the resolution thereof violates the Articles of Association, the shareholders shall have the right to submit to a People's Court within sixty (60) days after such a resolution is made to revoke it. However, minor flaws in the convening procedures or voting methods of the general meeting or the Board meetings that do not have a substantial impact on the resolution shall be excluded.</p> <p>Shareholders who have not been notified to participate in the general meeting shall have the right to request the People's Court to revoke such resolution within sixty (60) days from the date when they know or should know that the resolution was made. If they do not exercise the right to revoke within one year from the date of the resolution, the right to revoke shall be extinguished.</p>	<p>Article <del>35</del><b>38</b> If any resolution of the general meeting or the Board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit to a People's Court to nullify such resolution.</p> <p>If the convening procedures or voting methods for the general meeting or the Board meeting violate the laws, administrative regulations or the Articles of Association, or any content of the resolution thereof violates the Articles of Association, the shareholders shall have the right to submit to a People's Court within sixty (60) days after such a resolution is made to revoke it. However, minor flaws in the convening procedures or voting methods of the general meeting or the Board meetings that do not have a substantial impact on the resolution shall be excluded.</p> <p><i>Where any dispute arises among relevant parties such as the Board or shareholders regarding the validity of a resolution of the general meeting, they shall bring a legal action in the People's Court in a timely manner. Prior to a judgment or ruling by the People's Court to revoke the resolution, the relevant parties shall implement such resolution of the general meeting. The Company, directors and senior management shall diligently perform their duties to ensure the normal operation of the Company.</i></p>

Original provisions	After amendments
	<p><i>If the People's Court issues a judgment or ruling on the matter, the Company shall fulfill its disclosure obligations by fully disclosing the relevant impacts as required by laws, administrative regulations, the CSRC and the stock exchange where the shares of the Company are listed, and shall take the initiative to cooperate in implementation upon such judgment or ruling taking effect. Where any prior matter requires rectification, the Company shall handle such matter and fulfill its corresponding information disclosure obligations in a timely manner.</i></p> <p><del><i>Shareholders who have not been notified to participate in the general meeting shall have the right to request the People's Court to revoke such resolution within sixty (60) days from the date when they know or should know that the resolution was made. If they do not exercise the right to revoke within one year from the date of the resolution, the right to revoke shall be extinguished.</i></del></p>
Added	<p><i>Article 39 A resolution of the general meeting or the Board shall be deemed invalid under any of the following circumstances:</i></p> <ul style="list-style-type: none"> <li><i>(1) The resolution was made without the convening of a general meeting or Board meeting;</i></li> <li><i>(2) No voting was conducted on the resolution at the general meeting or Board meeting;</i></li> <li><i>(3) The number of attendees or the voting rights represented at the meeting did not meet the quorum requirements under the Company Law or the Articles of Association;</i></li> <li><i>(4) The number of affirmative votes or voting rights in favor of the resolution did not meet the approval thresholds as prescribed by the Company Law or the Articles of Association.</i></li> </ul>

Original provisions	After amendments
<p>Article 36 Shareholders individually or jointly holding 1% or more of the Company's shares for 180 consecutive days or more shall have the right to request the Board of Supervisors in writing to bring a legal action in the People's Court against any director or senior management for loss of Company resulting from their violation of any laws, administrative regulations or provisions of the Articles of Association in the course of performing their duties; shareholders may request the Board in writing to bring a legal action against supervisors for the loss of the Company resulting from their violation of any laws, administrative regulations or provisions of the Articles of Association in the course of performing the duties.</p> <p>The shareholders described in the preceding paragraph may bring legal action in the People's Court directly in their own names in the interest of the Company in the event that the Board of Supervisors or the Board refuses to initiate legal proceedings after receiving the aforesaid written request of shareholders, or fails to initiate such legal proceedings within 30 days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest.</p> <p>Shareholders as referred to in sub-paragraph (1) of this Article may also initiate legal proceedings in the People's Court under the provisions set out in the preceding two paragraphs if any third parties infringe on the lawful interests of the Company which caused damage to the Company.</p>	<p>Article <del>36</del><b>40</b> Shareholders individually or jointly holding 1% or more of the Company's shares for 180 consecutive days or more shall have the right to request the <del>Board of Supervisors</del><b>audit committee</b> in writing to bring a legal action in the People's Court against any director or senior management <i>other than a member of the audit committee</i> for loss of Company resulting from their violation of any laws, administrative regulations or provisions of the Articles of Association in the course of performing their duties; <i>the aforesaid</i> shareholders may request the Board in writing to bring a legal action against <del>supervisors</del><b>members of the audit committee</b> for the loss of the Company resulting from their violation of any laws, administrative regulations or provisions of the Articles of Association in the course of performing the duties.</p> <p>The shareholders described in the preceding paragraph may bring legal action in the People's Court directly in their own names in the interest of the Company in the event that the <del>Board of Supervisors</del><b>audit committee</b> or the Board refuses to initiate legal proceedings after receiving the aforesaid written request of shareholders, or fails to initiate such legal proceedings within 30 days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest.</p> <p>Shareholders as referred to in sub-paragraph (1) of this Article may also initiate legal proceedings in the People's Court under the provisions set out in the preceding two paragraphs if any third parties infringe on the lawful interests of the Company which caused damage to the Company.</p>

Original provisions	After amendments
	<p><i>Pursuant to the first three paragraphs of Article 189 of the Company Law, shareholders individually or jointly holding 1% or more of the Company's shares for 180 consecutive days or more may request the board of supervisors or the board of directors of a wholly-owned subsidiary of the Company in writing to bring a legal action in the People's Court, or bring a legal action directly in their own names, against any director, supervisor or senior management of such wholly-owned subsidiary for loss of the Company resulting from their violation of any laws, administrative regulations or provisions of the Articles of Association in the course of performing their duties, or if any third parties infringe on the lawful interests of such wholly-owned subsidiary which caused damage to the Company.</i></p> <p><i>Where a wholly-owned subsidiary of the Company does not have a board of supervisors or supervisors but has established an audit committee, the provisions of paragraphs 1 and 2 of this Article shall apply.</i></p>
<p>Article 38 Shareholders who hold more than 5% voting shares of the Company and pledge the said voting shares shall submit a written report to the Company on the date of such incident.</p>	<p><i>Deleted</i></p>

Original provisions	After amendments
<p>Article 39 Holders of the ordinary shares of the Company shall have the following obligations:</p> <p>(1) to abide by the laws, administrative regulations and the Articles of Association;</p> <p>(2) to pay the share subscription price based on the shares subscribed and the method of subscription;</p> <p>(3) to assume obligations to the Company to the extent of their respective shareholding;</p> <p>(4) not to withdraw capital contribution upon approval and registration by the Company, except for those circumstances as stipulated under the laws and regulations;</p> <p>(5) not to abuse their shareholders' rights to prejudice the interests of the Company or other shareholders, and not to abuse the independent status of the Company as a legal entity and the limited liability of shareholders to prejudice the interests of the Company's creditors. If a shareholder of the Company abuses the rights of shareholder and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law. If a shareholder of the Company abuses the Company's independent status as a legal entity and the limited liability of shareholders for the purposes of avoiding debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company;</p> <p>(6) to assume other obligations required by the laws, administrative regulations and the Articles of Association.</p>	<p>Article <del>39</del><b>42</b> Holders of the ordinary shares of the Company shall have the following obligations:</p> <p>(1) to abide by the laws, administrative regulations and the Articles of Association;</p> <p>(2) to pay the share subscription price based on the shares subscribed and the method of subscription;</p> <p>(3) to assume obligations to the Company to the extent of their respective shareholding;</p> <p>(4) not to withdraw <del>capital contribution</del> <b>share capital</b> upon approval and registration by the Company, except for those circumstances as stipulated under the laws and regulations;</p> <p>(5) not to abuse their shareholders' rights to prejudice the interests of the Company or other shareholders, and not to abuse the independent status of the Company as a legal entity and the limited liability of shareholders to prejudice the interests of the Company's creditors. <del>If a shareholder of the Company abuses the rights of shareholder and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law. If a shareholder of the Company abuses the Company's independent status as a legal entity and the limited liability of shareholders for the purposes of avoiding debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company;</del></p> <p>(6) to assume other obligations required by the laws, administrative regulations and the Articles of Association.</p>

Original provisions	After amendments
<i>Added (No substantive amendments; repositioned based on the structure of the Guidance for the Articles of Listed Company)</i>	<i>Article 43 If a shareholder of the Company abuses the rights of shareholder and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law. If a shareholder of the Company abuses the Company's independent status as a legal entity and the limited liability of shareholders for the purpose of avoiding debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.</i>
Article 40 Unless otherwise specified in the Articles of Association, the term “controlling shareholder” refers to shareholders whose shareholding exceeds 50% of the total share capital of the Company; or shareholders whose shareholding is less than 50% of the total share capital, but whose voting rights are sufficient to exercise a significant influence on resolutions of the general meeting.	<i>Deleted (No substantive amendments; repositioned based on the structure of the Guidance for the Articles of Listed Company)</i>

Original provisions	After amendments
<p>Article 41 Neither the controlling shareholder nor the de facto controller of the Company may prejudice the interests of the Company by taking advantage of his related party relationship. Anyone who causes any loss to the Company as a result of violating the provisions shall be liable for the compensation.</p> <p>The controlling shareholder and the de facto controller of the Company owe a fiduciary duty to the Company and public shareholders. The controlling shareholder shall strictly exercise the rights as a subscriber, and shall not impair the legitimate rights and interests of the Company and public shareholders in the ways of profit distribution, asset reorganization, overseas investment, capital use and loans and guarantees, and shall not impair the interests of the Company and public shareholders by using its controlling status in the Company.</p> <p>The controlling shareholder and the de facto controller of the Company shall be separated with the Company in terms of organization, personnel, asset, business and financial matter. Each of them shall operate independently with separate accounts, and assume obligations and risk exposures independently. They are restricted from requesting the Company to assume additional service and obligations for them by using their respective special status.</p>	<p>Article <del>41</del><del>44</del> <del>Neither</del><del>—t</del>The controlling shareholder <del>nor</del><del>and</del> the de facto controller of the Company <i>shall exercise their rights and perform their obligations as stipulated by laws, administrative regulations, the CSRC and the stock exchange where the shares of the Company are listed, and shall safeguard the interests of the Company</i><del>may prejudice the interests of the Company by taking advantage of his related party relationship. Anyone who causes any loss to the Company as a result of violating the provisions shall be liable for the compensation.</del></p> <p><del>The controlling shareholder and the de facto controller of the Company owe a fiduciary duty to the Company and public shareholders. The controlling shareholder shall strictly exercise the rights as a subscriber, and shall not impair the legitimate rights and interests of the Company and public shareholders in the ways of profit distribution, asset reorganization, overseas investment, capital use and loans and guarantees, and shall not impair the interests of the Company and public shareholders by using its controlling status in the Company.</del></p> <p><del>The controlling shareholder and the de facto controller of the Company shall be separated with the Company in terms of organization, personnel, asset, business and financial matter. Each of them shall operate independently with separate accounts, and assume obligations and risk exposures independently. They are restricted from requesting the Company to assume additional service and obligations for them by using their respective special status.</del></p>

Original provisions	After amendments
<p>Controlling shareholders shall nominate candidates for directors and supervisors of the Company according to the conditions and procedures stipulated by laws and regulations and the Articles of Association. Controlling shareholders shall not set up approval procedures for the results of the personnel election at the general meeting and the personnel appointment resolution of the Board.</p> <p>Where there is a change in control of the Company, relevant parties shall adopt effective measures to ensure the Company's stable operation during the transition period. If a material issue occurs, the Company shall report to the CSRC and its agencies and the stock exchange.</p> <p>For the purposes hereof, the term "de facto controller" means the persons, not being shareholders of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, agreement or other arrangements.</p>	<p><del>Controlling shareholders shall nominate candidates for directors and supervisors of the Company according to the conditions and procedures stipulated by laws and regulations and the Articles of Association. Controlling shareholders shall not set up approval procedures for the results of the personnel election at the general meeting and the personnel appointment resolution of the Board.</del></p> <p><del>Where there is a change in control of the Company, relevant parties shall adopt effective measures to ensure the Company's stable operation during the transition period. If a material issue occurs, the Company shall report to the CSRC and its agencies and the stock exchange.</del></p> <p><del>For the purposes hereof, the term "de facto controller" means the persons, not being shareholders of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, agreement or other arrangements.</del></p>
<p><b>Added</b></p>	<p><b>Article 45</b> The controlling shareholder and the de facto controller of the Company shall comply with the following provisions:</p> <p>(1) shall exercise their shareholders' rights lawfully, and shall not abuse their controlling rights or utilize their related party relationships to impair the legitimate rights and interests of the Company or other shareholders;</p> <p>(2) shall strictly fulfill all public statements and undertakings made, and shall not modify or waive them without authorization;</p>

Original provisions	After amendments
	<p>(3) <i>shall strictly fulfill their information disclosure obligations in accordance with relevant regulations, proactively cooperate with the Company in carrying out information disclosure-related work, and notify the Company of any material event that has occurred or is to occur in a timely manner;</i></p> <p>(4) <i>shall not misappropriate the Company's funds through any means;</i></p> <p>(5) <i>shall not compel, instruct or demand the Company and relevant personnel to provide illegal or non-compliant guarantees;</i></p> <p>(6) <i>shall not exploit the undisclosed material information of the Company for personal gain, disclose any undisclosed material information relating to the Company through any means, or engage in illegal activities including insider trading, short-swing trading and market manipulation;</i></p> <p>(7) <i>shall not harm the legitimate rights and interests of the Company and other shareholders through related party transactions, profit distribution, asset reorganization, external investment and any other means that are not conducted on arm's length basis;</i></p> <p>(8) <i>shall ensure the asset integrity, personnel independence, financial independence, organizational independence and business independence of the Company, and shall not impair the independence of the Company in any manner;</i></p>

Original provisions	After amendments
	<p><i>(9) shall comply with other provisions under laws, administrative regulations, the provisions of the CSRC, the rules of the stock exchange where the shares of the Company are listed and the Articles of Association.</i></p> <p><i>The provisions regarding the obligations of loyalty and diligence of directors in the Articles of Association shall equally apply to the controlling shareholder or de facto controller of the Company who does not serve as a director but are executing the affairs of the Company.</i></p> <p><i>The controlling shareholder or de facto controller of the Company instructing a director or senior management to engage in acts that harm the interests of the Company or shareholders shall be jointly liable with the director or senior management.</i></p>
<i>Added</i>	<i>Article 46 The controlling shareholder and the de facto controller shall retain control and operational stability of the Company when pledging the Company's shares held by them or under their control.</i>
<i>Added</i>	<i>Article 47 The controlling shareholder and the de facto controller shall comply with the share transfer restrictions as required by laws, administrative regulations, the CSRC and the stock exchange where the shares of the Company are listed, as well as any undertakings they have made concerning these share transfer restrictions, when transferring the Company's shares held by them.</i>
Chapter 7 General Meeting	Chapter 7 General Meeting
Article 42 The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.	Article <del>42</del> <sup>48</sup> <i>The general meeting of the Company is composed of all shareholders.</i> The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Original provisions	After amendments
Article 43 The general meeting shall exercise the following functions and powers:	Article <del>43</del> <sup>49</sup> The general meeting shall exercise the following functions and powers:
(1) elect and replace directors and supervisors, and make decisions on matters in relation to the remuneration of the relevant directors and supervisors;	(1) elect and replace directors— <del>and supervisors</del> , and make decisions on matters in relation to the remuneration of the relevant directors— <del>and supervisors</del> ;
(2) examine and approve the reports of the Board;	(2) examine and approve the reports of the Board;
(3) examine and approve the reports of the Board of Supervisors;	<del>(3) examine and approve the reports of the Board of Supervisors;</del>
(4) examine and approve the profit distribution plan and loss compensation plan of the Company;	<del>(4)</del> (3) examine and approve the profit distribution plan and loss compensation plan of the Company;
(5) decide on increasing or reducing the registered capital of the Company;	<del>(5)</del> (4) decide on increasing or reducing the registered capital of the Company;
(6) decide on the issuance of corporate bonds or other securities and listing plans;	<del>(6)</del> (5) decide on the issuance of corporate bonds or other securities and listing plans;
(7) decide on matters such as merger, division, dissolution, liquidation and alteration of corporate form of the Company;	<del>(7)</del> (6) decide on matters such as merger, division, dissolution, liquidation and alteration of corporate form of the Company;
(8) consider the amendments to the Articles of Association, as well as the rules of procedures of the general meeting, Board meeting and meeting of the Board of Supervisors;	<del>(8)</del> (7) consider the amendments to the Articles of Association, as well as the rules of procedures of the general meeting,— <del>and Board meeting—and meeting of the Board of Supervisors</del> ;
(9) decide on the appointment, dismissal or termination of re-appointment of accounting firm;	<del>(9)</del> (8) decide on the appointment, <del>or dismissal—or termination of re-appointment</del> of accounting firm <i>which provides audit services to the Company</i> ;

Original provisions	After amendments
(10) consider and approve the motions raised by shareholders holding more than 3% (inclusive) of voting shares of the Company;	<del>(10)</del> (9) consider and approve the motions raised by shareholders holding more than <b>31%</b> (inclusive) of voting shares of the Company;
(11) consider matters relating to the purchases and sales of significant assets with a total assets value or transaction value within one year exceeding 30% of the latest audited total assets of the Company;	<del>(11)</del> (10) consider matters relating to the purchases and sales of significant assets with a total assets value or transaction value within one year exceeding 30% of the latest audited total assets of the Company;
(12) decide on the guarantee issues as prescribed in Article 44 of the Articles of Association;	<del>(12)</del> (11) decide on the guarantee issues as prescribed in Article <b>4450</b> of the Articles of Association;
(13) review and approve the issue of altering the use of raised funds;	<del>(13)</del> (12) review and approve the issue of altering the use of raised funds;
(14) consider and approve share incentive plans and the employee stock ownership plan;	<del>(14)</del> (13) consider and approve share incentive plans and the employee stock ownership plan;
(15) other matters shall be decided by the general meeting pursuant to the laws, administrative regulations and the Articles of Association;	<del>(15)</del> (14) other matters shall be decided by the general meeting pursuant to the laws, administrative regulations and the Articles of Association;
(16) other matters shall be decided by the general meeting as stipulated by the listing rules of the stock exchange where the shares of the Company are listed.	<del>(16)</del> (15) other matters shall be decided by the general meeting as stipulated by the listing rules of the stock exchange where the shares of the Company are listed.
The general meeting may authorize the Board to resolve on the issuance of corporate bonds. Other than that, the functions and powers of the general meeting mentioned above shall not be delegated to the Board or other body or individual.	The general meeting may authorize the Board to resolve on the issuance of corporate bonds. <del>Other than that, the functions and powers of the general meeting mentioned above shall not be delegated to the Board or other body or individual.</del>

Original provisions	After amendments
<p>The general meeting may authorize or delegate the Board to deal with authorized or delegated matters, provided that no violation on mandatory rules under the relevant PRC laws, regulations, regulatory documents and the listing rules of the stock exchange where the shares of the Company are listed, the delegation shall be clear and specific, and shall be made in writing. However, the functions and powers delegated to the general meeting shall not be delegated to the Board.</p>	<p><del>The general meeting may authorize or delegate the Board to deal with authorized or delegated matters, provided that no violation on mandatory rules under the relevant PRC</del>functions and powers of the general meeting shall not be delegated to the Board or other body or individual, except as otherwise provided by the laws, regulations, regulatory documents, <del>the CSRC and the listing rules of</del> the stock exchange where the shares of the Company are listed, <del>the delegation shall be clear and specific, and shall be made in writing. However, the functions and powers delegated to the general meeting shall not be delegated to the Board.</del></p>
<p>Article 44 The following external guarantees of the Company must be reviewed and passed by the Board, and then submitted to be reviewed and passed at the general meeting:</p> <p>(1) any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company or its controlled subsidiary with a total amount of more than 50% of the Company's latest audited net assets;</p> <p>(2) any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount of more than 30% of the Company's latest audited total assets;</p> <p>(3) any guarantee exceeding 30% of the total audited assets of the latest period, calculated on the basis of the amount of guarantee for twelve (12) consecutive months;</p> <p>(4) to provide guarantee to any person or entity with a gearing ratio in excess of 70%;</p>	<p>Article <del>44</del><b>50</b> The following external guarantees of the Company must be reviewed and passed by the Board, and then submitted to be reviewed and passed at the general meeting:</p> <p>(1) any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company or its controlled subsidiary with a total amount of more than 50% of the Company's latest audited net assets;</p> <p>(2) any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company <del>or its controlled subsidiary</del> with a total amount of more than 30% of the Company's latest audited total assets;</p> <p>(3) any guarantee exceeding 30% of the total audited assets of the latest period, calculated on the basis of the amount of guarantee for twelve (12) consecutive months;</p> <p>(4) to provide guarantee to any person or entity with a gearing ratio in excess of 70%;</p>

Original provisions	After amendments
<p>(5) a single guarantee whose amount exceeds 10% of the latest audited net assets;</p> <p>(6) to provide guarantee for shareholders, de facto controllers and their related parties;</p> <p>(7) other situations of guarantees required by laws, regulations and other provisions or by regulatory body to be reviewed and approved by the general meeting.</p> <p>For guarantee matters within the scope of authority of the Board, in addition to being approved by more than half of all directors, they should also be approved by more than two-thirds of directors present at the Board meeting. The guarantee in Item (3) above shall be passed by more than two-thirds of the voting rights held by shareholders present at the general meeting.</p> <p>Where the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a controlling subsidiary and other shareholders of the controlling subsidiary provide the same proportion of guarantee according to the rights and interests they enjoy, without harming the interests of the Company, the provisions of Items (1), (4) and (5) above may be exempted, except as otherwise provided in the Articles of Association. The Company shall summarize and disclose the aforesaid guarantee in the annual report and interim report.</p> <p>Where the Company provides guarantee for related parties, such guarantee shall be provided based on reasonable business logic. The Company shall disclose it in time after the Board. The Company shall deliberate and approve it, and submit it to the general meeting for approval. If the Company provides guarantee for controlling shareholders, de facto controller and their related parties, the controlling shareholders, de facto controller and their related parties shall provide counter-guarantee.</p>	<p>(5) a single guarantee whose amount exceeds 10% of the latest audited net assets;</p> <p>(6) to provide guarantee for shareholders, de facto controllers and their related parties;</p> <p>(7) other situations of guarantees required by laws, regulations and other provisions or by regulatory body to be reviewed and approved by the general meeting.</p> <p>For guarantee matters within the scope of authority of the Board, in addition to being approved by more than half of all directors, they should also be approved by more than two-thirds of directors present at the Board meeting. The guarantee in Item (3) above shall be passed by more than two-thirds of the voting rights held by shareholders present at the general meeting.</p> <p>Where the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a controlling subsidiary and other shareholders of the controlling subsidiary provide the same proportion of guarantee according to the rights and interests they enjoy, without harming the interests of the Company, the provisions of Items (1), (4) and (5) above may be exempted, except as otherwise provided in the Articles of Association. The Company shall summarize and disclose the aforesaid guarantee in the annual report and interim report.</p> <p>Where the Company provides guarantee for related parties, such guarantee shall be provided based on reasonable business logic. The Company shall disclose it in time after the Board. The Company shall deliberate and approve it, and submit it to the general meeting for approval. If the Company provides guarantee for controlling shareholders, de facto controller and their related parties, the controlling shareholders, de facto controller and their related parties shall provide counter-guarantee.</p>

Original provisions	After amendments
<p>Article 45 Major transactions (except external guarantees) that meet one of the following criteria shall be submitted to the general meeting for approval:</p> <p>(1) The total assets involved in the transaction (the greater one will prevail in case of both book value and assessed value are available) amounts to more than 50% of the latest audited total assets of the Company;</p> <p>(2) The transaction amount amounts to more than 50% of the Company's market value;</p> <p>(3) The net assets of the subject matter of the transaction (such as equity rights) amounts to more than 50% of the Company's market value;</p> <p>(4) The operation revenue of the subject matter of the transaction (such as equity rights) in the latest accounting year amounts to more than 50% of the audited operation revenue of the Company in the latest financial year, and exceeds RMB50 million;</p> <p>(5) The profit from the transaction amounts to more than 50% of the audited net profit in the latest accounting year of the Company and exceeds RMB5 million;</p> <p>(6) The net profit in connection with the subject matter of the transaction (such as equity rights) in the latest financial year amount to more than 50% of the audited net profit in the latest financial year of the Company and exceeds RMB5 million.</p>	<p>Article <del>45</del><b>51</b> Major transactions (except <del>external provision of</del> guarantees <del>and financial assistance</del>) that meet one of the following criteria shall be submitted to the general meeting for approval:</p> <p>(1) The total assets involved in the transaction (the greater one will prevail in case of both book value and assessed value are available) amounts to more than 50% of the latest audited total assets of the Company;</p> <p>(2) The transaction amount amounts to more than 50% of the Company's market value;</p> <p>(3) The net assets of the subject matter of the transaction (such as equity rights) <b>in the latest accounting year</b> amounts to more than 50% of the Company's market value;</p> <p>(4) The operation revenue of the subject matter of the transaction (such as equity rights) in the latest accounting year amounts to more than 50% of the audited operation revenue of the Company in the latest financial year, and exceeds RMB50 million;</p> <p>(5) The profit from the transaction amounts to more than 50% of the audited net profit in the latest accounting year of the Company and exceeds RMB5 million;</p> <p>(6) The net profit in connection with the subject matter of the transaction (such as equity rights) in the latest financial year amount to more than 50% of the audited net profit in the latest financial year of the Company and exceeds RMB5 million.</p>

Original provisions	After amendments
<p>The net profit index in the above criteria can be exempted from application before the Company realizes profits.</p> <p>The transaction amount mentioned above refers to the transaction amount paid and the debts and expenses incurred. If the transaction arrangement involves possible payment or collection of consideration in the future, and there is no specific amount or the amount is to be determined based on conditions, the maximum expected amount will be the transaction amount.</p> <p>The market value specified above refers to the arithmetic average of the closing market price of 10 trading days before the transaction. If the Company implements the transaction in stages, the above provisions shall apply on the basis of the total transaction amount. The Company shall timely disclose the actual situation of the transaction in stages.</p> <p>When the Company unilaterally benefits from the transaction, including receiving cash assets as gift, being granted debt reduction or relief, accepting guarantee and financial assistance, etc.; the Company may be exempted from performing the review and approval procedures of the general meeting according to this article.</p>	<p><i>Where any data referenced in the foregoing indicators is negative, the absolute value shall be taken for calculation purposes. <del>The net profit index in the above criteria can be exempted from application before the Company realizes profits.</del></i></p> <p>The transaction amount mentioned above refers to the transaction amount paid and the debts and expenses incurred. If the transaction arrangement involves possible payment or collection of consideration in the future, and there is no specific amount or the amount is to be determined based on conditions, the maximum expected amount will be the transaction amount.</p> <p>The market value specified above refers to the arithmetic average of the closing market price of 10 trading days before the transaction. If the Company implements the transaction in stages, the above provisions shall apply on the basis of the total transaction amount. The Company shall timely disclose the actual situation of the transaction in stages.</p> <p>When the Company unilaterally benefits from the transaction, including receiving cash assets as gift, being granted debt reduction or relief, accepting guarantee and financial assistance, etc.; the Company may be exempted from performing the review and approval procedures of the general meeting according to this article.</p>

Original provisions	After amendments
<p>Subject to the laws and regulations of the place where the Company is listed, the STAR Market Listing Rules and Hong Kong Listing Rules, when considering a related party transaction at a general meeting, the following related party shareholders shall abstain from voting and shall not exercise voting rights on behalf of other shareholders:</p> <p>(1) a counterparty;</p> <p>(2) a person directly or indirectly controls the counterparty;</p> <p>(3) a person directly or indirectly controlled by the counterparty;</p> <p>(4) a person directly or indirectly under common control with the counterparty by the same legal person, other organizations or natural person;</p> <p>(5) a person whose voting rights are restricted or affected as a result of outstanding equity transfer agreement or other agreement with the counterparty or its related party;</p> <p>(6) a person with material interest in the transaction;</p> <p>(7) Shareholders as identified by the CSRC or the stock exchange where the Company's shares are listed, to whom the listed company's interests may be in their favor.</p>	<p>Subject to the laws and regulations of the place where the Company is listed, the STAR Market Listing Rules and Hong Kong Listing Rules, when considering a related party transaction at a general meeting, the following related party shareholders shall abstain from voting and shall not exercise voting rights on behalf of other shareholders:</p> <p>(1) a counterparty;</p> <p>(2) a person directly or indirectly controls the counterparty;</p> <p>(3) a person directly or indirectly controlled by the counterparty;</p> <p>(4) a person directly or indirectly under common control with the counterparty by the same legal person, other organizations or natural person;</p> <p>(5) <b><i>a person who holds office in the counterparty or in the legal person or other organization which can directly or indirectly control the counterparty or is directly or indirectly controlled by the counterparty;</i></b></p> <p>(6) <b><i>a close family member of the counterparty or its direct or indirect controller;</i></b></p> <p><del>(5)</del>(7) a person whose voting rights are restricted or affected as a result of outstanding equity transfer agreement or other agreement with the counterparty or its related party;</p> <p><del>(6)</del>(8) a person with material interest in the transaction;</p> <p><del>(7)</del>(9) Shareholders as identified by the CSRC or the stock exchange where the Company's shares are listed, to whom the listed company's interests may be in their favor.</p>

Original provisions	After amendments
<p>Article 46 The general meetings shall include annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year and shall be held within six (6) months from the end of the preceding financial year.</p> <p>Extraordinary general meetings shall be convened when necessary. The Board shall convene an extraordinary general meeting within two (2) months upon the occurrence of any of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;</li> <li>(2) the losses of the Company that have not been made up reach one-third of the total paid-in share capital of the Company;</li> <li>(3) shareholders who individually or jointly hold more than 10% (inclusive) of the shares of the Company requesting an extraordinary general meeting to be convened;</li> <li>(4) whenever the Board considers necessary or when the Board of Supervisors proposes a meeting;</li> <li>(5) other circumstances prescribed by the laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.</li> </ol> <p>In the event of items (3) and (4) above, the motions proposed by the convening requester shall be included in the agenda of the meeting.</p>	<p>Article <del>46</del><sup>52</sup> The general meetings shall include annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year and shall be held within six (6) months from the end of the preceding financial year.</p> <p>Extraordinary general meetings shall be convened when necessary. The Board shall convene an extraordinary general meeting within two (2) months upon the occurrence of any of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;</li> <li>(2) the losses of the Company that have not been made up reach one-third of the total <del>paid-in</del> share capital of the Company;</li> <li>(3) shareholders who individually or jointly hold more than 10% (inclusive) of the shares of the Company requesting an extraordinary general meeting to be convened;</li> <li>(4) whenever the Board considers necessary or when the <del>Board of Supervisors</del><sup>audit committee</sup> proposes a meeting;</li> <li>(5) other circumstances prescribed by the laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.</li> </ol> <p>In the event of items (3) and (4) above, the motions proposed by the convening requester shall be included in the agenda of the meeting.</p>

Original provisions	After amendments
<p>Independent directors shall have the right to propose to the Board for convening extraordinary general meetings. If an independent director proposes to the Board to convene an extraordinary general meeting, it must be approved by more than half of all independent directors. For independent directors' request to convene extraordinary general meeting, the Board shall give a written feedback agreeing or disagreeing to convene the extraordinary general meeting within ten (10) days upon receiving the proposal in accordance with laws, administrative regulations and provisions hereof. The Board agreeing to convene extraordinary general meeting shall give notice of the meeting within five (5) days after making resolution; The Board disagreeing to convene extraordinary general meeting shall give reasons and make an announcement.</p> <p>The Board of Supervisors shall have the right to propose to the Board for convening extraordinary general meeting and shall make such proposal in writing. The Board shall give a written feedback agreeing or disagreeing to convene the extraordinary general meeting within ten (10) days upon receiving the proposal in accordance with laws, administrative regulations and provisions hereof.</p> <p>The Board agreeing to convene the extraordinary general meeting shall issue notice of the meeting within five (5) days after making the resolution; any modification on the original proposal in the notice shall be approved by the Board of Supervisors.</p> <p>The Board disagreeing to convene the extraordinary general meeting or fails to give feedback within ten (10) days after receiving the proposal will be deemed as failed to or cannot fulfill its obligations to convene general meetings, and the Board of Supervisors can convene and preside over the meeting by itself.</p>	<p><b><i>The Board shall convene general meetings on time within the prescribed period.</i></b> Independent directors shall have the right to propose to the Board for convening extraordinary general meetings. If an independent director proposes to the Board to convene an extraordinary general meeting, it must be approved by more than half of all independent directors. For independent directors' request to convene extraordinary general meeting, the Board shall give a written feedback agreeing or disagreeing to convene the extraordinary general meeting within ten (10) days upon receiving the proposal in accordance with laws, administrative regulations and provisions hereof. The Board agreeing to convene extraordinary general meeting shall give notice of the meeting within five (5) days after making resolution; The Board disagreeing to convene extraordinary general meeting shall give reasons and make an announcement.</p> <p>The <del><b><i>Board of Supervisors</i></b></del><b><i>audit committee</i></b> shall have the right to propose to the Board for convening extraordinary general meeting and shall make such proposal in writing. The Board shall give a written feedback agreeing or disagreeing to convene the extraordinary general meeting within ten (10) days upon receiving the proposal in accordance with laws, administrative regulations and provisions hereof.</p> <p>The Board agreeing to convene the extraordinary general meeting shall issue notice of the meeting within five (5) days after making the resolution; any modification on the original proposal in the notice shall be approved by the <del><b><i>Board of Supervisors</i></b></del><b><i>audit committee</i></b>.</p> <p>The Board disagreeing to convene the extraordinary general meeting or fails to give feedback within ten (10) days after receiving the proposal will be deemed as failed to or cannot fulfill its obligations to convene general meetings, and the <del><b><i>Board of Supervisors</i></b></del><b><i>audit committee</i></b> can convene and preside over the meeting by itself.</p>

Original provisions	After amendments
<p>Article 49 At the general meeting convened by the Company, the Board, the Board of Supervisors and shareholder(s) individually or jointly holding at least 3% of the shares of the Company shall have the right to submit new proposals to the Company.</p> <p>Shareholder(s) individually or jointly holding at least 3% of the Company's shares may propose an extempore proposal ten (10) days prior to the general meeting by submitting the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within two (2) days after receiving the proposed motion specifying the content of the extempore motion.</p> <p>Except as provided in the preceding paragraph, the convener shall not amend the proposals specified in the notice of the general meeting nor add new proposals after the notice is dispatched by way of announcement.</p> <p>The general meeting shall not vote and resolve proposals not stated in the notice of the general meeting or failing to meet the abovementioned requirements.</p>	<p>Article <del>49</del><b>55</b> At the general meeting convened by the Company, the Board, the <del>Board of Supervisors</del><b>audit committee</b> and shareholder(s) individually or jointly holding at least <del>3</del><b>31</b>% of the shares of the Company shall have the right to submit new proposals to the Company.</p> <p>Shareholder(s) individually or jointly holding at least <del>3</del><b>31</b>% of the Company's shares may propose an extempore proposal ten (10) days prior to the general meeting by submitting the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within two (2) days after receiving the proposed motion <del>specifying</del><b>announcing</b> the content of the extempore motion. <b><i>Such extempore proposal shall be submitted to the general meeting for consideration, except where such extempore proposal violates provisions under laws, administrative regulations or the Articles of Association, or not within the terms of reference of the general meeting.</i></b></p> <p>Except as provided in the preceding paragraph, the convener shall not amend the proposals specified in the notice of the general meeting nor add new proposals after the notice is dispatched by way of announcement.</p> <p>The general meeting shall not vote and resolve proposals not stated in the notice of the general meeting or failing to meet the abovementioned requirements.</p>

Original provisions	After amendments
<p>Article 50 Shareholders requesting the convening of an extraordinary general meeting shall proceed in accordance with the procedures set forth below:</p> <p>(1) Shareholder(s) individually or jointly holding a total of 10% or more of the shares of the Company carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting and stating the subject of the meeting. The Board shall give a written feedback agreeing or disagreeing to convene the extraordinary general meeting within ten (10) days after having received the above-mentioned written request without undue delay. The shareholding referred to above shall be calculated as of the date on which the written request is made by shareholder(s).</p> <p>If the Board agrees to convene an extraordinary general meeting, it shall issue the notice of the meeting within five (5) days after its resolutions, and modifications to the original request in the notice shall be approved by relevant shareholders.</p> <p>(2) If the Board disagrees to convening an extraordinary general meeting, or has not provided feedback within ten (10) days after receiving the written request, the shareholder(s) individually or jointly holding a total of 10% or more of the shares carrying the right to vote at the meeting sought shall have the right to propose the convening of an extraordinary general meeting to the Board of Supervisors and submit such written request. If the Board of Supervisors agrees to convene an extraordinary general meeting, it shall issue the notice of the meeting within five (5) days after receipt of the request, and modifications to the original request in the notice shall be approved by relevant shareholders.</p>	<p>Article <del>50</del><b>56</b> Shareholders requesting the convening of an extraordinary general meeting shall proceed in accordance with the procedures set forth below:</p> <p>(1) Shareholder(s) individually or jointly holding a total of 10% or more of the shares of the Company carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting and stating the subject of the meeting. The Board shall give a written feedback agreeing or disagreeing to convene the extraordinary general meeting within ten (10) days after having received the above-mentioned written request without undue delay. The shareholding referred to above shall be calculated as of the date on which the written request is made by shareholder(s).</p> <p>If the Board agrees to convene an extraordinary general meeting, it shall issue the notice of the meeting within five (5) days after its resolutions, and modifications to the original request in the notice shall be approved by relevant shareholders.</p> <p>(2) If the Board disagrees to convening an extraordinary general meeting, or has not provided feedback within ten (10) days after receiving the written request, the shareholder(s) individually or jointly holding a total of 10% or more of the shares carrying the right to vote at the meeting sought shall have the right to propose the convening of an extraordinary general meeting to the <del>Board of Supervisors</del><b>audit committee</b> and submit such written request. If the <del>Board of Supervisors</del><b>audit committee</b> agrees to convene an extraordinary general meeting, it shall issue the notice of the meeting within five (5) days after receipt of the request, and modifications to the original request in the notice shall be approved by relevant shareholders.</p>

Original provisions	After amendments
<p>(3) If the Board of Supervisors has not issued the notice of the general meeting within the prescribed time limit, it shall be deemed as the Board of Supervisors not convening and presiding over the general meeting, the shareholder(s) individually or jointly holding a total of 10% or more of the shares carrying the right to vote at the meeting sought for at least 90 consecutive days may convene and preside over the meeting on their own, while the convening procedures shall resemble as far as possible that of a general meeting convened by the Board.</p> <p>The Board of Supervisors or shareholders deciding to convene a general meeting shall inform the Board in writing and put on record to the stock exchange. Prior to the announcement on the resolutions of general meeting, the shareholding of the convening shareholders shall not be lower than 10%. The Board of Supervisors or convening shareholders shall submit relevant certificates and materials to the stock exchange at the time of issue of the notice of the general meeting and the announcement on the resolutions of general meeting.</p> <p>With respect to a general meeting independently convened by the Board of Supervisors or the shareholders, the Board and secretary to the Board shall cooperate accordingly. The Board shall provide the register of shareholders on the date of share registration.</p> <p>The Company shall bear the costs of the general meeting convened by the Board of Supervisors or shareholders.</p>	<p>(3) If the <del>Board of Supervisors</del><b>audit committee</b> has not issued the notice of the general meeting within the prescribed time limit, it shall be deemed as the <del>Board of Supervisors</del><b>audit committee</b> not convening and presiding over the general meeting, the shareholder(s) individually or jointly holding a total of 10% or more of the shares carrying the right to vote at the meeting sought for at least 90 consecutive days may convene and preside over the meeting on their own, while the convening procedures shall resemble as far as possible that of a general meeting convened by the Board.</p> <p>The <del>Board of Supervisors</del><b>audit committee</b> or shareholders deciding to convene a general meeting shall inform the Board in writing and put on record to the stock exchange. Prior to the announcement on the resolutions of general meeting, the shareholding of the convening shareholders shall not be lower than 10%. The <del>Board of Supervisors</del><b>audit committee</b> or convening shareholders shall submit relevant certificates and materials to the stock exchange at the time of issue of the notice of the general meeting and the announcement on the resolutions of general meeting.</p> <p>With respect to a general meeting independently convened by the <del>Board of Supervisors</del><b>audit committee</b> or the shareholders, the Board and secretary to the Board shall cooperate accordingly. The Board shall provide the register of shareholders on the date of share registration.</p> <p>The Company shall bear the costs of the general meeting convened by the <del>Board of Supervisors</del><b>audit committee</b> or shareholders.</p>

Original provisions	After amendments
<p>Article 53 Notice of the general meeting shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>(1) be made in writing;</li> <li>(2) specify the time, venue and date of the meeting;</li> <li>(3) specify matters and proposals to be considered at the meeting;</li> <li>(4) contain a conspicuous statement indicating that a shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies to attend and vote at the meeting on his behalf and that such proxies may not necessarily be shareholders of the Company;</li> <li>(5) the record date for the purpose of ascertaining shareholders who are entitled to attend the general meeting;</li> <li>(6) name and telephone number of the regular contact person;</li> <li>(7) specify voting time and procedures for votes on-line or through other means.</li> </ol> <p>In the event that the general meeting shall be voted through other methods, the alternative time, voting procedures and matters to be resolved shall also be included in the notice.</p>	<p>Article <del>53</del><b>59</b> Notice of the general meeting shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>(1) be made in writing;</li> <li>(2) specify the time, venue and date of the meeting;</li> <li>(3) specify matters and proposals to be considered at the meeting;</li> <li>(4) contain a conspicuous statement indicating that a shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies to attend and vote at the meeting on his behalf and that such proxies may not necessarily be shareholders of the Company;</li> <li>(5) the record date for the purpose of ascertaining shareholders who are entitled to attend the general meeting;</li> <li>(6) name and telephone number of the regular contact person;</li> <li>(7) specify voting time and procedures for votes on-line or through other means.</li> </ol> <p><del><i>In the event that the general meeting shall be voted through other methods, the alternative time, voting procedures and matters to be resolved shall also be included in the notice.</i></del></p>

Original provisions	After amendments
<p>The notice and the supplementary notice of the general meeting shall fully and completely disclose all specific contents of all proposals. For items to be discussed which required the opinion of the independent directors, their opinions and reasons shall be disclosed when the notice or supplementary notice to general meeting is issued.</p> <p>If the general meeting adopts on-line or other means, the voting time and voting procedures of on-line or other means shall be clearly stated in the notice of the general meeting. The starting time of voting by on-line or other means shall neither be earlier than 3:00 pm of the day before the on-site general meeting to be convened, nor later than 9:30 am of the day on which the on-site general meeting is convened; and the ending time shall not be earlier than 3:00 pm of the day on which the on-site general meeting ends.</p> <p>The period between the share registration date and the date of the meeting shall not be longer than 7 working days. Once the share registration date is fixed, it cannot be altered.</p>	<p>The notice and the supplementary notice of the general meeting shall fully and completely disclose all specific contents of all proposals, <i>as well as all information or explanations necessary for shareholders to make reasonable judgments on the items to be discussed.</i> <del>For items to be discussed which required the opinion of the independent directors, their opinions and reasons shall be disclosed when the notice or supplementary notice to general meeting is issued.</del></p> <p><del>If the general meeting adopts on-line or other means, the voting time and voting procedures of on-line or other means shall be clearly stated in the notice of the general meeting.</del> The starting time of voting by on-line or other means shall neither be earlier than 3:00 pm of the day before the on-site general meeting to be convened, nor later than 9:30 am of the day on which the on-site general meeting is convened; and the ending time shall not be earlier than 3:00 pm of the day on which the on-site general meeting ends.</p> <p>The period between the share registration date and the date of the meeting shall not be longer than 7 working days. Once the share registration date is fixed, it cannot be altered.</p>
<p>Article 54 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.</p>	<p>Article <del>54</del><b>60</b> <i>The resolutions passed by the meeting shall not be invalidated solely by reason of the</i> accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice.</p>

Original provisions	After amendments
<p>Article 57 Shareholders attending the meeting in person shall produce their identity cards, the valid documents or evidence which can prove their identities, or stock account cards; proxies who are entrusted by shareholders to attend the meeting shall produce their valid identification documents and the power of attorney. Corporate shareholders shall attend the meeting by their legal representatives or other proxies entrusted by the legal representatives. Legal representatives attending the meeting shall produce their identity cards and the valid evidence which can prove their qualification as legal representatives. Proxies attending the meeting shall produce their identity cards, the power of attorney issued by the legal representatives of the corporate shareholders in accordance with laws.</p> <p>The instrument appointing a proxy shall be made in writing under the hand of the appointing shareholder or his duly authorized attorney in writing. Where the appointing shareholder is a legal entity, such instrument shall be under its seal or under the hand of its director or duly authorized attorney.</p>	<p>Article <del>57</del><b>63</b> Shareholders attending the meeting in person shall produce their identity cards, the valid documents or evidence which can prove their identities,<del>or</del> <del>stock account cards</del>; proxies who are entrusted by shareholders to attend the meeting shall produce their valid identification documents and the power of attorney. Corporate shareholders shall attend the meeting by their legal representatives or other proxies entrusted by the legal representatives. Legal representatives attending the meeting shall produce their identity cards and the valid evidence which can prove their qualification as legal representatives. Proxies attending the meeting shall produce their identity cards, the power of attorney issued by the legal representatives of the corporate shareholders in accordance with laws.</p> <p>The instrument appointing a proxy shall be made in writing under the hand of the appointing shareholder or his duly authorized attorney in writing. Where the appointing shareholder is a legal entity, such instrument shall be under its seal or under the hand of its director or duly authorized attorney.</p>

Original provisions	After amendments
<p>Article 58 If the instrument is signed by another person authorized by the entrusting party, the power of attorney or other documents authorizing the signatory shall be notarized. The power of attorney or other authorization documents notarized shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or such other place as specified in the notice of the meeting.</p> <p>If the entrusting party is a legal entity, its legal representative or any representative authorized by its board of directors as resolved or by other decision-making body shall attend the general meeting of the Company on its behalf.</p> <p>If a shareholder is a recognized clearing house or its agent, it may authorize any representative or Company representative at any general meeting. However, if more than one (1) proxy is appointed, the power of attorney shall specify the number and class of shares represented by each of such persons under the authorization, and signed by authorized persons of recognized clearing house. Such authorized persons may attend meeting on behalf of the recognized clearing house or its agent (without presentation of evidence of its shareholding, notarized authorization and/or any further proof demonstrating the duly granting of the same) and exercise the right of the recognized clearing house or its agent, as if they were individual shareholders of the Company.</p>	<p>Article <del>58</del><b>64</b> If the instrument is signed by another person authorized by the entrusting party, the power of attorney or other documents authorizing the signatory shall be notarized. The power of attorney or other authorization documents notarized shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or such other place as specified in the notice of the meeting.</p> <p><del>If the entrusting party is a legal entity, its legal representative or any representative authorized by its board of directors as resolved or by other decision-making body shall attend the general meeting of the Company on its behalf.</del></p> <p>If a shareholder is a recognized clearing house or its agent, it may authorize any representative or Company representative at any general meeting. However, if more than one (1) proxy is appointed, the power of attorney shall specify the number and class of shares represented by each of such persons under the authorization, and signed by authorized persons of recognized clearing house. Such authorized persons may attend meeting on behalf of the recognized clearing house or its agent (without presentation of evidence of its shareholding, notarized authorization and/or any further proof demonstrating the duly granting of the same) and exercise the right of the recognized clearing house or its agent, as if they were individual shareholders of the Company.</p>

Original provisions	After amendments
<p>Article 59 Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that if the shareholder does not give instructions, whether the proxy shall vote at his own discretion.</p> <p>Other than as provided above, the proxy form shall also state the following:</p> <ol style="list-style-type: none"> <li>(1) name of the proxy;</li> <li>(2) total number of shares represented by the proxy;</li> <li>(3) whether the proxy has the right to vote;</li> <li>(4) whether the proxy has the right to vote on the extempore motions that may be included in the general meeting;</li> <li>(5) specific instructions as to the manner of voting, if carrying the right to vote;</li> <li>(6) issuing date and validity period;</li> <li>(7) the number of shares represented by each proxy, in the event that multiple proxies are appointed;</li> <li>(8) signature (or chop) of the entrusting party. If the entrusting party is a corporate shareholder, its seal shall be affixed.</li> </ol>	<p>Article <del>59</del><b>65</b> Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. <del>The proxy form shall state that if the shareholder does not give instructions, whether the proxy shall vote at his own discretion.</del></p> <p>Other than as provided above, the proxy form shall also state the following:</p> <ol style="list-style-type: none"> <li><b>(1) name of the entrusting party, and the class and number of shares in the Company being held;</b></li> <li><del>(1/2) name of the proxy;</del></li> <li><del>(2) total number of shares represented by the proxy;</del></li> <li><del>(3) whether the proxy has the right to vote;</del></li> <li><del>(4) whether the proxy has the right to vote on the extempore motions that may be included in the general meeting;</del></li> <li><b>(5/3) specific instructions as to the manner of voting, if carrying the right to vote from the shareholder, including instruction for voting for, against or abstain on each matter to be considered under the agenda of the general meeting etc.;</b></li> <li><del>(6/4) issuing date and validity period of the proxy form;</del></li> <li><del>(7/5) the number of shares represented by each proxy, in the event that multiple proxies are appointed;</del></li> <li><del>(8/6) signature (or chop) of the entrusting party. If the entrusting party is a corporate shareholder, its seal shall be affixed.</del></li> </ol>

Original provisions	After amendments
<p>Article 60 The meeting register for attendees shall be prepared by the Company, specifying the name of the persons or entities attending the meeting, ID card number, residential address, the number of shares with voting rights held or represented, name of shareholders (or company name) they represent and other relevant matters.</p>	<p>Article <del>60</del><b>66</b> The meeting register for attendees shall be prepared by the Company, specifying the name of the persons or entities attending the meeting, ID card number, <del>residential address</del>, the number of shares with voting rights held or represented, name of shareholders (or company name) they represent and other relevant matters.</p>
<p>Article 63 The general meeting shall be convened by the chairman of the Board and presided over by the chairman of the Board. If the chairman of the Board cannot attend the meeting for certain reasons, the vice chairman (if any) shall preside over the meeting. If the vice chairman (if any) of the Board also cannot attend the meeting for certain reasons, the meeting shall be presided over by a director elected by more than half of the total number of directors.</p> <p>In the event that the Board cannot perform or has failed to perform the duties to convene a general meeting, the meeting shall be presided over by the Board of Supervisors who decides to convene the meeting or the shareholder who proposed such motion. The general meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. In the event that the chairman of the Board of Supervisors cannot or fails to perform such duty, the meeting shall be presided over by the vice chairman of the Board of Supervisors. In the event that the vice chairman of the Board of Supervisors cannot or fails to perform such duty, the meeting shall be presided over by a supervisor elected by more than half of the total number of supervisors. The general meeting convened by the shareholders shall be presided over by the representative elected by the convener.</p>	<p>Article <del>63</del><b>69</b> The general meeting shall be convened by the chairman of the Board and presided over by the chairman of the Board. If the chairman of the Board cannot attend the meeting for certain reasons, the vice chairman (if any) shall preside over the meeting. If the vice chairman (if any) of the Board also cannot attend the meeting for certain reasons, the meeting shall be presided over by a director elected by more than half of the total number of directors.</p> <p>In the event that the Board cannot perform or has failed to perform the duties to convene a general meeting, the meeting shall be presided over by the <del>Board</del><b><i>Board of Supervisors audit committee</i></b> who decides to convene the meeting or the shareholder who proposed such motion. The general meeting convened by the <del>Board of Supervisors</del><b><i>Board of Supervisors audit committee</i></b> shall be presided over by the <del>chairman</del><b><i>convener</i></b> of the <del>Board of Supervisors</del><b><i>Board of Supervisors audit committee</i></b>. In the event that the <del>chairman</del><b><i>convener</i></b> of the <del>Board of Supervisors</del><b><i>Board of Supervisors audit committee</i></b> cannot or fails to perform such duty, <del>the meeting shall be presided over by the vice chairman of the Board of Supervisors. In the event that the vice chairman of the Board of Supervisors cannot or fails to perform such duty,</del> the meeting shall be presided over by a <del>supervisor</del><b><i>member of the audit committee</i></b> elected by more than half of the total number of <del>supervisors</del><b><i>members of the audit committee</i></b>. The general meeting convened by the shareholders shall be presided over by the <del>convener or his elected</del> representative <del>elected by the convener</del>.</p>

Original provisions	After amendments
<p>If, for any reason, the shareholders cannot elect the chairperson, the meeting shall be presided over by the shareholder present and holding the largest number of shares with voting rights (including the proxy of the shareholder).</p> <p>When a general meeting is convened, if the chairperson of the meeting violates the rules of procedures rendering the general meeting unable to continue, the general meeting may, with the approval of more than half of present shareholders with voting right, elect another person to preside over the meeting and to continue with the meeting.</p>	<p><del><i>If, for any reason, the shareholders cannot elect the chairperson, the meeting shall be presided over by the shareholder present and holding the largest number of shares with voting rights (including the proxy of the shareholder).</i></del></p> <p>When a general meeting is convened, if the chairperson of the meeting violates the rules of procedures rendering the general meeting unable to continue, the general meeting may, with the approval of more than half of present shareholders with voting right, elect another person to preside over the meeting and to continue with the meeting.</p>
<p>Article 65 The Company shall have a set of rules of procedures for general meetings detailing the procedures regarding the convening of and voting at general meetings, including notice, registration, consideration of proposals, casting of votes, counting of votes, announcement of voting results, formation of resolutions, preparation and signing and announcement of minutes, and the principles for authorization to the Board at general meetings, which shall be explicit and specific. The rules of procedures for general meetings, which shall be an annex to the Articles of Association, shall be formulated by the Board and approved at the general meeting.</p>	<p>Article <del>65</del><b>71</b> The Company shall have a set of rules of procedures for general meetings detailing the procedures regarding the <b>holding</b>, convening of and voting at general meetings, including notice, registration, consideration of proposals, casting of votes, counting of votes, announcement of voting results, formation of resolutions, preparation and signing and announcement of minutes, and the principles for authorization to the Board at general meetings, which shall be explicit and specific. The rules of procedures for general meetings, which shall be an annex to the Articles of Association, shall be formulated by the Board and approved at the general meeting.</p>

Original provisions	After amendments
<p>Article 69 The following matters shall be resolved by way of ordinary resolutions at a general meeting:</p> <ol style="list-style-type: none"> <li>(1) work reports of the Board and the Board of Supervisors;</li> <li>(2) profit distribution plans and loss recovery plans formulated by the Board;</li> <li>(3) appointment or dismissal of the members of the Board and the members of the Board of Supervisors, their remuneration and payment methods thereof;</li> <li>(4) annual reports of the Company;</li> <li>(5) engagement or dismissal of accounting firm;</li> <li>(6) matters other than those required by the laws and administrative regulations or by the Articles of Association to be passed by way of special resolutions.</li> </ol>	<p>Article <del>69</del><sup>75</sup> The following matters shall be resolved by way of ordinary resolutions at a general meeting:</p> <ol style="list-style-type: none"> <li>(1) work reports of the Board <del>and the Board of Supervisors</del>;</li> <li>(2) profit distribution plans and loss recovery plans formulated by the Board;</li> <li>(3) appointment or dismissal of the members of the Board <del>and the members of the Board of Supervisors</del>, their remuneration and payment methods thereof;</li> <li><del>(4)</del> <del>annual reports of the Company</del>;</li> <li><del>(5)</del>(4) engagement or dismissal of accounting firm;</li> <li><del>(6)</del>(5) matters other than those required by the laws and administrative regulations or by the Articles of Association to be passed by way of special resolutions.</li> </ol>
<p>Article 70 The following matters shall be resolved by way of special resolutions at a general meeting:</p> <ol style="list-style-type: none"> <li>(1) increase or reduction in the share capital and the issue of shares of any class, stock warrants or other similar securities of the Company;</li> <li>(2) issuance of corporate bonds of the Company;</li> <li>(3) division, spin-off, merger, dissolution and liquidation of the Company;</li> <li>(4) change in the form of the Company;</li> </ol>	<p>Article <del>70</del><sup>76</sup> The following matters shall be resolved by way of special resolutions at a general meeting:</p> <ol style="list-style-type: none"> <li>(1) increase or reduction in the share capital and the issue of shares of any class, stock warrants or other similar securities of the Company;</li> <li>(2) issuance of corporate bonds of the Company;</li> <li>(3) division, spin-off, merger, dissolution and liquidation of the Company;</li> <li>(4) change in the form of the Company;</li> </ol>

Original provisions	After amendments
<p>(5) any purchase or disposal of substantial assets made or guarantee provided by the Company within one (1) year, with an amount exceeding 30% of the latest audited total assets of the Company;</p> <p>(6) amendments to the Articles of Association;</p> <p>(7) approval to the guarantees as stipulated in the Articles of Association that requires a special resolution;</p> <p>(8) approval to and implementation of share incentive schemes;</p> <p>(9) any other matters as required by the laws, administrative regulations or the Articles of Association, and those considered by shareholders and resolved by way of an ordinary resolution at general meetings, to be of a nature which may have a material impact on the Company and shall be adopted by special resolutions;</p> <p>(10) other matters required by the listing rules of the stock exchange where the Company's shares are listed to be passed by way of special resolutions.</p>	<p>(5) any purchase or disposal of substantial assets made or guarantee provided <b>to others</b> by the Company within one (1) year, with an amount exceeding 30% of the latest audited total assets of the Company;</p> <p>(6) amendments to the Articles of Association;</p> <p>(7) approval to the guarantees as stipulated in the Articles of Association that requires a special resolution;</p> <p>(8) approval to and implementation of share incentive schemes;</p> <p>(9) any other matters as required by the laws, administrative regulations or the Articles of Association, and those considered by shareholders and resolved by way of an ordinary resolution at general meetings, to be of a nature which may have a material impact on the Company and shall be adopted by special resolutions;</p> <p>(10) other matters required by the listing rules of the stock exchange where the Company's shares are listed to be passed by way of special resolutions.</p>
<p>All directors, supervisors, and the secretary to the Board of the Company shall attend the general meeting, whereas the general manager and other senior management shall be present at the meeting. Except for relating to trade secrets of the Company that shall not be disclosed, the directors, supervisors, general manager and other members of senior management shall make replies or explanations to the inquiries of shareholders at the general meeting.</p>	<p><del>All—d</del><del>Directors, supervisors, and senior management</del><del>the secretary to the Board of the Company shall be required to be present at</del> <b>attend</b> the general meeting, <del>whereas and</del> <del>directorsthe general manager and other</del> senior management shall be present at the meeting <b>to respond to shareholders' inquiries</b>. Except for relating to trade secrets of the Company that shall not be disclosed, the directors, <del>supervisors, general manager</del> and <del>other</del> members of senior management <b>present at the meeting shall explain make replies or explanations or clarify to</b> the inquiries <b>and recommendations</b> of shareholders at the general meeting.</p>

Original provisions	After amendments
<p>Article 71 When a related party transaction is considered at a general meeting, the related shareholders shall abstain from voting. The voting shares represented by such shareholders shall not be counted in the total number of voting shares. Poll results announcement of a general meeting shall fully disclose the voting of unrelated shareholders. When voting on the matters related to related party transactions, the unrelated shareholders present at the general meeting shall vote in a manner as required by Article 66 of the Articles of Association after deducting the number of shares with voting rights of the related shareholders.</p>	<p>Article <del>71</del><b>77</b> When a related party transaction is considered at a general meeting, the related shareholders shall abstain from voting. The voting shares represented by such shareholders shall not be counted in the total number of voting shares. Poll results announcement of a general meeting shall fully disclose the voting of unrelated shareholders. When voting on the matters related to related party transactions, the unrelated shareholders present at the general meeting shall vote in a manner as required by Article <del>66</del><b>72</b> of the Articles of Association after deducting the number of shares with voting rights of the related shareholders.</p>
<p>Article 72 End time of on-site voting at the general meeting shall not be earlier than on-line or other voting methods; the chairman of the meeting shall announce the voting result of each proposal, and announce whether the proposal is adopted based on the voting results.</p> <p>Prior to the formal announcement of the voting results, parties, including the Company, vote counter, scrutineer, major shareholders and Internet service supplier, involved in the general meeting in on-site, online and other forms shall bear confidential obligations to the voting.</p>	<p>Article <del>72</del><b>78</b> End time of on-site voting at the general meeting shall not be earlier than on-line or other voting methods; the chairman of the meeting shall announce the voting result of each proposal, and announce whether the proposal is adopted based on the voting results.</p> <p>Prior to the formal announcement of the voting results, parties, including the Company, vote counter, scrutineer, <b>major</b> shareholders and Internet service supplier, involved in the general meeting in on-site, online and other forms shall bear confidential obligations to the voting.</p>
<p>Article 73 Unless the Company is in emergency or under other special circumstances, the Company shall not, without the approval at a general meeting by way of special resolutions, enter into any contract with any party (other than the directors, general manager or other members of senior management) for delegating such party the management of the whole or any substantial part of the Company's business.</p>	<p>Article <del>73</del><b>79</b> Unless the Company is in emergency or under other special circumstances, the Company shall not, without the approval at a general meeting by way of special resolutions, enter into any contract with any party (other than the directors, <del>general manager</del> or <b>other</b> members of senior management) for delegating such party the management of the whole or any substantial part of the Company's business.</p>

Original provisions	After amendments
<p>Article 74 The shareholders attending the general meeting shall vote “for”, “against” or “abstain” for every proposal to be resolved. The securities registration and settlement institution shall be the nominal holder of the shares of the stock exchange interconnection mechanism between the mainland and Hong Kong stock markets, except for the declaration according to the actual holder’s will.</p> <p>Incomplete votes, incorrectly completed votes, illegible votes or uncast votes shall be considered as the voters having waived their voting rights. The voting result of such voting shares shall be counted as “abstain”.</p> <p>Save for the cumulative voting system, all proposals will be resolved separately at the general meeting; different proposals on one matter shall be resolved based on sequence in which they were put forward. The general meeting shall not postpone or refuse the voting on a proposal unless due to particular causes such as force majeure which would result in the general meeting being terminated or unable to resolve.</p> <p>The general meeting shall not revise a proposal when the proposal is being considered; otherwise, the revision shall be deemed as a new proposal and shall not be voted on the current general meeting.</p> <p>For the same voting right, only one voting method can be selected from on-site, on-line or other voting methods. The first ballot shall prevail once repeated voting arises in the same voting right.</p>	<p>Article <del>74</del><b>80</b> The shareholders attending the general meeting shall vote “for”, “against” or “abstain” for every proposal to be resolved. The securities registration and settlement institution shall be the nominal holder of the shares of the stock exchange interconnection mechanism between the mainland and Hong Kong stock markets, except for the declaration according to the actual holder’s will.</p> <p>Incomplete votes, incorrectly completed votes, illegible votes or uncast votes shall be considered as the voters having waived their voting rights. The voting result of such voting shares shall be counted as “abstain”.</p> <p>Save for the cumulative voting system, all proposals will be resolved separately at the general meeting; different proposals on one matter shall be resolved based on sequence in which they were put forward. The general meeting shall not postpone or refuse the voting on a proposal unless due to particular causes such as force majeure which would result in the general meeting being terminated or unable to resolve.</p> <p>The general meeting shall not revise a proposal when the proposal is being considered; otherwise, the revision shall be deemed as a new proposal and shall not be voted on the current general meeting.</p> <p>For the same voting right, only one voting method can be selected from on-site, on-line or other voting methods. The first ballot shall prevail once repeated voting arises in the same voting right.</p>

Original provisions	After amendments
<p>Prior to the voting on the proposal at the general meeting, two shareholders shall be elected to participate in vote calculation and scrutineer. If the shareholders are related parties to the matters to be considered, the relevant shareholders and their proxies shall not participate in the counting of votes and scrutineering.</p>	<p>Prior to the voting on the proposal at the general meeting, two shareholders shall be elected to participate in vote calculation and scrutineer. If the shareholders are related parties to the matters to be considered, the relevant shareholders and their proxies shall not participate in the counting of votes and scrutineering.</p>
<p>When the general meeting is voting on the proposal, the lawyer, shareholders' representative and supervisors' representative shall be jointly responsible for vote calculation, vote scrutineer and the announcement of the voting result, which shall be recorded in the meeting minutes.</p>	<p>When the general meeting is voting on the proposal, the lawyer, shareholders' <del>representative</del> <del>and</del> <del>supervisors'</del> representative shall be jointly responsible for vote calculation, vote scrutineer and the announcement of the voting result, which shall be recorded in the meeting minutes.</p>
<p>Shareholders of the Company or their proxies voting via on-line or other methods have the right to check their voting result via corresponding voting system.</p>	<p>Shareholders of the Company or their proxies voting via on-line or other methods have the right to check their voting result via corresponding voting system.</p>
<p>Resolution of the general meeting shall be announced in a timely manner, the announcement shall set out the number of shareholders and proxies present, the total number of voting shares held, proportion to the total voting shares of the Company, voting method, voting results of each proposal, and details of each resolution adopted.</p>	<p>Resolution of the general meeting shall be announced in a timely manner, the announcement shall set out the number of shareholders and proxies present, the total number of voting shares held, proportion to the total voting shares of the Company, voting method, voting results of each proposal, and details of each resolution adopted.</p>
<p>Proposals not adopted or modifications on resolutions of the previous general meeting shall be mentioned specifically in the announcement of resolutions of the current general meeting.</p>	<p>Proposals not adopted or modifications on resolutions of the previous general meeting shall be mentioned specifically in the announcement of resolutions of the current general meeting.</p>

Original provisions	After amendments
<p>Article 76 The nomination of directors and supervisors at the general meeting shall follow the approaches and procedures below:</p> <p>(1) Shareholder(s) individually or jointly holding at least 3% of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the general meeting about the candidates for directors and supervisors (not being employee representatives). However, the number of candidates proposed must comply with the provisions of the Articles of Association, and shall not be more than the number to be elected. The aforesaid proposal put forward by the shareholders to the Company shall be served to the Company at least 14 days before the convening of the general meeting.</p> <p>(2) Within the number of persons as specified by the Articles of Association and based on the proposed number of candidates to be elected, the Board and the Board of Supervisors may propose a list of candidates for directors and supervisors, which shall be submitted to the Board and the Board of Supervisors for examination, respectively. After the list of candidates for directors and supervisors is determined by deliberation and resolution of the Board and the Board of Supervisors, the list shall be proposed at a general meeting by way of a written proposal. The election of directors and supervisors shall fully reflect the opinions of medium and small shareholders.</p>	<p>Article <del>76</del><sup>82</sup> The nomination of directors <del>who are non-employee representative and supervisors</del> at the general meeting shall follow the approaches and procedures below:</p> <p>(1) Shareholder(s) individually or jointly holding at least <del>1%</del><sup>3%</sup> of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the general meeting about the candidates for directors <del>and supervisors</del> (not being employee representatives). However, the number of candidates proposed must comply with the provisions of the Articles of Association, and shall not be more than the number to be elected. The aforesaid proposal put forward by the shareholders to the Company shall be served to the Company at least 14 days before the convening of the general meeting.</p> <p>(2) Within the number of persons as specified by the Articles of Association and based on the proposed number of candidates to be elected, the Board <del>and the Board of Supervisors</del> may propose a list of candidates for directors <del>and supervisors</del>, which shall be submitted to the Board <del>and the Board of Supervisors</del> for examination, respectively. After the list of candidates for directors <del>and supervisors</del> is determined by deliberation and resolution of the Board <del>and the Board of Supervisors</del>, the list shall be proposed at a general meeting by way of a written proposal. The election of directors <del>and supervisors</del> shall fully reflect the opinions of medium and small shareholders.</p>

Original provisions	After amendments
<p>(3) The written materials for the intention to propose a candidate for election as a director or a supervisor, the written notice of the candidate on his willingness to accept the nomination, and the details of the nominees in writing shall be given to the Company no less than seven (7) days prior to the date of convening the general meeting. The Board and the Board of Supervisors shall provide shareholders with the biography and basic information of the candidates for directors and supervisors; the educational background, work experience, part-time jobs and other information of the candidates; whether the candidates have any related relationship with the Company or its controlling shareholders and de facto controllers; disclose the number of shares of the Company held by the candidates; whether the candidates had been subject to punishment by the CSRC and other relevant departments and to disciplinary action by the stock exchanges.</p> <p>Other than directors and supervisors who are elected by cumulative voting system, the election of each candidate for directors and supervisors shall be proposed separately.</p> <p>When resolving on the election of directors and supervisors at a general meeting, according to the provisions hereof or resolutions of the general meeting, the cumulative voting system may be adopted.</p> <p>In case the shareholding held by a single shareholder and its parties acting in concert is 30% or more, when resolving on the election of directors and supervisors at a general meeting, the cumulative voting system shall be adopted.</p>	<p>(3) The written materials for the intention to propose a candidate for election as a director <del>or a supervisor</del>, the written notice of the candidate on his willingness to accept the nomination, and the details of the nominees in writing shall be given to the Company no less than seven (7) days prior to the date of convening the general meeting. The Board <del>and the Board of Supervisors</del> shall provide shareholders with the biography and basic information of the candidates for directors <del>and supervisors</del>; the educational background, work experience, part-time jobs and other information of the candidates; whether the candidates have any related relationship with the Company or its controlling shareholders and de facto controllers; disclose the number of shares of the Company held by the candidates; whether the candidates had been subject to punishment by the CSRC and other relevant departments and to disciplinary action by the stock exchanges.</p> <p>Other than directors <del>and supervisors</del> who are elected by cumulative voting system, the election of each candidate for directors <del>and supervisors</del> shall be proposed separately.</p> <p>When resolving on the election of directors <del>and supervisors</del> at a general meeting, according to the provisions hereof or resolutions of the general meeting, the cumulative voting system may be adopted.</p> <p>In case the shareholding held by a single shareholder and its parties acting in concert is 30% or more, when resolving on the election of directors <del>and supervisors</del> at a general meeting, the cumulative voting system shall be adopted.</p>

Original provisions	After amendments
<p>The cumulative voting system as mentioned in the preceding paragraph means that every share shall, in electing directors or supervisors at the general meeting, have the same voting right with that of the candidate director or supervisor, and the voting rights held by the shareholder may be exercised in a centralized way. The Board shall announce the biography and basic information of the candidate directors and supervisors to the shareholders.</p>	<p>The cumulative voting system as mentioned in the preceding paragraph means that every share shall, in electing directors <del>or supervisors</del> at the general meeting, have the same voting right with that of the candidate director <del>or supervisor</del>, and the voting rights held by the shareholder may be exercised in a centralized way. The Board shall announce the biography and basic information of the candidate directors <del>and supervisors</del> to the shareholders.</p>
<p>The implementation rules for the cumulative voting system are:</p>	<p>The implementation rules for the cumulative voting system are:</p>
<p>Before resolving on the candidates for directors or supervisors at a general meeting, the chairman of the meeting shall clearly inform the participating shareholders the implementation of the cumulative voting method for candidates for directors or supervisors. The Board must provide the ballot suitable for the implementation of the cumulative voting method. The secretary to the Board shall explain the cumulative voting method and instruction for filling the votes, so as to ensure the correct exercise of voting rights by shareholders.</p>	<p>Before resolving on the candidates for directors <del>or supervisors</del> at a general meeting, the chairman of the meeting shall clearly inform the participating shareholders the implementation of the cumulative voting method for candidates for directors <del>or supervisors</del>. The Board must provide the ballot suitable for the implementation of the cumulative voting method. The secretary to the Board shall explain the cumulative voting method and instruction for filling the votes, so as to ensure the correct exercise of voting rights by shareholders.</p>
<p>When electing directors and voting cumulatively, independent non-executive directors and other directors shall be elected separately to ensure the proportion of independent non-executive directors in the Board of the Company.</p>	<p>When electing directors and voting cumulatively, independent non-executive directors and other directors shall be elected separately to ensure the proportion of independent non-executive directors in the Board of the Company.</p>

Original provisions	After amendments
<p>Shareholders are free to distribute their voting rights among candidates for directors or supervisors, either in a decentralized manner on multiple candidates or in a centralized manner on a single candidate. If the total amount of voting rights casted by a shareholder is more than all voting rights held by the shareholder, the vote casted will be invalid; if the total amount of voting rights casted by a shareholder is less than all voting rights held by the shareholder, the vote casted shall be valid and the difference shall be deemed as abstain from voting. If the last two or more candidates have received the same number of votes and if all the candidates are elected, resulting in the number of elected directors or supervisors exceeding the number of candidates to be elected, the candidates shall be re-elected according to the procedures stipulated in the Articles of Association. If the number of elected directors or supervisors is less than the number specified in the Articles of Association, the Company shall restart the cumulative voting procedure for the missing number.</p> <p>For adopted proposals relating to election of directors and supervisors, the appointment time of the new directors and supervisors shall be the date of passing the resolutions at the general meeting, unless otherwise specified in the resolutions of the general meeting.</p> <p>(4) The period given by the Company to the relevant nominators and nominees for submitting the aforesaid notice and documents shall be no less than seven (7) days (such period shall commence from the day following the date of serving the notice of convening of the general meeting).</p>	<p>Shareholders are free to distribute their voting rights among candidates for directors <del>or supervisors</del>, either in a decentralized manner on multiple candidates or in a centralized manner on a single candidate. If the total amount of voting rights casted by a shareholder is more than all voting rights held by the shareholder, the vote casted will be invalid; if the total amount of voting rights casted by a shareholder is less than all voting rights held by the shareholder, the vote casted shall be valid and the difference shall be deemed as abstain from voting. If the last two or more candidates have received the same number of votes and if all the candidates are elected, resulting in the number of elected directors <del>or supervisors</del> exceeding the number of candidates to be elected, the candidates shall be re-elected according to the procedures stipulated in the Articles of Association. If the number of elected directors <del>or supervisors</del> is less than the number specified in the Articles of Association, the Company shall restart the cumulative voting procedure for the missing number.</p> <p>For adopted proposals relating to election of directors <del>and supervisors</del>, the appointment time of the new directors <del>and supervisors</del> shall be the date of passing the resolutions at the general meeting, unless otherwise specified in the resolutions of the general meeting.</p> <p>(4) The period given by the Company to the relevant nominators and nominees for submitting the aforesaid notice and documents shall be no less than seven (7) days (such period shall commence from the day following the date of serving the notice of convening of the general meeting).</p>

Original provisions	After amendments
<p>(5) At the general meeting, voting for each candidate for a director or supervisor shall be taken on a one-by-one basis, except for those candidates who apply the cumulative voting system.</p> <p>(6) In the case of any ad hoc addition to or change in any director or supervisor in need, the Board and the Board of Supervisors shall propose at the general meeting for the election or replacement of a director or supervisor.</p>	<p>(5) At the general meeting, voting for each candidate for a director <del>or supervisor</del> shall be taken on a one-by-one basis, except for those candidates who apply the cumulative voting system.</p> <p>(6) In the case of any ad hoc addition to or change in any director <del>or supervisor</del> in need, the Board <del>and the Board of Supervisors</del> shall propose at the general meeting for the election or replacement of a director or supervisor.</p>
<p>Article 80 Minutes shall be recorded for the general meeting. The convener shall ensure the authenticity, accuracy and completeness of the meeting minutes. The minutes shall be signed by attending directors, supervisors, secretary to the Board, meeting convener or its representative and the person presiding over the meeting. The minutes shall be kept together with attendance record of shareholders present and power of attorney of proxies present and valid information of voting via on-line and other methods for no less than 10 years. The meeting minutes shall include the following contents:</p> <p>(1) time, place and agenda of the meeting as well as name of the convener;</p> <p>(2) names of the person presiding over the meeting, directors, supervisors, managers and other senior management presenting or attending the meeting;</p> <p>(3) number of shareholders and proxies attending the meeting, total number of shares with voting rights held by them and the proportion of shares to the total shares of the Company;</p>	<p>Article <del>80</del>86 Minutes shall be recorded for the general meeting. The convener shall ensure the authenticity, accuracy and completeness of the meeting minutes. The minutes shall be signed by <del>attending</del> directors, <del>supervisors</del>, secretary to the Board, meeting convener or its representative and the person presiding over the meeting <del>present at or attending the meeting</del>. The minutes shall be kept together with attendance record of shareholders present and power of attorney of proxies present and valid information of voting via on-line and other methods for no less than 10 years. The meeting minutes shall include the following contents:</p> <p>(1) time, place and agenda of the meeting as well as name of the convener;</p> <p>(2) names of the person presiding over the meeting, directors, <del>supervisors</del>, <del>managers</del> and <del>other</del> senior management <del>presenting or</del> attending the meeting;</p> <p>(3) number of shareholders and proxies attending the meeting, total number of shares with voting rights held by them and the proportion of shares to the total shares of the Company;</p>

Original provisions	After amendments
<p>(4) deliberation process of each proposal, key points of speeches and voting results;</p> <p>(5) shareholders' inquiry or suggestion and corresponding reply or explanation;</p> <p>(6) names of the lawyer, vote counter and scrutineer;</p> <p>(7) other items that shall be recorded as prescribed by the provisions hereof.</p> <p>The convener shall ensure the continuity of the general meeting until the final resolution is adopted. If the general meeting is suspended or cannot reach a resolution due to force majeure or other special causes, necessary measures shall be taken to resume the general meeting as soon as possible or the general meeting shall be terminated directly, and timely announcement shall be made. Meanwhile, the convener shall report to the Company's local CSRC agency and the stock exchange.</p>	<p>(4) deliberation process of each proposal, key points of speeches and voting results;</p> <p>(5) shareholders' inquiry or suggestion and corresponding reply or explanation;</p> <p>(6) names of the lawyer, vote counter and scrutineer;</p> <p>(7) other items that shall be recorded as prescribed by the provisions hereof.</p> <p>The convener shall ensure the continuity of the general meeting until the final resolution is adopted. If the general meeting is suspended or cannot reach a resolution due to force majeure or other special causes, necessary measures shall be taken to resume the general meeting as soon as possible or the general meeting shall be terminated directly, and timely announcement shall be made. Meanwhile, the convener shall report to the Company's local CSRC agency and the stock exchange.</p>
Chapter 8 Board of Directors	Chapter 8 <b><i>Directors and</i></b> Board of Directors
Section I Directors	Section I <b><i>General Provisions for</i></b> Directors

Original provisions	After amendments
<p><i>Added</i></p>	<p><i>Article 87 Directors of the Company are natural persons. A person may not serve as a director of the Company if any of the following circumstances applies:</i></p> <p><i>(1) a person without civil capacity or with restricted civil capacity;</i></p> <p><i>(2) a person who has committed an offence of corruption, bribery, embezzlement of property, misappropriation of property or disruption of the socialist economic order and has been punished because of committing such offence; or who has been deprived of his political rights on committing an offence, where less than five (5) years have elapsed since the date of the enforcement of such punishment or deprivation, or two (2) years have not elapsed since the expiration of the probation period for suspended sentence;</i></p> <p><i>(3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;</i></p>

Original provisions	After amendments
	<p>(4) <i>a person who is a former legal representative of a company or enterprise which had its business license revoked and ordered for closure due to a violation of law and he is personally liable for that, where less than three (3) years has elapsed since the date on which a company or enterprise which had its business license revoked and ordered for closure;</i></p> <p>(5) <i>a person who has been listed as a dishonest person by the People's Court due to failure to repay a relatively large amount of debts when due;</i></p> <p>(6) <i>a person who has been prohibited by the CSRC from accessing the securities market for a period which has not expired;</i></p> <p>(7) <i>a person who has been publicly identified by a stock exchange to be unsuitable to serve as a director or senior management of a listed company for a period which has not expired;</i></p> <p>(8) <i>such other requirements conferred by the laws, administrative regulations or departmental rules.</i></p> <p><i>Any election or appointment of directors in violation of this Article shall be invalid. The Company shall dismiss the directors and suspend his duties if they are involved in the said circumstances during their term of office.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 89 Directors shall observe the laws, administrative regulations and the Articles of Association, and fulfill the obligations of loyalty to the Company, take measures to avoid conflicts of interest between their own interests and those of the Company, and not use their powers to seek undue benefits. Directors shall fulfill the following obligations of loyalty to the Company:</i></p> <p><i>(1) not to misappropriate the Company's property or company funds;</i></p> <p><i>(2) not to deposit funds of the Company in any accounts under their names or in the names of other persons;</i></p> <p><i>(3) not to take advantage of their positions to accept bribes or other illegal income;</i></p> <p><i>(4) not to directly or indirectly enter into a contract or conduct a transaction with the Company without reporting to the Board or general meeting and approving by a resolution passed by the Board or general meeting in accordance with the provisions of the Articles of Association;</i></p> <p><i>(5) not to take advantage of their positions to seek business opportunities belonging to the Company for themselves or others, except when such business opportunity has been reported to the Board or general meeting, and approved by a resolution passed by the general meeting, or the Company is unable to take advantage of such business opportunity pursuant to laws, administrative regulations or the Articles of Association;</i></p>

Original provisions	After amendments
	<p>(6) <i>not to engage in the same type of business as the Company on their own or with others without reporting to the Board or general meeting and approving by a resolution passed by the general meeting;</i></p> <p>(7) <i>not to accept commissions as their own for any transactions between the Company and other parties;</i></p> <p>(8) <i>not to disclose any secret of the Company without authorization;</i></p> <p>(9) <i>not to prejudice the interests of the Company by taking advantage of their related party relationship;</i></p> <p>(10) <i>other obligations of loyalty as stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.</i></p> <p><i>The income received by directors in breach of this Article shall belong to the Company. Where losses are incurred to the Company, such directors shall be liable for compensation.</i></p> <p><i>Item (4) of paragraph 2 of this Article shall apply equally to the contracts or transactions between the Company and any close relatives of a director or senior management, any company that is directly or indirectly controlled by such close relative and anyone which is otherwise related to a director or senior management.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 90 Directors shall observe the laws, administrative regulations and the Articles of Association, and fulfill the obligations of diligence to the Company, and shall perform their duties to a standard that is reasonably required of a manager in the best interest of the Company. Directors shall fulfill the following obligations of diligence to the Company:</i></p> <ul style="list-style-type: none"> <li><i>(1) to prudently, conscientiously and diligently exercise the rights granted by the Company, so as to ensure that the business practices of the Company comply with the national laws, administrative regulations and the requirements of various national economic policies, and that its commercial activities are within the scope of business specified in the business license;</i></li> <li><i>(2) to treat all shareholders impartially;</i></li> <li><i>(3) to keep informed of the operation and management conditions of the Company;</i></li> <li><i>(4) to approve the regular reports of the Company in written form, and to assure that the information disclosed by the Company is true, accurate and complete;</i></li> <li><i>(5) to honestly provide the audit committee with relevant information and data, and not to prevent the audit committee from performing its duties and powers;</i></li> <li><i>(6) other obligations of diligence as stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.</i></li> </ul>

Original provisions	After amendments
<p>Article 82 A director may resign before the expiration of his term of service. When a director resigns, he shall submit a written resignation notice to the Board. The Board shall make the relevant announcement within two (2) days.</p> <p>When a director resigns or his term of office expires, his obligation of confidentiality in relation to trade secrets of the Company survives the termination of their tenure, until such secrets enter the public domain.</p> <p>A director shall duly carry out all handover procedures with the Board on resignation or expiration of term. His fiduciary obligations to the Company and the shareholders shall not, as a matter of course, terminate at the end of his term of office, and shall survive three (3) years after his resignation or expiration of term.</p>	<p>Article <del>82</del><b>91</b> A director may resign before the expiration of his/<del>her</del> term of service. When a director resigns, he/<del>she</del> shall submit a written resignation notice to the <del>Board</del><b>Company</b>. The <del>Board</del><b>Company</b> shall make the relevant announcement within two (2) <del>trading</del> days.</p> <p>When a director resigns or his/<del>her</del> term of office expires, his/<del>her</del> obligation of confidentiality in relation to trade secrets of the Company survives the termination of their tenure, until such secrets enter the public domain.</p> <p><i>The Company shall establish a director resignation management system, specifying safeguard measures for holding accountable and recovering compensation for unfulfilled public commitments and other outstanding matters.</i> A director shall duly carry out all handover procedures with the Board on resignation or expiration of term. His/<del>Her</del> fiduciary obligations to the Company and the shareholders shall not, as a matter of course, terminate at the end of his/<del>her</del> term of office, and shall survive three (3) years after his/<del>her</del> resignation or expiration of term. <i>The liability of a director arising from the performance of duties during his/her term of office shall not be exempted or terminated upon resignation.</i></p>
<p><i>Added</i></p>	<p><i>Article 92 A resolution may be passed at the general meeting to remove a director, and such removal shall take effect on the date the resolution being passed.</i></p> <p><i>Where a director is removed upon expiry of his/her term of office without a legitimate reason, the director may claim compensation from the Company.</i></p>

Original provisions	After amendments
<i>Added</i>	<i>Article 93 Unless otherwise legally authorized by the Articles of Association or the Board, director may not act on his/her own name on behalf of the Company or the Board. If a third party may reasonably believe that the director who act on his/her own name is acting on behalf of the Company or the Board, the director acting in his/her own name shall declare his/her position and identity in advance.</i>
Article 83 A director who leaves without notice before his term expires shall be liable for compensation to any loss caused to the Company.	<p><i>Article 8394 The Company shall be liable for any damages to others caused by a director while he/she is performing his/her duties for the Company. The director in question shall also be liable if such damages are intentional or caused by his/her gross negligence.</i></p> <p><i>A director shall be liable for compensation to any loss caused to the Company if he/she violates laws, administrative regulations, departmental rules or the Articles of Association while performing his/her duties for the Company.</i> A director who leaves without notice before his/<i>her</i> term expires shall be liable for compensation to any loss caused to the Company.</p>
Article 85 The Company shall consist of independent non-executive directors. Save as stipulated otherwise in this section, the requirement of a director's qualification and duties under Chapter 12 of the Articles of Association is applicable to independent non-executive directors. The independent directors shall not concurrently hold other positions in the Company other than committee members of the Board.	<i>Deleted</i>

Original provisions	After amendments
<p>Article 86 The term of office of a director commences on the date of appointment and expires upon the expiry of the term of the Board. If the term of office of a director expires but re-election is not made forthwith, or the number of the directors fall below the minimum requirement due to a director's resignation within his term of office, the resigning director shall continue to carry out his duties in accordance with the laws, administrative regulations and the Articles of Association before the elected director takes office.</p> <p>Save for circumstances listed above, resignation of director shall come into effect from the delivery of the directors' resignation report to the Board.</p>	<p>Article <del>86</del><b>96</b> The term of office of a director commences on the date of appointment and expires upon the expiry of the term of the Board. If the term of office of a director expires but re-election is not made forthwith, or the number of the directors fall below the minimum requirement due to a director's resignation within his/<i>her</i> term of office, <i>or the resignation of an independent director causes the proportion of independent directors on the Board or its special committees to fail to meet the requirements of laws, regulations or the Articles of Association, or there is a lack of accounting professionals among the independent directors</i>, the resigning director shall continue to carry out his/<i>her</i> duties in accordance with the laws, administrative regulations and the Articles of Association before the elected director takes office.</p> <p>Save for circumstances listed above, resignation of director shall come into effect from the delivery of the directors' resignation report to the Board.</p>
<p>Article 87 The Company shall set up a board of directors which shall be responsible to the general meeting. The Board shall consist of at least 3 persons and independent non-executive directors shall represent at least one-third of the total number of directors.</p> <p>The Board shall consist of one (1) chairman. The chairman shall be elected or dismissed by exceeding half of all directors. Every term of the chairman is three (3) years. Upon the expiration of the term, the chairman shall be eligible for re-election and re-appointment.</p>	<p>Article <del>87</del><b>97</b> The Company shall set up a board of directors which shall be responsible to the general meeting. The Board shall consist of <del>at least 3 persons</del><b>9-15 directors</b> and independent non-executive directors shall represent at least one-third of the total number of directors.</p> <p>The Board shall consist of one (1) chairman. The chairman shall be elected or dismissed by exceeding half of all directors. Every term of the chairman is three (3) years. Upon the expiration of the term, the chairman shall be eligible for re-election and re-appointment.</p> <p><i>The Company shall have one (1) employee representative director, who shall be elected by the employees of the Company at the employee representative meeting, which shall not be subject to the general meeting for deliberation.</i></p>

Original provisions	After amendments
<p>Article 88 The Board shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to be responsible for convening general meetings, propose at general meetings to pass the relevant matters and report its work at the general meetings;</li> <li>(2) to implement resolutions of the general meetings;</li> <li>(3) to decide on the Company's business plans and investment programs;</li> <li>(4) to formulate the Company's profit distribution plans and plans on making up losses;</li> <li>(5) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof, or issue a certain number of domestic shares to specific investors according to the authorization of the general meeting;</li> <li>(6) to formulate plans for the Company's substantial acquisitions or disposals and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;</li> <li>(7) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, charge of assets, external guarantees, wealth management entrustment, related party transactions and donations;</li> <li>(8) to decide on establishment of internal management organizations of the Company;</li> </ol>	<p>Article <del>88</del>98 The Board shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to be responsible for convening general meetings, propose at general meetings to pass the relevant matters and report its work at the general meetings;</li> <li>(2) to implement resolutions of the general meetings;</li> <li>(3) to decide on the Company's business plans and investment programs;</li> <li>(4) to formulate the Company's profit distribution plans and plans on making up losses;</li> <li>(5) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof, or issue a certain number of domestic shares to specific investors according to the authorization of the general meeting;</li> <li>(6) to formulate plans for the Company's substantial acquisitions or disposals and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;</li> <li>(7) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, charge of assets, external guarantees, wealth management entrustment, related party transactions and donations;</li> <li>(8) to decide on establishment of internal management organizations of the Company;</li> </ol>

Original provisions	After amendments
(9) to appoint or dismiss general manager and secretary to the Board, and to decide on their remunerations, to appoint or dismiss deputy general manager(s), the chief financial officer and other senior management in accordance with the nominations by general manager, and to decide on their remunerations and others;	(9) to appoint or dismiss general manager and secretary to the Board, and to decide on their remunerations, to appoint or dismiss deputy general manager(s), the chief financial officer and other senior management in accordance with the nominations by general manager, and to decide on their remunerations and others;
(10) to decide on the plans such as alteration of corporate form, division, restructuring or dissolution of the Company's wholly-owned subsidiaries and associated companies;	(10) to decide on the plans such as alteration of corporate form, division, restructuring or dissolution of the Company's wholly-owned subsidiaries and associated companies;
(11) to formulate the basic management system of the Company, to determine the salary, benefits, rewards and punishments policies and programs of the Company's employees;	(11) to formulate the basic management system of the Company, to determine the salary, benefits, rewards and punishments policies and programs of the Company's employees;
(12) to formulate proposals to amend the Articles of Association;	(12) to formulate proposals to amend the Articles of Association;
(13) to formulate proposals of the equity incentive scheme of the Company;	(13) to formulate proposals of the equity incentive scheme of the Company;
(14) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;	(14) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;
(15) to propose at the general meeting the appointment, re-appointment or dismissal of the accounting firms which provide audit services to the Company;	(15) to propose at the general meeting the appointment, re-appointment or dismissal of the accounting firms which provide audit services to the Company;
(16) to listen to work reports submitted by the general manager and review his work;	(16) to listen to work reports submitted by the general manager and review his work;
(17) to decide on other major affairs and administrative matters of the Company, to sign other material agreements, save and except for matters to be approved at the general meetings as required by the Company Law and the Articles of Association;	(17) to decide on other major affairs and administrative matters of the Company, to sign other material agreements, save and except for matters to be approved at the general meetings as required by the Company Law and the Articles of Association;
(18) to manage information disclosure of the Company;	(18) to manage information disclosure of the Company;

Original provisions	After amendments
<p>(19) other powers and duties authorized by the Articles of Association or general meetings;</p> <p>(20) other matters as required by the PRC laws and regulations.</p> <p>Except for the Board resolutions in respect of the matters specified in paragraphs (5) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.</p> <p>The Board may establish certain special committees such as a strategic committee, an audit committee, a remuneration and assessment committee and a nomination committee as needed, to assist the Board to exercise its duties and powers or provide advice or consultation for the Board in respect of its decisions under the leadership of the Board. The composition of and the rules of procedures for such committees shall be decided by the Board separately. The special committees shall be responsible to the Board, and perform their duties according to the Articles of Association and the authorization granted by the Board. The proposals shall be submitted to the Board for consideration and approval. All members of the special committees are composed of directors, among which the number of independent directors shall be the majority of the audit committee, nomination committee and remuneration and assessment committee, and they shall act as the chairman of the committees. The members of the audit committee shall be directors who are not senior management of the company, and the chairman shall be an independent non-executive director who is an accounting professional.</p> <p>The Board shall provide explanation for non-standard audit opinions on the financial reports of the Company given by certified public accountants at the general meeting.</p>	<p>(19) other powers and duties authorized by the Articles of Association or general meetings;</p> <p>(20) other matters as required by the PRC laws and regulations.</p> <p>Except for the Board resolutions in respect of the matters specified in paragraphs (5) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.</p> <p><del>The Board may establish certain special committees such as a strategic committee, an audit committee, a remuneration and assessment committee and a nomination committee as needed, to assist the Board to exercise its duties and powers or provide advice or consultation for the Board in respect of its decisions under the leadership of the Board. The composition of and the rules of procedures for such committees shall be decided by the Board separately. The special committees shall be responsible to the Board, and perform their duties according to the Articles of Association and the authorization granted by the Board. The proposals shall be submitted to the Board for consideration and approval. All members of the special committees are composed of directors, among which the number of independent directors shall be the majority of the audit committee, nomination committee and remuneration and assessment committee, and they shall act as the chairman of the committees. The members of the audit committee shall be directors who are not senior management of the company, and the chairman shall be an independent non-executive director who is an accounting professional.</del></p> <p>The Board shall provide explanation for non-standard audit opinions on the financial reports of the Company given by certified public accountants at the general meeting.</p>

Original provisions	After amendments
<p>Article 90 Company transactions (other than the provision of guarantees) shall be submitted to the Board for consideration if they meet one of the following criteria:</p> <p>(1) The total assets involved in the transaction (the greater one will prevail in case of both book value and assessed value are available) amounts to more than 10% of the latest audited total assets of the Company;</p> <p>(2) The transaction amount amounts to more than 10% of the Company's market value;</p> <p>(3) The net assets of the subject matter of the transaction (such as equity rights) amounts to more than 10% of the Company's market value;</p> <p>(4) The operation revenue of the subject matter of the transaction (such as equity rights) in the latest accounting year amounts to more than 10% of the audited operation revenue of the Company in the latest accounting year, and exceeds RMB10 million;</p> <p>(5) The profit from the transaction amounts to more than 10% of the audited net profit in the latest accounting year of the Company and exceeds RMB1 million;</p> <p>(6) The net profit in connection with the subject matter of the transaction (such as equity rights) in the latest accounting year amount to more than 10% of the audited net profit in the latest accounting year of the Company and exceeds RMB1 million.</p>	<p>Article <del>90</del><b>100</b> Company transactions (other than the provision of guarantees <i>and financial assistance</i>) shall be submitted to the Board for consideration if they meet one of the following criteria:</p> <p>(1) The total assets involved in the transaction (the greater one will prevail in case of both book value and assessed value are available) amounts to more than 10% of the latest audited total assets of the Company;</p> <p>(2) The transaction amount amounts to more than 10% of the Company's market value;</p> <p>(3) The net assets of the subject matter of the transaction (such as equity rights) amounts to more than 10% of the Company's market value;</p> <p>(4) The operation revenue of the subject matter of the transaction (such as equity rights) in the latest accounting year amounts to more than 10% of the audited operation revenue of the Company in the latest accounting year, and exceeds RMB10 million;</p> <p>(5) The profit from the transaction amounts to more than 10% of the audited net profit in the latest accounting year of the Company and exceeds RMB1 million;</p> <p>(6) The net profit in connection with the subject matter of the transaction (such as equity rights) in the latest accounting year amount to more than 10% of the audited net profit in the latest accounting year of the Company and exceeds RMB1 million.</p>

Original provisions	After amendments
<p>The net profit index in the above criteria can be exempted from application before the Company realizes profits.</p> <p>The Board is authorized at the general meeting to consider and approve the above matters within the scope of authority. The matters exceeding the scope of authority shall be submitted at the general meeting for consideration and approval. Where the Company violates the power of approval or procedures of consideration in relation to external guarantee, shareholders and supervisors shall have the right to demand the relevant responsible persons to bear their legal responsibility.</p> <p>The Board shall clarify authorities with respect to external investment, acquisition and sale of assets, charge of assets, external guarantee, wealth management entrustment and related transaction, donations, etc. and establish strict examination and decision-making procedures. Major investment projects shall be assessed by relevant experts and professionals and submitted at the general meeting for consideration and approval.</p> <p>Where the Board of the Company may, according to the principle of prudent authorization, authorize the chairman to exercise part of the functions and powers of the Board during its closing period, the authorization shall be clear and specific and in the form of writing. Major matters of the Company as stipulated in the Company Law and other relevant laws, administrative regulations, departmental rules or the Articles of Association shall be decided by the Board collectively, and the statutory functions and powers of the Board shall not be exercised by the chairman or general manager.</p>	<p><i>Where any data referenced in the foregoing indicators is negative, the absolute value shall be taken for calculation purposes.</i> <del><i>The net profit index in the above criteria can be exempted from application before the Company realizes profits.</i></del></p> <p>The Board is authorized at the general meeting to consider and approve the above matters within the scope of authority. The matters exceeding the scope of authority shall be submitted at the general meeting for consideration and approval. Where the Company violates the power of approval or procedures of consideration in relation to external guarantee, shareholders and <del>supervisors</del><i>members of the audit committee</i> shall have the right to demand the relevant responsible persons to bear their legal responsibility.</p> <p>The Board shall clarify authorities with respect to external investment, acquisition and sale of assets, charge of assets, external guarantee, wealth management entrustment and related transaction, donations, etc. and establish strict examination and decision-making procedures. Major investment projects shall be assessed by relevant experts and professionals and submitted at the general meeting for consideration and approval.</p> <p>Where the Board of the Company may, according to the principle of prudent authorization, authorize the chairman to exercise part of the functions and powers of the Board during its closing period, the authorization shall be clear and specific and in the form of writing. Major matters of the Company as stipulated in the Company Law and other relevant laws, administrative regulations, departmental rules or the Articles of Association shall be decided by the Board collectively, and the statutory functions and powers of the Board shall not be exercised by the chairman or general manager.</p>

Original provisions	After amendments
<p>Article 91 The chairman of the Board shall exercise the following functions and powers:</p> <p>(1) to preside over general meetings and to convene and preside over Board meetings;</p> <p>(2) to supervise and check the implementation of resolutions of the Board;</p> <p>(3) to establish the systems necessary for the operation of the Board, and coordinate its operation;</p> <p>(4) to ensure the Company formulates sound corporate governance practices and procedures;</p> <p>(5) to represent the Company in signing important legally binding documents with third parties;</p> <p>(6) to decide on matters concerning external investment that do not meet the standards set forth in Article 90 of these Articles of Association;</p> <p>(7) to put forward a name list of the proposed candidates for the Company's vice chairman, general manager and secretary to the Board;</p> <p>(8) to supervise and check on the work of special committees;</p> <p>(9) to listen to regular and non-regular work reports from the Company's senior management, and to provide the Board with steering comments on the implementation of Board resolutions;</p>	<p>Article <del>91</del><b>101</b> The chairman of the Board shall exercise the following functions and powers:</p> <p>(1) to preside over general meetings and to convene and preside over Board meetings;</p> <p>(2) to supervise and check the implementation of resolutions of the Board;</p> <p>(3) to establish the systems necessary for the operation of the Board, and coordinate its operation;</p> <p>(4) to ensure the Company formulates sound corporate governance practices and procedures;</p> <p>(5) to represent the Company in signing important legally binding documents with third parties;</p> <p>(6) to decide on matters concerning external investment that do not meet the standards set forth in Article <del>90</del><b>100</b> of these Articles of Association;</p> <p>(7) to put forward a name list of the proposed candidates for the Company's vice chairman, general manager and secretary to the Board;</p> <p>(8) to supervise and check on the work of special committees;</p> <p>(9) to listen to regular and non-regular work reports from the Company's senior management, and to provide the Board with steering comments on the implementation of Board resolutions;</p>

Original provisions	After amendments
<p>(10) in an emergency situation where the occurrence of force majeure and major emergency events and the Board is unable to convene a meeting in due course, to exercise a special right to deal with the Company's affairs in compliance with the laws and in the Company's interests, and to report the same to the Board thereafter;</p> <p>(11) other functions and powers conferred by the laws and regulations, the STAR Market Listing Rules, the Hong Kong Listing Rules, the Articles of Association or the Board resolutions.</p> <p>The vice chairman (if any) shall assist the chairman. When the chairman is unable to perform his duties, the vice chairman (if any) shall perform such duties. When the vice chairman (if any) is also unable to perform his duties, a director shall be elected jointly by more than half of the directors to perform such duties.</p>	<p>(10) in an emergency situation where the occurrence of force majeure and major emergency events and the Board is unable to convene a meeting in due course, to exercise a special right to deal with the Company's affairs in compliance with the laws and in the Company's interests, and to report the same to the Board thereafter;</p> <p>(11) other functions and powers conferred by the laws and regulations, the STAR Market Listing Rules, the Hong Kong Listing Rules, the Articles of Association or the Board resolutions.</p> <p>The vice chairman (if any) shall assist the chairman. When the chairman is unable to perform his duties, the vice chairman (if any) shall perform such duties. When the vice chairman (if any) is also unable to perform his duties, a director shall be elected jointly by <b><i>more than halfa majority</i></b> of the directors to perform such duties.</p>
<p>Article 92 Meetings of the Board shall be held at least four (4) times a year, at approximately quarterly intervals. Meetings shall be convened by the chairman of the Board. The chairman shall convene an extraordinary meeting within 10 days after receiving the proposal under the following circumstances:</p> <p>(1) proposed by shareholders representing at least one tenth of the voting right;</p> <p>(2) proposed jointly by at least one-third of the directors;</p> <p>(3) proposed by the majority of independent non-executive directors;</p> <p>(4) proposed by the Board of Supervisors;</p> <p>(5) proposed by the general manager in case of emergency.</p> <p>The chairman may decide to convene an extraordinary meeting if it is necessary as deemed by the chairman.</p>	<p>Article <b><i>92102</i></b> Meetings of the Board shall be held at least four (4) times a year, at approximately quarterly intervals. Meetings shall be convened by the chairman of the Board. The chairman shall convene an extraordinary meeting within 10 days after receiving the proposal under the following circumstances:</p> <p>(1) proposed by shareholders representing at least one tenth of the voting right;</p> <p>(2) proposed jointly by at least one-third of the directors;</p> <p>(3) proposed by the majority of independent non-executive directors;</p> <p>(4) proposed by the <b><i>Board—of Supervisorsaudit committee</i></b>;</p> <p>(5) proposed by the general manager in case of emergency.</p> <p>The chairman may decide to convene an extraordinary meeting if it is necessary as deemed by the chairman.</p>

Original provisions	After amendments
<p>Article 93 The time limit and means of notification of convening a Board meeting and extraordinary Board meeting are as follows: Notice of a regular Board meeting shall be given to all directors, supervisors and the general manager 14 days before the date of meeting. Notice of an extraordinary meeting shall be given to all directors, supervisors and the general manager 5 days before the date of meeting. The office of the Board shall send the written notice of meeting to all directors, supervisors and the general manager by hand, fax, e-mail or other means. Where the notice is not served by hand, telephone acknowledgement and records shall be made accordingly.</p> <p>In emergency situations where an extraordinary Board meeting needs to be convened as soon as possible, the notice of the meeting may be given by telephone or by other means of verbal communication at any time. The convener shall provide an explanation for such action at the meeting.</p>	<p>Article <del>93</del><b>103</b> The time limit and means of notification of convening a Board meeting and extraordinary Board meeting are as follows: Notice of a regular Board meeting shall be given to all directors, supervisors and the general manager 14 days before the date of meeting. Notice of an extraordinary meeting shall be given to all directors, <del>supervisors</del> and the general manager 5 days before the date of meeting. The office of the Board shall send the written notice of meeting to all directors, <del>supervisors</del> and the general manager by hand, fax, e-mail or other means. Where the notice is not served by hand, telephone acknowledgement and records shall be made accordingly.</p> <p>In emergency situations where an extraordinary Board meeting needs to be convened as soon as possible, the notice of the meeting may be given by telephone or by other means of verbal communication at any time. The convener shall provide an explanation for such action at the meeting.</p>

Original provisions	After amendments
<p>Article 96 The Board meetings shall be held only if more than half of the directors are present.</p> <p>Each director shall have one vote. Exceeding half of the votes of all directors is required for passing of a Board resolution, except as otherwise provided in the laws, administrative regulations and the Articles of Association.</p> <p>Where the number of votes cast for and against a resolution is equal, the chairman shall have a casting vote.</p> <p>When a director and an enterprise or individual involved in a resolution at a Board meeting have a related party relationship, such director shall promptly submit a written report to the Board. The director with a related party relationship shall not exercise his voting rights on such resolution or exercise any voting rights on behalf of other directors. The meeting may be held if more than a half of the unrelated directors present at the meeting. The resolutions of the Board meeting shall be passed by more than a half of the unrelated directors. If less than three (3) unrelated directors attend the Board meeting, such matter shall be put forward to the general meeting of the Company for consideration and approval.</p> <p>Subject to such exceptions stipulated in the STAR Market Listing Rules, the Hong Kong Listing Rules or approved by the Hong Kong Stock Exchange, a director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates (as defined in the Hong Kong Listing Rules) has a material interest nor shall he be counted in the quorum present at the meeting.</p>	<p>Article <del>96</del><b>106</b> The Board meetings shall be held only if <del>more than half a majority</del> of the directors <del>are</del><b>is</b> present.</p> <p>Each director shall have one vote. Exceeding half of the votes of all directors is required for passing of a Board resolution, except as otherwise provided in the laws, administrative regulations and the Articles of Association.</p> <p>Where the number of votes cast for and against a resolution is equal, the chairman shall have a casting vote.</p> <p>When a director and an enterprise or individual involved in a resolution at a Board meeting have a related party relationship, such director shall promptly submit a written report to the Board. The director with a related party relationship shall not exercise his voting rights on such resolution or exercise any voting rights on behalf of other directors. The meeting may be held if more than a half of the unrelated directors present at the meeting. The resolutions of the Board meeting shall be passed by more than a half of the unrelated directors. If less than three (3) unrelated directors attend the Board meeting, such matter shall be put forward to the general meeting of the Company for consideration and approval.</p> <p>Subject to such exceptions stipulated in the STAR Market Listing Rules, the Hong Kong Listing Rules or approved by the Hong Kong Stock Exchange, a director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates (as defined in the Hong Kong Listing Rules) has a material interest nor shall he be counted in the quorum present at the meeting.</p>

Original provisions	After amendments
<p>Article 99 All directors shall be notified of all material matters to be resolved at the Board meeting at the time required by the Articles of Association and be provided with sufficient information strictly in accordance with the procedures as stipulated. Directors may request supplementary information. When two or more independent non-executive directors consider the information provided is incomplete, the argument is not sufficient or not duly provided, they may jointly propose to postpone the Board meeting or to postpone the discussion of certain matters. The Board shall accept such proposal and the Company shall timely disclose relevant information.</p> <p>Resolutions in respect of related party transactions of the Company made by the Board shall be subject to the signature of the independent non-executive directors.</p>	<p>Article <del>99</del><b>109</b> All directors shall be notified of all material matters to be resolved at the Board meeting at the time required by the Articles of Association and be provided with sufficient information strictly in accordance with the procedures as stipulated. Directors may request supplementary information. When two or more independent non-executive directors consider the information provided is incomplete, the argument is not sufficient or not duly provided, they may jointly propose to postpone the Board meeting or to postpone the discussion of certain matters. The Board shall accept such proposal and the Company shall timely disclose relevant information.</p> <p><del>Resolutions in respect of related party transactions of the Company made by the Board shall be subject to the signature of the independent non-executive directors.</del></p>
<i>Added</i>	<i>Section III Independent Non-executive Directors</i>
<i>Added</i>	<p><i>Article 112 Independent non-executive directors shall diligently perform their duties as required by laws, administrative regulations, the CSRC, the stock exchange where the shares of the Company are listed and the Articles of Association, and shall play their roles in participating in decision-making, checks and balances, and providing professional advice within the Board, while safeguarding the interests of the Company as a whole and protecting the legitimate rights and interests of small and medium shareholders.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 113 An independent non-executive director shall be independent. None of the following persons shall serve as an independent non-executive director:</i></p> <p><i>(1) persons who work at the Company or its affiliates and their spouses, parents, children or major social relations;</i></p> <p><i>(2) persons who directly or indirectly hold more than 1% of the issued shares of the Company or individual shareholders among the top ten shareholders of the Company and their spouses, parents or children;</i></p> <p><i>(3) persons who directly or indirectly hold more than 5% of the issued shares of the Company or individual shareholders among the top five shareholders of the Company and their spouses, parents or children;</i></p> <p><i>(4) persons who work at the affiliates of the controlling shareholder or de facto controller of the Company and their spouses, parents or children;</i></p> <p><i>(5) persons who have significant business dealings with the Company and its controlling shareholder, de facto controller, or their respective affiliates, or who work at organizations with significant business dealings and their controlling shareholders or de facto controllers;</i></p>

Original provisions	After amendments
	<p>(6) <i>persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholder, de facto controller, or their respective affiliates, including but not limited to all members of the project team of the intermediary institutions providing such services, review personnel at all levels, personnel who sign reports, partners, directors, senior management members, and persons in charge;</i></p> <p>(7) <i>persons who have experiences mentioned in items (1) to (6) within the past twelve months;</i></p> <p>(8) <i>other persons who do not possess the independence as stipulated by laws, administrative regulations, provisions of the CSRC, rules of the stock exchange where the shares of the Company are listed and the Articles of Association.</i></p> <p><i>Independent non-executive directors shall carry out an annual self-inspection of their independence and submit the results of such self-inspection to the Board. The Board shall evaluate the independence of independent non-executive directors and issue special opinions on an annual basis, which shall be disclosed together with the annual report.</i></p>

Original provisions	After amendments
<i>Added</i>	<p data-bbox="810 300 1358 453"><i>Article 114 A person holding the position of independent non-executive director shall satisfy the basic qualifications set forth below:</i></p> <ul style="list-style-type: none"> <li data-bbox="810 502 1358 693"><i>(1) to possess the qualifications to hold office as a director of a listed company under laws, administrative regulations and other relevant provisions;</i></li> <li data-bbox="810 742 1358 853"><i>(2) to possess the independence as required by the Articles of Association;</i></li> <li data-bbox="810 902 1358 1055"><i>(3) to have the basic knowledge of the operations of a listed company, and to be familiar with relevant laws, regulations and rules;</i></li> <li data-bbox="810 1104 1358 1295"><i>(4) to have at least five years of legal, accounting, or economic work experience necessary to fulfill the duties of an independent non-executive director;</i></li> <li data-bbox="810 1344 1358 1455"><i>(5) to have good personal characters, with no negative records such as severe dishonesty;</i></li> <li data-bbox="810 1504 1358 1732"><i>(6) other conditions as stipulated by laws, administrative regulations, provisions of the CSRC, rules of the stock exchange where the shares of the Company are listed and the Articles of Association.</i></li> </ul>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 115 Independent non-executive directors, as members of the Board, shall fulfill the obligations of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:</i></p> <p><i>(1) to participate in the decision-making of the Board and express clear opinions on the matters discussed;</i></p> <p><i>(2) to supervise potential major conflicts of interest between the Company and its controlling shareholder, de facto controller, directors and senior management, and protect the legitimate rights and interests of small and medium shareholders;</i></p> <p><i>(3) to provide professional and objective suggestions for the Company's operation and development, and promote the improvement of the decision-making of the Board;</i></p> <p><i>(4) other duties as stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 116 Independent non-executive directors shall perform the following special duties and powers:</i></p> <ul style="list-style-type: none"> <li><i>(1) to independently engage intermediary agencies to audit, consult or verify specific matters of the Company;</i></li> <li><i>(2) to propose to the Board for convening an extraordinary general meeting;</i></li> <li><i>(3) to propose for convening a Board meeting;</i></li> <li><i>(4) to publicly solicit shareholders' rights in accordance with laws;</i></li> <li><i>(5) to express independent opinions on matters that may harm the rights and interests of the Company or small and medium shareholders;</i></li> <li><i>(6) other duties and powers as stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.</i></li> </ul> <p><i>Independent non-executive directors shall obtain the consent of a majority of all independent non-executive directors prior to exercising the duties and powers as set out in items (1) to (3) in the preceding paragraph.</i></p> <p><i>The Company shall promptly disclose the exercise of the duties and powers as set out in the first paragraph by independent non-executive directors. If the above-mentioned duties and powers cannot be exercised in a normal manner, the Company shall disclose the particulars and reasons.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 117 The following matters shall be approved by a majority of all independent non-executive directors of the Company before being submitted to the Board for review:</i></p> <ul style="list-style-type: none"> <li><i>(1) related party transactions that are required to be disclosed;</i></li> <li><i>(2) plans for the Company and its related parties to change or waive commitments;</i></li> <li><i>(3) decisions and measures taken by the board of directors of the listed company to be acquired regarding the acquisition;</i></li> <li><i>(4) other matters as stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.</i></li> </ul>
<i>Added</i>	<p><i>Article 118 The Company shall establish an extraordinary meeting mechanism exclusively composed of independent non-executive directors. For related party transactions and other matters subject to review by the Board, prior approval shall be obtained from the extraordinary meetings of independent non-executive directors.</i></p> <p><i>The Company shall convene regular or extraordinary meetings of independent non-executive directors. The matters as set out in items (1) to (3) of paragraph 1 of Article 116 and Article 117 of the Articles of Association shall be resolved by the extraordinary meetings of independent non-executive directors.</i></p>

Original provisions	After amendments
	<p><i>The extraordinary meetings of independent non-executive directors may discuss other matters of the Company as necessary.</i></p> <p><i>The extraordinary meetings of independent non-executive directors shall be convened and presided over by an independent non-executive director jointly elected by a majority of the independent non-executive directors. When the convener fails or is unable to perform his/her duties, two or more independent non-executive directors may convene such meeting on their own and elect a representative to preside.</i></p> <p><i>Minutes for the extraordinary meetings of independent non-executive directors shall be made in accordance with regulations, and the opinions of independent non-executive directors shall be recorded in such minutes. Independent non-executive directors shall sign and confirm such minutes.</i></p> <p><i>The Company shall facilitate and support the extraordinary meetings of independent non-executive directors.</i></p>
<i>Added</i>	<i>Section IV Special Committees under the Board</i>
<i>Added</i>	<i>Article 119 The Board of the Company shall establish an audit committee, which shall exercise the functions and powers of a board of supervisors as prescribed by the Company Law.</i>

Original provisions	After amendments
<i>Added</i>	<i>Article 120 The audit committee shall be composed of three (3) members, who shall be directors who are not senior management of the Company, including two (2) independent non-executive directors, and the chairman shall be an independent non-executive director who is an accounting professional. Employee representative directors may serve as members of the audit committee.</i>
<i>Added</i>	<p><i>Article 121 The audit committee shall be responsible for reviewing the Company's financial information and its disclosure, overseeing and evaluating internal and external audits as well as internal controls. The following matters shall be approved by a majority of all members of the audit committee before being submitted to the Board for review:</i></p> <ul style="list-style-type: none"> <li><i>(1) disclosure of financial and accounting reports and financial information in regular reports, as well as internal control evaluation reports;</i></li> <li><i>(2) appointment or dismissal of the accounting firms which provide audit services to the Company;</i></li> <li><i>(3) appointment or dismissal of the financial controller of the Company;</i></li> <li><i>(4) changes in accounting policies or estimates, or rectifications of material accounting errors, except those due to changes in accounting standards;</i></li> <li><i>(5) other matters as stipulated by laws, administrative regulations, the CSRC, the stock exchange where the shares of the Company are listed and the Articles of Association.</i></li> </ul>

Original provisions	After amendments
<p><i>Added</i></p>	<p><i>Article 122 The audit committee shall convene at least one meeting every quarter. An extraordinary meeting may be held as proposed by two or more members or when the convener deems it necessary. The meetings of the audit committee shall be held only if more than two-thirds of the members are present.</i></p> <p><i>A resolution of the audit committee shall be passed by a majority of the members of the audit committee.</i></p> <p><i>The voting on resolutions of the audit committee shall be conducted on a one-person-one-vote basis.</i></p> <p><i>Minutes for the resolutions of the meetings of the audit committee shall be made in accordance with regulations, which shall be signed by the members of the audit committee present at the meeting.</i></p> <p><i>The terms of reference of the audit committee shall be formulated by the Board.</i></p>
<p><i>Added</i></p>	<p><i>Article 123 The Board shall establish the Strategic Committee, Nomination Committee, Remuneration and Appraisal Committee, and other special committees, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board. Each committee shall have an odd number of members, with no fewer than three (3) members. In particular, the majority of the members of the Remuneration and Appraisal Committee and the Nomination Committee shall be independent non-executive directors, and the convener (chairman) shall be an independent non-executive director. The proposals of special committees shall be submitted to the Board for consideration and approval. The terms of reference of special committees shall be formulated by the Board.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 124 The Nomination Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, as well as evaluating and reviewing candidates for such positions and their qualifications, and shall make recommendations to the Board on the following matters:</i></p> <ul style="list-style-type: none"> <li><i>(1) nomination or appointment or dismissal of directors;</i></li> <li><i>(2) appointment or dismissal of senior management;</i></li> <li><i>(3) other matters as stipulated by laws, administrative regulations, the CSRC, the stock exchange where the shares of the Company are listed and the Articles of Association.</i></li> </ul> <p><i>If the Board does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for not adopting them in the resolution of the Board, and disclose accordingly.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 125 The Remuneration and Appraisal Committee shall be responsible for establishing performance appraisal criteria and conducting appraisals for directors and senior management, as well as formulating and reviewing remuneration determination mechanisms, decision-making processes and payment/recovery arrangements and other remuneration policies and schemes, and shall make recommendations to the Board on the following matters:</i></p> <ul style="list-style-type: none"> <li><i>(1) remuneration of directors and senior management;</i></li> <li><i>(2) formulation or modification of stock incentive plans or employee stock ownership plans, including the granting of entitlements to incentive participants and the fulfillment of conditions for exercising such entitlements;</i></li> <li><i>(3) arrangements for directors and senior management to participate in stock ownership plans of subsidiaries proposed to be spun off;</i></li> <li><i>(4) other matters as stipulated by laws, administrative regulations, the CSRC, the stock exchange where the shares of the Company are listed and the Articles of Association.</i></li> </ul> <p><i>If the Board does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting them in the resolution of the Board, and disclose accordingly.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 126 The specific duties and powers of the Strategic Committee shall include:</i></p> <ul style="list-style-type: none"> <li><i>(1) reviewing the Company's strategic development plan and making recommendations to the Board;</i></li> <li><i>(2) reviewing and deliberating on the establishment, feasibility study, external negotiations, due diligence, cooperation intentions, and contract signing of major new investment projects of the Company in accordance with the Company's strategic development plan, and making recommendations to the Board;</i></li> <li><i>(3) reviewing and deliberating on significant financing, capital operations, asset management matters such as the issuance of shares and corporate bonds of the Company, and making recommendations to the Board;</i></li> <li><i>(4) reviewing and deliberating on the merger, spin-off, liquidation of the Company, as well as other significant matters that affect the Company's development, and making recommendations to the Board;</i></li> <li><i>(5) reporting and researching on other significant matters that affect the Company's development and making recommendations to the Board;</i></li> <li><i>(6) monitoring and tracking the implementation process of the above matters after they are submitted to the Board for approval and implementation, and proposing adjustment suggestions as appropriate;</i></li> <li><i>(7) other matters as required by laws, regulations, the listing rules of the place where the shares of the Company are listed, the Articles of Association, and as authorized by the Board.</i></li> </ul>

Original provisions	After amendments
<p>Article 103 The secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience and shall be nominated by the chairman and appointed or dismissed by the Board. The Company shall have sufficient reasons for dismissing the secretary to the Board, and shall not dismiss him or her without cause. The primary responsibilities of the secretary to the Board include:</p> <p>(1) to ensure the Company has complete organizations documents and records; to keep and manage shareholders' information; to assist the directors in addressing the routine tasks of the Board, to keep the directors informed and alerted about any regulations, policies and other requirements of domestic and foreign regulators concerning operations of the Company and to ensure they understand the above matters, to assist the directors and the general manager observe domestic and foreign laws and regulations as well as the Articles of Association and other relevant regulations in a proper manner when performing their duties and powers;</p> <p>(2) to ensure the Company to prepare and submit all reports and documents to the competent authorities as required by the laws;</p> <p>(3) to organize and arrange for the Board meetings and general meetings, to prepare meeting materials, to handle relevant meeting affairs, to be responsible for keeping minutes of the meetings and to ensure their accuracy, to keep meeting documents and minutes and to take initiative to keep abreast of the implementation of relevant resolutions. Any important issues occurring during the implementation shall be reported to the Board with suggestions proposed;</p>	<p>Article <del>103</del><sup>128</sup> The secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience and shall be nominated by the chairman and appointed or dismissed by the Board. The Company shall have sufficient reasons for dismissing the secretary to the Board, and shall not dismiss him or her without cause. The primary responsibilities of the secretary to the Board include:</p> <p>(1) to ensure the Company has complete organizations documents and records; to keep and manage shareholders' information; to assist the directors in addressing the routine tasks of the Board, to keep the directors informed and alerted about any regulations, policies and other requirements of domestic and foreign regulators concerning operations of the Company and to ensure they understand the above matters, to assist the directors and the general manager observe domestic and foreign laws and regulations as well as the Articles of Association and other relevant regulations in a proper manner when performing their duties and powers;</p> <p>(2) to ensure the Company to prepare and submit all reports and documents to the competent authorities as required by the laws;</p> <p>(3) to organize and arrange for the Board meetings and general meetings, to prepare meeting materials, to handle relevant meeting affairs, to be responsible for keeping minutes of the meetings and to ensure their accuracy, to keep meeting documents and minutes and to take initiative to keep abreast of the implementation of relevant resolutions. Any important issues occurring during the implementation shall be reported to the Board with suggestions proposed;</p>

Original provisions	After amendments
<p>(4) to ensure the material matters resolved by the Board of the Company to be carried out strictly in accordance with the procedures as stipulated. According to the requirements of the Board, to participate in the consultation and analysis of the matters to be considered by the Board and to offer relevant opinions and suggestions. To handle the day-to-day tasks of the Board and its committees as authorized;</p> <p>(5) as the contact person between the Company and the securities regulatory authorities, to be responsible for preparation and timely submission of the documents as required to the regulatory authorities, and to accept any task from the regulatory authorities and organize the implementation thereof;</p> <p>(6) to be responsible for coordinating and organizing information disclosure of the Company, to establish and improve the information disclosure system, to participate in all meetings of the Company involving information disclosure, and to keep informed of the material operational decisions and relevant information of the Company in a timely manner;</p> <p>(7) to be responsible for keeping price-sensitive information of the Company confidential and to work out effective and practical confidentiality systems and measures. Where there is any leakage of price-sensitive information of the Company due to any reason, to take necessary remedial measures; to make timely explanation and clarification, and to notify the stock exchange where the Company's shares are listed and the CSRC;</p>	<p>(4) to ensure the material matters resolved by the Board of the Company to be carried out strictly in accordance with the procedures as stipulated. According to the requirements of the Board, to participate in the consultation and analysis of the matters to be considered by the Board and to offer relevant opinions and suggestions. To handle the day-to-day tasks of the Board and its committees as authorized;</p> <p>(5) as the contact person between the Company and the securities regulatory authorities, to be responsible for preparation and timely submission of the documents as required to the regulatory authorities, and to accept any task from the regulatory authorities and organize the implementation thereof;</p> <p>(6) to be responsible for coordinating and organizing information disclosure of the Company, to establish and improve the information disclosure system, to participate in all meetings of the Company involving information disclosure, and to keep informed of the material operational decisions and relevant information of the Company in a timely manner;</p> <p>(7) to be responsible for keeping price-sensitive information of the Company confidential and to work out effective and practical confidentiality systems and measures. Where there is any leakage of price-sensitive information of the Company due to any reason, to take necessary remedial measures; to make timely explanation and clarification, and to notify the stock exchange where the Company's shares are listed and the CSRC;</p>

Original provisions	After amendments
<p>(8) to be responsible for coordinating reception of visitors, to keep in touch with news media, to be responsible for coordinating replies to inquiries from the public, to handle the relations with intermediary agencies, regulatory authorities and media, and to report to the CSRC;</p> <p>(9) to ensure the proper establishment of the register of members of the Company, and to ensure timely access to the relevant records and documents by the individuals who are entitled to access such information;</p> <p>(10) to assist directors and the general manager in duly complying with the domestic and foreign laws, regulations, the Articles of Association and other requirements in the course of discharging their duties, and upon becoming aware that the Company has passed or may pass resolutions which are in breach of the relevant regulations, to be obliged to remind the Board in a timely manner, and to be entitled to report such matter to the CSRC and other regulatory authorities;</p> <p>(11) to coordinate the provision of the information necessary for the Board of Supervisors of the Company and other audit agencies to discharge their supervision duties, and to assist in carrying out investigations on the performance of the financial controller, directors and the general manager of the Company of their fiduciary duties;</p> <p>(12) to perform other duties and powers as conferred by the Board, as well as other duties and powers as required by the stock exchange where the Company's shares are listed.</p>	<p>(8) to be responsible for coordinating reception of visitors, to keep in touch with news media, to be responsible for coordinating replies to inquiries from the public, to handle the relations with intermediary agencies, regulatory authorities and media, and to report to the CSRC;</p> <p>(9) to ensure the proper establishment of the register of members of the Company, and to ensure timely access to the relevant records and documents by the individuals who are entitled to access such information;</p> <p>(10) to assist directors and the general manager in duly complying with the domestic and foreign laws, regulations, the Articles of Association and other requirements in the course of discharging their duties, and upon becoming aware that the Company has passed or may pass resolutions which are in breach of the relevant regulations, to be obliged to remind the Board in a timely manner, and to be entitled to report such matter to the CSRC and other regulatory authorities;</p> <p>(11) to coordinate the provision of the information necessary for the <b><i>Board of Supervisors audit committee</i></b> of the Company and other audit agencies to discharge their supervision duties, and to assist in carrying out investigations on the performance of the financial controller, directors and the general manager of the Company of their fiduciary duties;</p> <p>(12) to perform other duties and powers as conferred by the Board, as well as other duties and powers as required by the stock exchange where the Company's shares are listed.</p>

Original provisions	After amendments
<p>Article 104 The directors or other senior management of the Company may also serve as the secretary to the Board of the Company. However, the accountants in the accounting firms engaged by the Company and the management of the controlling shareholder shall not concurrently serve as the secretary to the Board of the Company.</p> <p>In the event that a director concurrently serves as the secretary to the Board of the Company, and if an act concerned shall be conducted by the director and the secretary to the Board of the Company separately, such person concurrently serving as a director and the secretary to the Board of the Company shall not conduct such act in double roles.</p> <p>In the vacancy period of the secretary to the Board, the listed company shall promptly appoint a director or senior management to perform duties of the secretary to the Board on his behalf. If the vacancy period exceeds three (3) months, the legal representative of the Company shall perform duties of the secretary to the Board on his behalf.</p> <p>The Company shall set up a securities affairs representative to assist the secretary to the Board in performing his or her duties. When the secretary to the Board is unable to perform his or her duties or is authorized by the secretary to the Board, securities affairs representative shall perform such duties on his or her behalf.</p>	<p>Article <del>104</del><b>129</b> The directors or <del>other</del> senior management of the Company may also serve as the secretary to the Board of the Company. However, the accountants in the accounting firms engaged by the Company and the management of the controlling shareholder shall not concurrently serve as the secretary to the Board of the Company.</p> <p>In the event that a director concurrently serves as the secretary to the Board of the Company, and if an act concerned shall be conducted by the director and the secretary to the Board of the Company separately, such person concurrently serving as a director and the secretary to the Board of the Company shall not conduct such act in double roles.</p> <p>In the vacancy period of the secretary to the Board, the listed company shall promptly appoint a director or senior management to perform duties of the secretary to the Board on his behalf. If the vacancy period exceeds three (3) months, the legal representative of the Company shall perform duties of the secretary to the Board on his behalf, <b><i>and shall complete the appointment of the secretary to the Board within six months thereafter.</i></b></p> <p>The Company shall set up a securities affairs representative to assist the secretary to the Board in performing his or her duties. When the secretary to the Board is unable to perform his or her duties or is authorized by the secretary to the Board, securities affairs representative shall perform such duties on his or her behalf.</p>

Original provisions	After amendments
<p>Article 105 The Company has one (1) general manager who shall be appointed or dismissed by the Board, and a certain number of deputy general managers, who shall be nominated by the general manager and appointed or dismissed by the Board. The term of office is three years, from the date of passing of the resolution by the Board to the date of expiry of the current term of the Board, and shall be eligible to renewal and re-appointment. A director may concurrently serve as the general manager, vice general manger or other senior management, but the number of directors serving as manager or other senior management concurrently and the staff representative directors shall not be more than one half of total number of directors.</p> <p>The Company shall sign employment contracts with the senior management to specify the rights and obligations of both parties. The employment and dismissal of senior management shall comply with legal procedures, and be disclosed in time.</p> <p>Persons serving administrative posts other than directors and supervisors at the Company's controlling shareholder unit are not allowed to serve as senior management of the Company.</p> <p>The general manager shall formulate working rules of the general manager and submit them to the Board for approval and implementation.</p>	<p>Article <del>105</del><b>130</b> The Company has one (1) general manager who shall be appointed or dismissed by the Board, and a certain number of deputy general managers, who shall be nominated by the general manager and appointed or dismissed by the Board. The term of office is three years, from the date of passing of the resolution by the Board to the date of expiry of the current term of the Board, and shall be eligible to renewal and re-appointment. <b>Senior management</b><del>A director</del> may concurrently serve as <del>the general manager, vice general manger or other senior management directors</del>, but the number of directors serving as <del>manager or other</del> senior management concurrently and the staff representative directors shall not be more than one half of total number of directors.</p> <p>The Company shall sign employment contracts with the senior management to specify the rights and obligations of both parties. The employment and dismissal of senior management shall comply with legal procedures, and be disclosed in time.</p> <p>Persons serving administrative posts other than directors and supervisors at the Company's controlling shareholder unit are not allowed to serve as senior management of the Company. <b><i>The senior management of the Company shall receive remuneration solely from the Company and shall not be paid through the controlling shareholder.</i></b></p> <p>The general manager shall formulate working rules of the general manager and submit them to the Board for approval and implementation.</p>

Original provisions	After amendments
<p>The working rules of the general manager shall include the following contents:</p> <p>(1) conditions and procedures of convening general manager meetings as well as the participants;</p> <p>(2) specific obligations and division of work of the general manager and other senior management;</p> <p>(3) authorities with respect to the utilization of the Company's funds or assets and the execution of major contracts, systems on reporting to the Board and the Board of Supervisors;</p> <p>(4) other matters deemed necessary by the Board.</p>	<p>The working rules of the general manager shall include the following contents:</p> <p>(1) conditions and procedures of convening general manager meetings as well as the participants;</p> <p>(2) specific obligations and division of work of the general manager and other senior management;</p> <p>(3) authorities with respect to the utilization of the Company's funds or assets and the execution of major contracts, systems on reporting to the Board <del>and the Board of Supervisors</del>;</p> <p>(4) other matters deemed necessary by the Board.</p>
<p><i>Added</i></p>	<p><i>Article 131 The provisions regarding the circumstances under which a person may not serve as a director and the resignation management system in the Articles of Association shall apply equally to senior management. The provisions regarding the obligations of loyalty and diligence of directors in the Articles of Association shall apply equally to senior management.</i></p>
<p>Article 108 The general manager may resign before the expiration of his term of service. The specific procedures and measures for the resignation of the general manager shall be stipulated in the appointment contract entered into between the general manager and the Company.</p>	<p>Article <del>108</del><b>134</b> The general manager may resign before the expiration of his term of service. The specific procedures and measures for the resignation of the general manager shall be stipulated in the <del>appointment</del><b>labor</b> contract entered into between the general manager and the Company.</p>

Original provisions	After amendments
<p>Article 110 The general manager of the Company, in exercising his functions and powers, shall act honestly and diligently in accordance with the laws, administrative regulations and the Articles of Association. The general manager of the Company shall not exploit his position and powers to accept bribes or other illegal income or expropriate the Company's property.</p> <p>Where losses are caused to the Company as a result of the violation of the laws, administrative regulations, departmental rules or the Articles of Association by senior management in the course of performing his duties, such senior management shall be liable to compensation.</p>	<p><del>Article 110</del><b>136</b> <i>The Company shall be liable for any damages to others caused by senior management while he/she is performing his/her duties for the Company. The senior management in question shall also be liable if such damages are intentional or caused by his/her gross negligence. The general manager of the Company, in exercising his functions and powers, shall act honestly and diligently in accordance with the laws, administrative regulations and the Articles of Association. The general manager of the Company shall not exploit his position and powers to accept bribes or other illegal income or expropriate the Company's property.</i></p> <p>Where losses are caused to the Company as a result of the violation of the laws, administrative regulations, departmental rules or the Articles of Association by senior management in the course of performing his duties, such senior management shall be liable to compensation.</p>
<i>Added</i>	<p><i>Article 137 The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.</i></p> <p><i>If senior management fails to faithfully perform their duties or breaches their fiduciary duties, thereby causing damage to the interests of the Company and public shareholders, they shall be liable for indemnity in accordance with the law.</i></p>
Chapter 11 Board of Supervisors	<i>Deleted (Articles 111 to 122 in the original Articles of Association)</i>
Chapter 12 Qualifications and Obligations of the Directors, Supervisors, General Manager and Other Senior Management of the Company	<i>Deleted (Articles 123 to 130 in the original Articles of Association)</i>
Chapter 13 Financial and Accounting Systems	Chapter <del>13</del> <b>11</b> Financial and Accounting Systems, <i>Profit Distribution and Audit</i>
<i>Added</i>	<i>Section I Financial and Accounting Systems</i>

Original provisions	After amendments
<p>Article 132 The financial year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.</p> <p>At the end of each financial year, the Company shall prepare a financial report which shall be audited and certified in compliance with the laws.</p> <p>The Company shall prepare and submit to the CSRC and the stock exchange its annual reports within four (4) months from the ending date of each financial year and prepare and submit to the CSRC agency and the stock exchange the interim reports within two (2) months from the ending date of the first half of each financial year. The aforesaid reports shall also be disclosed.</p> <p>The aforesaid annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations and CSRC rules and stock exchange rules.</p> <p>The financial statements of the Company shall be prepared in accordance with not only the PRC accounting standards and regulations, but also the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed. If the financial statements prepared under the two accounting standards are discrepant significantly, such discrepancy shall be indicated in the notes to the financial statements. For purposes of the Company's distribution of after-tax profits of a given financial year, the lesser of the amounts of after-tax profits shown in the aforementioned two kinds of financial statements shall prevail.</p> <p>The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed.</p>	<p>Article <del>132</del><b>139</b> The financial year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.</p> <p>At the end of each financial year, the Company shall prepare a financial report which shall be audited and certified in compliance with the laws.</p> <p>The Company shall prepare and submit to <b>the local bureaus of</b> the CSRC and the stock exchange its annual reports within four (4) months from the ending date of each financial year and prepare and submit to the CSRC agency and the stock exchange the interim reports within two (2) months from the ending date of the first half of each financial year. The aforesaid reports shall also be disclosed.</p> <p>The aforesaid annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations and CSRC rules and stock exchange rules.</p> <p>The financial statements of the Company shall be prepared in accordance with not only the PRC accounting standards and regulations, but also the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed. If the financial statements prepared under the two accounting standards are discrepant significantly, such discrepancy shall be indicated in the notes to the financial statements. For purposes of the Company's distribution of after-tax profits of a given financial year, the lesser of the amounts of after-tax profits shown in the aforementioned two kinds of financial statements shall prevail.</p> <p>The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed.</p>

Original provisions	After amendments
<p>Article 133 The Board of the Company shall present before the shareholders at every annual general meeting such financial reports to be prepared by the Company as required by the relevant laws, administrative regulations or normative documents promulgated by the local governments and competent authorities.</p> <p>At the annual general meeting, the Board and Board of Supervisors shall report their work of the previous year at the general meeting. Every independent director shall also give a work report.</p>	<p>Article <del>133</del><b>140</b> The Board of the Company shall present before the shareholders at every annual general meeting such financial reports to be prepared by the Company as required by the relevant laws, administrative regulations or normative documents promulgated by the local governments and competent authorities.</p> <p>At the annual general meeting, the Board <del>and Board of Supervisors</del> shall report <del>their</del><b>its</b> work of the previous year at the general meeting. Every independent director shall also give a work report.</p>
Chapter 14 Profit Distribution	<b>Deleted</b>
<p>Article 135 Profit distribution plan</p> <p>When allocating the after-tax profits of the current year, the Company shall allocate 10% of its profit to the statutory common reserve fund. In the event that the accumulated statutory common reserve fund of the Company has reached at least 50% of the registered capital of the Company, no further allocation is required.</p> <p>In the event that the statutory common reserve fund of the Company is insufficient to make up the losses of the Company for the previous year, before allocating the statutory common reserve fund in accordance with the provision of the preceding paragraph, the Company shall first make up the losses by using the profits for the current year.</p> <p>After allocating the statutory common reserve fund from the after-tax profits of the Company, the Company may allocate the discretionary reserve fund according to the resolution of the general meeting.</p>	<p>Article <del>135</del><b>42</b> Profit distribution plan</p> <p>When allocating the after-tax profits of the current year, the Company shall allocate 10% of its profit to the statutory common reserve fund. In the event that the accumulated statutory common reserve fund of the Company has reached at least 50% of the registered capital of the Company, no further allocation is required.</p> <p>In the event that the statutory common reserve fund of the Company is insufficient to make up the losses of the Company for the previous year, before allocating the statutory common reserve fund in accordance with the provision of the preceding paragraph, the Company shall first make up the losses by using the profits for the current year.</p> <p>After allocating the statutory common reserve fund from the after-tax profits of the Company, the Company may allocate the discretionary reserve fund according to the resolution of the general meeting.</p>

Original provisions	After amendments
<p>After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits shall be distributed by the Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at the general meeting.</p> <p>Where the general meeting violates the preceding paragraph and decides on the distribution of profits to shareholders prior to making up the losses of the Company and allocating to the statutory common reserve fund, shareholders must return the profit so distributed to the Company.</p> <p>The shares of the Company held by the Company shall not be entitled to any profit distribution.</p>	<p>After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits shall be distributed by the Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at the general meeting.</p> <p>Where the general meeting violates <del>the preceding paragraph and decides on the</del> <b>Company Law</b> for distribution of profits to shareholders <del>prior to making up the losses of the Company and allocating to the statutory common reserve fund,</del> shareholders <del>must</del><b>shall</b> return the profit so distributed to the Company. <b>Shareholders, responsible directors and senior management shall be liable for compensation if losses are incurred by the Company.</b></p> <p>The shares of the Company held by the Company shall not be entitled to any profit distribution.</p>
<p>Article 136 The reserve funds of the Company shall be used to make up for the losses of the Company, expand its production and operation or increase its capital. To make up for the losses, the discretionary reserve fund and statutory common reserve fund shall be utilized first; if there is a shortfall, the capital reserve fund may be used in accordance with regulations.</p> <p>In capitalizing the statutory common reserve fund, the remaining balance of such fund shall not be less than 25% of the registered capital of the Company prior to such capitalization.</p> <p>The dividends (or shares) distribution must be completed within two (2) months after the general meeting has resolved on the profit distribution plan, or after the Board has formulated a specific plan in accordance with the conditions and upper limits of profit distribution for the following year's interim period as considered and approved by the general meeting.</p>	<p>Article <del>136</del><b>43</b> The reserve funds of the Company shall be used to make up for the losses of the Company, expand its production and operation or increase its capital. To make up for the losses, the discretionary reserve fund and statutory common reserve fund shall be utilized first; if there is a shortfall, the capital reserve fund may be used in accordance with regulations.</p> <p>In capitalizing the statutory common reserve fund <b>for increase in registered capital</b>, the remaining balance of such fund shall not be less than 25% of the registered capital of the Company prior to such capitalization.</p> <p>The dividends (or shares) distribution must be completed within two (2) months after the general meeting has resolved on the profit distribution plan, or after the Board has formulated a specific plan in accordance with the conditions and upper limits of profit distribution for the following year's interim period as considered and approved by the general meeting.</p>

Original provisions	After amendments
<p>Article 141 Unless otherwise provided by the relevant laws and administrative regulations, where cash dividends and other distributions are paid in Hong Kong dollars, the exchange rate shall be based on the average middle exchange rate of Hong Kong dollars against Renminbi announced by the People's Bank of China over one calendar week preceding the date where such dividends or other distribution are declared.</p> <p>Where any resolution concerning cash dividends, bonus issue or capitalization of capital reserve fund is passed at a general meeting, the Company shall implement the specific proposals within two (2) months upon conclusion of the meeting.</p> <p>The Company shall establish an internal audit system and designate full-time auditing staff to exercise internal audit supervision over the Company's financial income and expenditure and economic activities.</p> <p>The Company's internal audit system and responsibilities of audit staff shall be implemented after the approval of the Board. The chief auditor shall be responsible to and report work to the Board.</p>	<p>Article <del>141</del><b>148</b> Unless otherwise provided by the relevant laws and administrative regulations, where cash dividends and other distributions are paid in Hong Kong dollars, the exchange rate shall be based on the average middle exchange rate of Hong Kong dollars against Renminbi announced by the People's Bank of China over one calendar week preceding the date where such dividends or other distribution are declared.</p> <p>Where any resolution concerning cash dividends, bonus issue or capitalization of capital reserve fund is passed at a general meeting, the Company shall implement the specific proposals within two (2) months upon conclusion of the meeting.</p> <p><del>The Company shall establish an internal audit system and designate full-time auditing staff to exercise internal audit supervision over the Company's financial income and expenditure and economic activities.</del></p> <p><del>The Company's internal audit system and responsibilities of audit staff shall be implemented after the approval of the Board. The chief auditor shall be responsible to and report work to the Board.</del></p>
<b>Added</b>	<b>Section II Internal Audit</b>
<b>Added</b>	<p><b>Article 149 The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work.</b></p> <p><b>The internal audit system of the Company shall be implemented upon approval by the Board and disclosed to the public.</b></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 150 The internal audit agency of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company.</i></p> <p><i>The internal audit agency shall maintain independence and be staffed with designated full-time audit personnel. It shall not be placed under the leadership of financial department, or share offices with the financial department.</i></p>
<i>Added</i>	<p><i>Article 151 The internal audit agency is accountable to the Board.</i></p> <p><i>The internal audit agency shall be subject to the supervision and guidance of the audit committee in the course of its supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit agency shall immediately report directly to the audit committee upon discovering any relevant major issues or leads.</i></p>
<i>Added</i>	<p><i>Article 152 The internal audit agency shall be responsible for the specific organization and implementation of the Company's internal control evaluation. The Company shall issue an annual internal control evaluation report based on the evaluation report and related information issued by the internal audit agency and reviewed by the audit committee.</i></p>
<i>Added</i>	<p><i>Article 153 When the audit committee communicates with external audit units such as accounting firms and national audit agencies, the internal audit agency shall proactively cooperate with them and provide necessary support and collaboration.</i></p>

Original provisions	After amendments
<i>Added</i>	<i>Article 154 The audit committee shall participate in the appraisal of responsible officer for internal audit.</i>
Chapter 15 Appointment of Accounting Firm	<del>Chapter 15</del> <i>Section III</i> Appointment of Accounting Firm
Article 145 The Company's appointment of, removal of and non-reappointment of an accounting firm shall be resolved at general meetings. The resolution of the general meeting shall be filed with the competent securities regulatory authority of the State Council. The Board shall not appoint the accounting firm before resolution at the general meeting.	Article 145 <i>58</i> The Company's appointment <del>of, and</del> removal of <del>and non-reappointment of</del> an accounting firm shall be resolved at general meetings. <del>The resolution of the general meeting shall be filed with the competent securities regulatory authority of the State Council.</del> The Board shall not appoint the accounting firm before resolution at the general meeting.
Chapter 16 Notice, Public Announcement, Information Disclosure and Investor Management	Chapter <del>16</del> <i>12</i> Notice, Public Announcement, Information Disclosure and Investor Management
Article 148 Unless the Articles of Association otherwise requires, the requirements of the preceding article in relation to the ways of notice are applicable to the notices convening general meetings, Board meetings and meetings of the Board of Supervisors by the Company.	Article <del>148</del> <i>61</i> Unless the Articles of Association otherwise requires, the requirements of the preceding article in relation to the ways of notice are applicable to the notices convening general meetings, Board meetings and meetings of the <del>Board of Supervisors</del> <i>audit committee</i> by the Company.
Chapter 17 Merger and Division of the Company	Chapter <del>17</del> <i>13</i> Merger <del> and</del> , Division <del> of the Company</del> <i>Capital Increase, Capital Reduction, Dissolution and Liquidation</i>
<i>Added</i>	<i>Section I Merger, Division, Capital Increase and Capital Reduction</i>
<i>Added</i>	<p><i>Article 170 If the consideration to be paid by the Company for the merger does not exceed 10% of the Company's net assets, approval by a resolution of the general meeting is not required, unless otherwise provided in the Articles of Association, laws and regulations or the listing rules of the stock exchange where the Company's shares are listed.</i></p> <p><i>If the Company merges in accordance with the provisions of the preceding paragraph without approval by a resolution of the general meeting, such merger shall be subject to resolution of the Board.</i></p>

Original provisions	After amendments
<i>Added</i>	<p><i>Article 172 In the event that the Company still records losses after making up for the losses in accordance with paragraph 1 of Article 143 of the Articles of Association, it may reduce its registered capital to make up such losses. In the event of making up for losses by reducing registered capital, the Company shall not make profit distribution to its shareholders, nor exempt shareholders from their obligations to make capital contributions or share payment.</i></p> <p><i>Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 26 shall not apply. However, the Company shall announce the reduction through newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the general meeting passes a resolution to reduce the registered capital.</i></p> <p><i>After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of the statutory reserve and the discretionary reserve reach 50% of the Company's registered capital.</i></p>
<i>Added</i>	<p><i>Article 173 In case of the reduction of registered capital in violation of the Company Law and other relevant regulations, the shareholders shall return the funds so received, and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses incurred to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.</i></p>
<i>Added</i>	<p><i>Article 174 In case of increase of registered capital by issuing new shares, shareholders shall have no pre-emptive rights, unless otherwise as stipulated under the Article of Association or resolved at the general meeting.</i></p>
Chapter 18 Dissolution and Liquidation of the Company	<del>Chapter 18</del> <i>Section II</i> Dissolution and Liquidation <del>of the Company</del>

Original provisions	After amendments
<p>Article 159 The Company shall be dissolved upon the occurrence of any of the following events:</p> <ol style="list-style-type: none"> <li>(1) expiration of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;</li> <li>(2) a resolution on dissolution is passed at the general meeting;</li> <li>(3) dissolution is required due to the merger or division of the Company;</li> <li>(4) the Company has its business license revoked or is ordered to close down or dissolved for breaches of the laws and administrative regulations;</li> <li>(5) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in shareholders' interests, shareholders representing 10% or above of voting rights may plead the people's court to dissolve the Company, and the people's court dissolves the Company accordingly.</li> </ol> <p>In the circumstances under items (1) and (2) and where properties have not been distributed to shareholders, the Company may continue to exist by modification of the Articles of Association or obtaining an approval resolution by more than two-thirds of the shareholders with voting rights present at the general meeting.</p>	<p>Article <del>159</del><b>76</b> The Company shall be dissolved upon the occurrence of any of the following events:</p> <ol style="list-style-type: none"> <li>(1) expiration of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;</li> <li>(2) a resolution on dissolution is passed at the general meeting;</li> <li>(3) dissolution is required due to the merger or division of the Company;</li> <li>(4) the Company has its business license revoked or is ordered to close down or dissolved for breaches of the laws and administrative regulations;</li> <li>(5) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in shareholders' interests, shareholders representing 10% or above of voting rights may plead the people's court to dissolve the Company, <del>and the people's court dissolves the Company</del> <b>accordingly.</b></li> </ol> <p><b><i>In case of the occurrence of any cause of dissolution as specified in the preceding paragraph, the Company shall announce such cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.</i></b></p> <p>In the circumstances under items (1) and (2) and where properties have not been distributed to shareholders, the Company may continue to exist by modification of the Articles of Association or obtaining an approval resolution by more than two-thirds of the shareholders with voting rights present at the general meeting.</p>

Original provisions	After amendments
<p>Article 160 Where the Company is dissolved pursuant to sub-paragraphs (1), (2), (4) or (5) of the preceding paragraph, it shall be liquidated. The directors shall be the liquidation obligors and shall establish a liquidation committee within 15 days as of the dissolution circumstance arises. And the liquidation shall be thereby started. The liquidation committee shall comprise of directors, unless otherwise provided in the Articles of Association or the general meeting resolves to another composition. If the liquidation committee is not duly set up or if the liquidation committee fails to liquidate the Company after it is being set up, interested parties may plead the People's Court to designate related persons to form a liquidation committee to carry out the liquidation.</p> <p>Where the Company is dissolved pursuant to sub-paragraph (4) of the preceding article, the department or company registration authority that made the decision to revoke its business license, issued an order for closure or made a cancellation decision, may apply to the People's Court to designate relevant personnel to form a liquidation committee upon application to carry out the liquidation.</p>	<p>Article <del>160</del><sup>77</sup> Where the Company is dissolved pursuant to sub-paragraphs (1), (2), (4) or (5) of the preceding paragraph, it shall be liquidated. The directors shall be the liquidation obligors and shall establish a liquidation committee within 15 days as of the dissolution circumstance arises. And the liquidation shall be thereby <b><i>started conducted</i></b>. The liquidation committee shall comprise of directors, unless otherwise provided in the Articles of Association or the general meeting resolves to another composition. <b><i>Liquidation obligors shall be liable for losses caused to the Company or the creditors if they fail in performing their duties in a timely manner.</i></b> If the liquidation committee is not duly set up or if the liquidation committee fails to liquidate the Company after it is being set up, interested parties may plead the People's Court to designate related persons to form a liquidation committee to carry out the liquidation.</p> <p>Where the Company is dissolved pursuant to sub-paragraph (4) of the preceding article, the department or company registration authority that made the decision to revoke its business license, issued an order for closure or made a cancellation decision, may apply to the People's Court to designate relevant personnel to form a liquidation committee upon application to carry out the liquidation.</p>

Original provisions	After amendments
Article 163 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and for the confirmation by general meeting or the relevant competent authorities.	Article <del>163</del> <sup>80</sup> After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and for the confirmation by general meeting or the relevant competent authorities.
The Company's assets shall be distributed for repayments in the following sequence: Payment of liquidation expenses, staff wages, labor insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.	The Company's assets shall be distributed for repayments in the following sequence: Payment of liquidation expenses, staff wages, labor insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.
The Company's residual assets after repayment of its debts in accordance with the preceding paragraph shall be distributed to its shareholders according to the class and proportion of their shareholdings.	The Company's residual assets after repayment of its debts in accordance with the preceding paragraph shall be distributed to its shareholders according to the <del>class and</del> proportion of their shareholdings.
During the liquidation period, the Company shall not carry out any business activities irrelevant to the liquidation. The Company's assets shall not be distributed to its shareholders prior to repaying debts in accordance with the foregoing provisions.	During the liquidation period, the Company shall not carry out any business activities irrelevant to the liquidation. The Company's assets shall not be distributed to its shareholders prior to repaying debts in accordance with the foregoing provisions.

Original provisions	After amendments
<p>Article 165 Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, and shall submit the same to the general meeting or the relevant competent authorities for confirmation. The liquidation committee shall also submit the aforesaid documents to the company registration authority, apply for deregistration of the Company, and announce the termination of the Company.</p> <p>Members of the liquidation committee shall perform liquidation duties and owe a duty of loyalty and diligence.</p> <p>The liquidation committee members shall be liable for damages caused to the Company if they are negligent in performing their duties.</p> <p>The liquidation committee members shall bear the liability for compensation if losses are caused to the Company or the creditors due to their intentional or gross negligence.</p> <p>The Company declared bankrupt as provided by law shall have bankruptcy liquidation carried out according to relevant enterprise bankruptcy laws.</p>	<p>Article <del>165</del><b>82</b> Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, and shall submit the same to the general meeting or the relevant competent authorities for confirmation. The liquidation committee shall also submit the aforesaid documents to the company registration authority, apply for deregistration of the Company,<del>and announce the termination of the Company.</del></p> <p>Members of the liquidation committee shall perform liquidation duties and owe a duty of loyalty and diligence.</p> <p>The liquidation committee members shall be liable for damages caused to the Company if they are negligent in performing their duties.</p> <p>The liquidation committee members shall bear the liability for compensation if losses are caused to <del>the Company or</del> the creditors due to their intentional or gross negligence.</p> <p>The Company declared bankrupt as provided by law shall have bankruptcy liquidation carried out according to relevant enterprise bankruptcy laws.</p>
Chapter 19 Procedures for Amendment to the Articles of Association	Chapter <del>19</del> <b>14</b> <del>Procedures for</del> Amendment to the Articles of Association

Original provisions	After amendments
<p>Article 166 The Articles of Association may be amended in accordance with the laws, administrative regulations and the provisions of the Articles of Association. The Company shall revise the Articles of Association in any of the following cases:</p> <p>(1) Any conflict between those matters specified by the Articles of Association and the provisions of laws or administrative regulations after any revision of the PRC Company Law or relevant laws or administrative regulations;</p> <p>(2) Any change in the Company's conditions which is not consistent with those matters recorded in the Articles of Association;</p> <p>(3) Any amendment of the Articles of Association resolved by the general meeting.</p>	<p>Article <del>166</del><b>83</b> The Articles of Association may be amended in accordance with the laws, administrative regulations and the provisions of the Articles of Association. The Company <del>shall</del><b>will</b> revise the Articles of Association in any of the following cases:</p> <p>(1) Any conflict between those matters specified by the Articles of Association and the provisions of laws or administrative regulations after any revision of the PRC Company Law or relevant laws or administrative regulations;</p> <p>(2) Any change in the Company's conditions which is not consistent with those matters recorded in the Articles of Association;</p> <p>(3) Any amendment of the Articles of Association resolved by the general meeting.</p>
Chapter 20 Supplementary Provisions	Chapter <del>20</del> <b>15</b> Supplementary Provisions
<p>Article 168 Reference to the term "accounting firm" herein shall have the same meaning as ascribed to the term "auditor".</p> <p>Unless otherwise expressly specified in relevant national laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, the term "Independent Non-Executive Director" herein shall have the same meaning as the term "Independent Director".</p>	<p>Article <del>168</del><b>85</b> Reference to the term "accounting firm" herein shall have the same meaning as ascribed to the term "auditor".</p> <p>Unless otherwise expressly specified in relevant national laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, the term "Independent Non-Executive Director" herein shall have the same meaning as the term "Independent Director".</p>

Original provisions	After amendments
<p>The “related party relationship” herein refers to the relationship between the controlling shareholders, de facto controllers, directors, supervisors, senior management members of the Company and the enterprises under their direct or indirect control, and other relationships which may result in transfer of interests of the Company, as well as the relationship between related parties or connected persons as defined in the listing rules of the stock exchange where the shares of the Company are listed, provided however that related party relationships shall not be considered to be in existence between state-controlled enterprises solely because they are under the common control of the PRC government.</p> <p>In the Articles of Association, the terms “more than”, “within” and “less than” shall include the given figure, and the terms “exceeding” and “beyond” shall not include the given figure.</p>	<p><i><b>The “controlling shareholder” herein refers to shareholders whose shareholding exceeds 50% of the total share capital of the Company; or shareholders whose shareholding is less than 50% of the total share capital, but whose voting rights are sufficient to exercise a significant influence on resolutions of the general meeting.</b></i></p> <p><i><b>The “de facto controller” herein refers to the natural person, legal person or other organization who is able to exercise actual control over the acts of the Company through an investment relationship, agreement or other arrangements.</b></i></p> <p>The “related party relationship” herein refers to the relationship between the controlling shareholders, de facto controllers, directors, <del>supervisors</del>, senior management members of the Company and the enterprises under their direct or indirect control, and other relationships which may result in transfer of interests of the Company, as well as the relationship between related parties or connected persons as defined in the listing rules of the stock exchange where the shares of the Company are listed, provided however that related party relationships shall not be considered to be in existence between state-controlled enterprises solely because they are under the common control of the PRC government.</p> <p>In the Articles of Association, the terms “more than”, “within” and “less than” shall include the given figure, and the terms “<i><b>over</b></i>”, “exceeding” <i><b>and</b></i>, “beyond”, “<i><b>lower than</b></i>” and “<i><b>higher than</b></i>” shall not include the given figure.</p>

Details of the proposed amendments to the Rules of Procedures of General Meeting are as follows:

**Comparison Table of the Amendments to the Rules of Procedures of General Meeting of Shanghai Junshi Biosciences Co., Ltd.\***

Original provisions	After amendments
Article 4 The shareholders' meeting shall exercise its functions and powers within the scope prescribed by the Company Law and the Articles of Association. The shareholders' meeting shall exercise the following powers:	Article 4 The shareholders' meeting shall exercise its functions and powers within the scope prescribed by the Company Law and the Articles of Association. The shareholders' meeting shall exercise the following powers:
(I) Elect and replace directors and supervisors and determine their remuneration;	(I) Elect and replace directors <del>and supervisors</del> and determine their remuneration;
(II) Review and approve reports from the Board of Directors;	(II) Review and approve reports from the Board of Directors;
(III) Review and approve reports from the Board of Supervisors;	<del>(III) Review and approve reports from the Board of Supervisors;</del>
(IV) Review and approve the profit distribution plans and loss recovery plans of the Company;	<del>(IV)</del> Review and approve the profit <del>(III)</del> distribution plans and loss recovery plans of the Company;
(V) Resolve on the increase or decrease of the Company's registered capital;	<del>(V)</del> Resolve on the increase or decrease of <del>(IV)</del> the Company's registered capital;
(VI) Resolve on the issuance of the Company's bonds or other securities and listing plans;	<del>(VI)</del> Resolve on the issuance of the <del>(V)</del> Company's bonds or other securities and listing plans;
(VII) Resolve on merger, demerger, dissolution, liquidation or change of corporation form of the Company;	<del>(VII)</del> Resolve on merger, demerger, <del>(VI)</del> dissolution, liquidation or change of corporation form of the Company;
(VIII) Review and amend the Articles of Association and the rules of procedures of the Shareholders' Meeting, the Board of Directors and the Board of Supervisors;	<del>(VIII)</del> Review and amend the Articles of <del>(VII)</del> Association and the rules of procedures of the Shareholders' Meeting, <del>and the Board of Directors and the Board of Supervisors;</del> <del>and the Board of Supervisors;</del>
(IX) Decide to engage, dismiss or not to re-engage accounting firms;	<del>(IX)</del> Decide to engage, <del>or</del> dismiss <del>or not to</del> <del>(VIII)</del> <del>re-engage</del> accounting firms <del>responsible for the audit works of the Company;</del>
(X) Review and approve the proposals of shareholders representing more than 3% (including 3%) of the voting shares of the Company;	<del>(X)</del> Review and approve the proposals of <del>(IX)</del> shareholders representing more than <del>31%</del> (including <del>31%</del> ) of the voting shares of the Company;

Original provisions	After amendments
(XI) Consider matters relating to the purchases and sales of significant assets within one year where the total assets or transactions amount involved exceeding 30% of the latest audited total assets of the Company;	<del>(XI)</del> Consider matters relating to the (X) purchases and sales of significant assets within one year where the total assets or transactions amount involved exceeding 30% of the latest audited total assets of the Company;
(XII) Resolve on the guarantee matters stipulated in Article 5;	<del>(XII)</del> Resolve on the guarantee matters (XI) stipulated in Article 5;
(XIII) Review and approve the share incentive plan and employee stock ownership plan;	<del>(XIII)</del> Review and approve the share (XII) incentive plan and employee stock ownership plan;
(XIV) Other matters to be decided by shareholders' meeting as stipulated in laws, administrative regulations and the Articles of Association of the Company;	<del>(XIV)</del> Other matters to be decided by (XIII) shareholders' meeting as stipulated in laws, administrative regulations and the Articles of Association of the Company;
(XV) Other matters to be decided by the shareholders' meeting as required by the listing rules of the exchange where the Company's shares are listed.	<del>(XV)</del> Other matters to be decided by the (XIV) shareholders' meeting as required by the listing rules of the exchange where the Company's shares are listed.
The shareholders' meeting may authorize or entrust the Board of Directors to handle the matters authorized or entrusted by it without violating the relevant laws, regulations and regulatory documents of China and the mandatory provisions of the listing rules of the exchange where the Company's shares are listed.	<i>The shareholders' meeting may authorize the Board of Directors to resolve on the issuance of the Company's bonds. The functions and powers of the shareholders' meeting cannot be exercised on its behalf by <del>may authorize or entrust</del> the Board of Directors or other institution and individual through authorization, unless otherwise stipulated under to handle the matters authorized or entrusted by it without violating the relevant laws, regulations, regulatory documents of China and the mandatory provisions of the listing rules of the China Securities Regulatory Commission and the exchange where the Company's shares are listed.</i>

Original provisions	After amendments
<p>Article 5 The following conducts of guarantee of the Company shall be submitted to the Board of Directors for consideration and approval and then submitted to the shareholders' meeting for consideration:</p> <p>(I) Any guarantee provided when the total amount of guarantee provided by the Company and its holding subsidiary is more than 50% of the net asset audited in the latest period;</p> <p>(II) Any guarantee provided when the total amount of external guarantee provided by the Company is more than 30% of the net asset audited in the latest period;</p> <p>(III) Guarantee provided exceeds 30% of the total asset audited in the latest period based on the principle of accumulated guarantee amount for 12 consecutive months;</p> <p>(IV) To provide guarantee to any person or entity with gearing ratio of over 70%;</p> <p>(V) Any single guarantee whose amount exceeds 10% of the latest audited net assets audited;</p> <p>(VI) To provide guarantee for shareholders, de facto controllers and their related parties.</p>	<p>Article 5 The following conducts of guarantee of the Company shall be submitted to the Board of Directors for consideration and approval and then submitted to the shareholders' meeting for consideration:</p> <p>(I) Any guarantee provided when the total amount of external guarantee provided by the Company and its holding subsidiary is more than 50% of the net asset audited in the latest period;</p> <p>(II) Any guarantee provided when the total amount of external guarantee provided by the Company <b><i>and its holding subsidiary</i></b> is more than 30% of the net asset audited in the latest period;</p> <p>(III) Guarantee provided exceeds 30% of the total asset audited in the latest period based on the principle of accumulated guarantee amount for 12 consecutive months;</p> <p>(IV) To provide guarantee to any person or entity with gearing ratio of over 70%;</p> <p>(V) Any single guarantee whose amount exceeds 10% of the latest audited net assets audited;</p> <p>(VI) To provide guarantee for shareholders, de facto controllers and their related parties.</p>

Original provisions	After amendments
<p>Article 6 Subject to the laws and regulations of the place where the Company is listed, STAR Market Listing Rules and Hong Kong Listing Rules, the following related shareholders shall abstain from voting when related party transactions are considered at shareholders' meeting:</p> <p>(I) Counterparty of the transaction;</p> <p>(II) Having direct or indirect control over the counterparty;</p> <p>(III) Directly or indirectly controlled by the counterparty;</p> <p>(IV) Directly or indirectly controlled by the same legal person, other organizations or natural person as the counterparty;</p> <p>(V) The right to vote is restricted or affected due to the existence of unfinished equity transfer agreement or other agreements with the counterparty or its affiliates;</p> <p>(VI) A person with material interest in the transaction;</p> <p>(VII) Shareholders identified by the China Securities Regulatory Commission or the exchange where the Company's shares are listed that may cause the listed company's interests to tilt towards them.</p>	<p>Article 6 Subject to the laws and regulations of the place where the Company is listed, STAR Market Listing Rules and Hong Kong Listing Rules, the following related shareholders shall abstain from voting when related party transactions are considered at shareholders' meeting:</p> <p>(I) Counterparty of the transaction;</p> <p>(II) Having direct or indirect control over the counterparty;</p> <p>(III) Directly or indirectly controlled by the counterparty;</p> <p>(IV) Directly or indirectly controlled by the same legal person, other organizations or natural person as the counterparty;</p> <p>(V) <i>Working in a counterparty, or in a legal person or other organization that directly or indirectly control the counterparty, or in a legal person or other organization that is directly or indirectly controlled by the counterparty;</i></p> <p><i>(VI) Being a close family member of the counterparty or its direct or indirect controller;</i></p> <p><del>(VI)</del> The right to vote is restricted or <del>(VII)</del> affected due to the existence of unfinished equity transfer agreement or other agreements with the counterparty or its affiliates;</p> <p><del>(VI)</del> A person with material interest in the <del>(VIII)</del> transaction;</p> <p><del>(VII)</del> Shareholders identified by the China <del>(IX)</del> Securities Regulatory Commission or the exchange where the Company's shares are listed that may cause the listed company's interests to tilt towards them.</p>

Original provisions	After amendments
Article 7 Unless the company is in a crisis or other special circumstances, the Company shall not enter into a contract with any person other than the directors, general managers and other senior executives to entrust the management of all or important businesses of the Company to that person without the approval of the shareholders' meeting by a special resolution.	Article 7 Unless the company is in a crisis or other special circumstances, the Company shall not enter into a contract with any person other than the directors, <del>general managers</del> and <del>other</del> senior executives to entrust the management of all or important businesses of the Company to that person without the approval of the shareholders' meeting by a special resolution.
<p>Article 8 The shareholders' meeting includes annual shareholders' meeting and extraordinary shareholders' meeting. Annual shareholders' meeting shall be held once a year and within 6 months after the end of the preceding financial year. The extraordinary shareholders' meeting shall be convened when necessary. The Board of Directors shall convene an extraordinary shareholders' meeting within 2 months from the date of any of the following circumstances:</p> <p>(I) Number of directors is less than the number stipulated in the Company Law or less than 2/3 of the number required by the Articles of Association;</p> <p>(II) The unrecovered loss of the Company reaches 1/3 of the total amount of the paid-up capital;</p> <p>(III) Shareholders holding more than 10% (including 10%) of the Company's shares individually or in total requesting the meeting;</p> <p>(IV) The Board of Directors deems it necessary or the Board of Supervisors proposes to convene;</p> <p>(V) Other circumstances stipulated by laws, administrative regulations, department rules, listing rules of the exchange where the Company's shares are listed, or the Articles of Association.</p> <p>In circumstances of set out in Items (III) and (IV), the matters proposed by the convener shall be included in the agenda of the shareholders' meeting.</p>	<p>Article 8 The shareholders' meeting includes annual shareholders' meeting and extraordinary shareholders' meeting. Annual shareholders' meeting shall be held once a year and within 6 months after the end of the preceding financial year. The extraordinary shareholders' meeting shall be convened when necessary. The Board of Directors shall convene an extraordinary shareholders' meeting within 2 months from the date of any of the following circumstances:</p> <p>(I) Number of directors is less than the number stipulated in the Company Law or less than 2/3 of the number required by the Articles of Association;</p> <p>(II) The unrecovered loss of the Company reaches 1/3 of the total amount of the paid-up capital;</p> <p>(III) Shareholders holding more than 10% (including 10%) of the Company's shares individually or in total requesting the meeting;</p> <p>(IV) The Board of Directors deems it necessary or the <del>Board</del> <b>Supervisors audit committee</b> proposes to convene;</p> <p>(V) Other circumstances stipulated by laws, administrative regulations, department rules, listing rules of the exchange where the Company's shares are listed, or the Articles of Association.</p> <p>In circumstances of set out in Items (III) and (IV), the matters proposed by the convener shall be included in the agenda of the shareholders' meeting.</p>

Original provisions	After amendments
<p>Article 12 If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall give the notice of convening within 5 days after making resolution; where the Board of Director disagreeing to convene an extraordinary shareholders' meeting, it shall give reasons thereof.</p> <p>The Board of Supervisors shall have the right to propose to the Board of Directors for convening an extraordinary shareholders' meeting and shall do so by giving the proposal in writing. The Board of Directors shall give a written feedback of agreement or disagreement to convene the extraordinary shareholders' meeting within 10 days upon receiving the proposal in accordance with laws, administrative regulations, the listing rules of the exchange where the Company's shares are listed and the Articles of Association.</p> <p>If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall give notice of convening within 5 days after making resolution; any modification on the original proposal in the notice shall be approved by the Board of Supervisors.</p> <p>If the Board of Directors disagrees to convene an extraordinary shareholders' meeting or fails to give the written feedback within 10 days after receiving the proposal, it will be deemed as unable to or refusing to fulfill the obligations of convening shareholders' meeting, and Board of Supervisors can convene and preside over the meeting by itself.</p>	<p>Article 12 If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall give the notice of convening within 5 days after making resolution; where the Board of Director disagreeing to convene an extraordinary shareholders' meeting, it shall give reasons thereof.</p> <p>The <del>Board of Supervisors</del><b>audit committee</b> shall have the right to propose to the Board of Directors for convening an extraordinary shareholders' meeting and shall do so by giving the proposal in writing. The Board of Directors shall give a written feedback of agreement or disagreement to convene the extraordinary shareholders' meeting within 10 days upon receiving the proposal in accordance with laws, administrative regulations, the listing rules of the exchange where the Company's shares are listed and the Articles of Association.</p> <p>If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall give notice of convening within 5 days after making resolution; any modification on the original proposal in the notice shall be approved by the <del>Board of Supervisors</del><b>audit committee</b>.</p> <p>If the Board of Directors disagrees to convene an extraordinary shareholders' meeting or fails to give the written feedback within 10 days after receiving the proposal, it will be deemed as unable to or refusing to fulfill the obligations of convening shareholders' meeting, and <del>Board of Supervisorsthe</del> <b>audit committee</b> can convene and preside over the meeting by itself.</p>

Original provisions	After amendments
<p>Article 13 Shareholders holding more than 10% of the shares of the Company individually or in aggregate shall have the right to propose to Board of Directors for convening an extraordinary shareholders' meeting and shall do so by giving the proposal in writing. The Board of Directors shall give a written feedback of agreement or disagreement to convene extraordinary shareholders' meeting within 10 days upon receiving the proposal in accordance with laws, administrative regulations, the listing rules of the exchange where the Company's shares are listed and the Articles of Association.</p> <p>If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue the notice within 5 days after making resolution, and modifications to the original request in the notice shall be approved by relevant shareholders.</p> <p>If the Board of Directors disagrees to convene the extraordinary shareholders' meeting or a class meeting or fails to give its feedback within 10 days after receiving the request, shareholders holding more than 10% of the shares individually or in aggregate shall have the right to propose to the Board of Supervisors for convening an extraordinary shareholders' meeting or a class meeting, and shall submit a request in writing to the Board of Supervisors.</p> <p>If the Board of Supervisors agrees to convene an extraordinary shareholders' meeting or a class meeting, it shall issue the notice within 5 days after receiving the request, and modifications to the original proposal in the notice shall be approved by relevant shareholders.</p>	<p>Article 13 Shareholders holding more than 10% of the shares of the Company individually or in aggregate shall have the right to propose to Board of Directors for convening an extraordinary shareholders' meeting and shall do so by giving the proposal in writing. The Board of Directors shall give a written feedback of agreement or disagreement to convene extraordinary shareholders' meeting within 10 days upon receiving the proposal in accordance with laws, administrative regulations, the listing rules of the exchange where the Company's shares are listed and the Articles of Association.</p> <p>If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue the notice within 5 days after making resolution, and modifications to the original request in the notice shall be approved by relevant shareholders.</p> <p>If the Board of Directors disagrees to convene the extraordinary shareholders' meeting or a class meeting or fails to give its feedback within 10 days after receiving the request, shareholders holding more than 10% of the shares individually or in aggregate shall have the right to propose to the <del><i>Board of Supervisors</i></del><i>audit committee</i> for convening an extraordinary shareholders' meeting or a class meeting, and shall submit a request in writing to the <del><i>Board of Supervisors</i></del><i>audit committee</i>.</p> <p>If the <del><i>Board of Supervisors</i></del><i>audit committee</i> agrees to convene an extraordinary shareholders' meeting or a class meeting, it shall issue the notice within 5 days after receiving the request, and modifications to the original proposal in the notice shall be approved by relevant shareholders.</p>

Original provisions	After amendments
<p>If the Board of Supervisors fails to give notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Board of Supervisors will not convene and preside over the shareholders' meeting. Shareholders holding more than 10% of the shares alone or in total for more than 90 consecutive days may convene and preside over the meeting on their own.</p>	<p>If the <del><i>Board of Supervisors</i></del><i>audit committee</i> fails to give notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the <del><i>Board of Supervisors</i></del><i>audit committee</i> will not convene and preside over the shareholders' meeting. Shareholders holding more than 10% of the shares alone or in total for more than 90 consecutive days may convene and preside over the meeting on their own.</p>
<p>Article 14 The Board of Supervisors or shareholders deciding to convene shareholders' meeting shall inform Board of Directors in writing.</p> <p>With respect to the shareholders' meeting independently convened by the Board of Supervisors or the shareholders, the Board of Directors and the secretary of the board shall cooperate accordingly. The Board of Directors shall provide the register of shareholders on the date of share registration. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.</p>	<p>Article 14 The <del><i>Board of Supervisors</i></del><i>audit committee</i> or shareholders deciding to convene shareholders' meeting shall inform Board of Directors in writing.</p> <p>With respect to the shareholders' meeting independently convened by the <del><i>Board of Supervisors</i></del><i>audit committee</i> or the shareholders, the Board of Directors and the secretary of the board shall cooperate accordingly. The Board of Directors shall provide the register of shareholders on the date of share registration. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.</p>

Original provisions	After amendments
<p>Article 16 When the Company convenes the shareholders' meeting, the Board of Directors, the Board of Supervisors or shareholders that individually or collectively hold more than 3% of the Company's shares have the right to submit proposals to the Company.</p> <p>Shareholders who individually or collectively hold more than 3% of the Company's shares can put forward extraordinary resolutions and submit to the convener in written form within 10 days before the convening of the shareholders' meeting. The convener shall give supplementary notice to the shareholders' meeting to announce the content of extraordinary resolutions within 2 days after receiving the resolutions.</p> <p>Except the circumstances prescribed in the preceding paragraph, the convener shall not, after having issued the notice of the shareholders' meeting, revise the proposal expressly set out in the notice or add new proposals.</p> <p>For the proposal which is not listed in the notice to shareholders' meeting or not in accordance with provisions of the Articles of Association, laws and regulations as well as the listing rules of the place where the Company's shares are listed, the shareholders' meeting cannot vote on it and make a decision.</p>	<p>Article 16 When the Company convenes the shareholders' meeting, the Board of Directors, the <del>Board of Supervisors</del><b>audit committee</b> or shareholders that individually or collectively hold more than <del>3</del><b>31</b>% of the Company's shares have the right to submit proposals to the Company.</p> <p>Shareholders who individually or collectively hold more than <del>3</del><b>31</b>% of the Company's shares can put forward extraordinary resolutions and submit to the convener in written form within 10 days before the convening of the shareholders' meeting. The convener shall give supplementary notice to the shareholders' meeting to announce the content of extraordinary resolutions within 2 days after receiving the resolutions. <b><i>Such extraordinary resolution shall be submitted to the shareholders' meeting for consideration, except where such extraordinary resolution violates provisions under laws, administrative regulations or the Articles of Association, or not within the functions and powers of shareholders' meeting.</i></b></p> <p>Except the circumstances prescribed in the preceding paragraph, the convener shall not, after having issued the notice of the shareholders' meeting, revise the proposal expressly set out in the notice or add new proposals.</p> <p>For the proposal which is not listed in the notice to shareholders' meeting or not in accordance with provisions of the Articles of Association, laws and regulations as well as the listing rules of the place where the Company's shares are listed, the shareholders' meeting cannot vote on it and make a decision.</p>

Original provisions	After amendments
<p>Article 19 The notice of the shareholders' meeting shall meet the following requirements:</p> <p>(I) In writing;</p> <p>(II) Specify the time, place and date of the meeting;</p> <p>(III) Submit the matters and proposals to be considered at the meeting;</p> <p>(IV) Explanations in clear words: shareholders who have the right to attend and vote shall have the right to appoint one or more shareholders' proxies to attend and vote on their behalf, and the shareholders' proxies need not be the shareholders of the Company;</p> <p>(V) Share rights registration date of the shareholders having the right to attend the shareholders' meeting;</p> <p>(VI) Name and telephone number of the permanent contact person;</p> <p>(VII) The voting time and voting procedures through on-line or other means.</p> <p>If other voting methods are required at the shareholders' meeting, the notice shall also specify the voting time, voting procedures and matters to be considered.</p>	<p>Article 19 The notice of the shareholders' meeting shall meet the following requirements:</p> <p>(I) In writing;</p> <p>(II) Specify the time, place and date of the meeting;</p> <p>(III) Submit the matters and proposals to be considered at the meeting;</p> <p>(IV) Explanations in clear words: shareholders who have the right to attend and vote shall have the right to appoint one or more shareholders' proxies to attend and vote on their behalf, and the shareholders' proxies need not be the shareholders of the Company;</p> <p>(V) Share rights registration date of the shareholders having the right to attend the shareholders' meeting;</p> <p>(VI) Name and telephone number of the permanent contact person;</p> <p>(VII) The voting time and voting procedures through on-line or other means.</p> <p><del><i>If other voting methods are required at the shareholders' meeting, the notice shall also specify the voting time, voting procedures and matters to be considered.</i></del></p>

Original provisions	After amendments
<p>Article 21 The nomination methods and procedures for the election of directors and supervisors at the shareholders' meeting are as follows:</p> <p>(I) Shareholders holding more than 3% of the total number of voting shares issued by the Company individually or in aggregate may submit written proposals to the shareholders' meeting for candidates for directors and supervisors who are not staff representatives, provided that the number of nominees must comply with the provisions of the Articles of Association and must not exceed the number of candidates to be elected. The above proposals submitted by shareholders to the Company shall be delivered to the Company at least 14 days before the date of the shareholders' meeting.</p> <p>(II) The Board of Directors and the Board of Supervisors may, within the number stipulated in the Articles of Association and according to the number of candidates to be elected, propose a list of candidates for directors and supervisors and submit them to the Board of Directors and the Board of Supervisors for review respectively. After the Board of Directors and the Board of Supervisors have reviewed and resolved to determine the candidates for directors and supervisors, they shall submit them to the shareholders' meeting in the form of a written proposal. The election of directors and supervisors shall fully reflect the opinions of medium and small shareholders.</p>	<p>Article 21 The nomination methods and procedures for the election of <i>non-employee representative</i> directors <del>and supervisors</del> at the shareholders' meeting are as follows:</p> <p>(I) Shareholders holding more than <del>3</del><b>31</b>% of the total number of voting shares issued by the Company individually or in aggregate may submit written proposals to the shareholders' meeting for candidates for directors <del>and supervisors</del> who are not staff representatives, provided that the number of nominees must comply with the provisions of the Articles of Association and must not exceed the number of candidates to be elected. The above proposals submitted by shareholders to the Company shall be delivered to the Company at least 14 days before the date of the shareholders' meeting.</p> <p>(II) The Board of Directors <del>and the Board of Supervisors</del> may, within the number stipulated in the Articles of Association and according to the number of candidates to be elected, propose a list of candidates for directors <del>and supervisors</del> and submit them to the Board of Directors <del>and the Board of Supervisors</del> for review. After the Board of Directors <del>and the Board of Supervisors</del> have reviewed and resolved to determine the candidates for directors <del>and supervisors</del>, they shall submit them to the shareholders' meeting in the form of a written proposal. The election of directors <del>and supervisors</del> shall fully reflect the opinions of medium and small shareholders.</p>

Original provisions	After amendments
<p>(III) The written notice on the intention of nominating candidates for directors and supervisors and the nominee's agreement to accept the nomination, as well as the relevant written materials of the nominee, shall be sent to the Company not less than 7 days before the date of the shareholders' meeting. The Board of Directors and Board of Supervisors shall provide the shareholders with the resumes and basic information of the candidates for directors and supervisors.</p>	<p>(III) The written notice on the intention of nominating candidates for directors <del>and supervisors</del> and the nominee's agreement to accept the nomination, as well as the relevant written materials of the nominee, shall be sent to the Company not less than 7 days before the date of the shareholders' meeting. The Board of Directors <del>and Board of Supervisors</del> shall provide the shareholders with the resumes and basic information of the candidates for directors <del>and supervisors</del>.</p>
<p>(IV) The period (calculated from the day following the date of the notice of the shareholders' meeting) given by the Company for the nominees and the nominated persons to submit the aforementioned notices and documents shall be not less than 7 days.</p>	<p>(IV) The period (calculated from the day following the date of the notice of the shareholders' meeting) given by the Company for the nominees and the nominated persons to submit the aforementioned notices and documents shall be not less than 7 days.</p>
<p>(V) The shareholders' meeting shall vote on each candidate for directors and supervisors as separate resolutions, except for those candidates who apply the cumulative voting system.</p>	<p>(V) The shareholders' meeting shall vote on each candidate for directors <del>and supervisors</del> as separate resolutions, except for those candidates who apply the cumulative voting system.</p>
<p>(VI) If there occurs temporarily addition of directors and supervisors, the Board of Directors and the Board of Supervisors shall propose to the shareholders' meeting for election and change.</p>	<p>(VI) If there occurs temporarily addition of directors <del>and supervisors</del>, the Board of Directors <del>and the Board of Supervisors</del> shall propose to the shareholders' meeting for election and change.</p>

Original provisions	After amendments
<p>Article 22 Where the election of directors and supervisors is scheduled to be considered in the shareholders' meeting, the notice shall fully disclose the detailed information about the candidates for directors and supervisors, including at least the following contents:</p> <p>(I) Personal information such as education background, professional experience, part-time job, etc;</p> <p>(II) Whether the candidate has any association relationship with any controlling shareholder or de facto controller of the Company;</p> <p>(III) Number of shares of the Company held by the candidate;</p> <p>(IV) Whether the candidate was imposed with any sanction by the China Securities Regulatory Commission or other relevant authorities or disciplinary actions by the stock exchanges.</p> <p>Except that directors and supervisors are elected by cumulative voting system, each candidate for directors and supervisors shall be proposed separately.</p> <p>The voting in the shareholders' meeting concerning the election of directors and supervisors may, in accordance with the provisions of the Articles of Association, adopt the cumulative voting system.</p> <p>The cumulative voting system as stated in the preceding paragraph means that every share shall, in electing directors or supervisors at the shareholders' meeting, have the same voting power with that of the candidate director or supervisor, and the voting power possessed by the shareholder may be exercised in a centralized manner.</p>	<p>Article 22 Where the election of directors <del>and—supervisors</del> is scheduled to be considered in the shareholders' meeting, the notice shall fully disclose the detailed information about the candidates for directors <del>and—supervisors</del>, including at least the following contents:</p> <p>(I) Personal information such as education background, professional experience, part-time job, etc;</p> <p>(II) Whether the candidate has any association relationship with any controlling shareholder or de facto controller of the Company;</p> <p>(III) Number of shares of the Company held by the candidate;</p> <p>(IV) Whether the candidate was imposed with any sanction by the China Securities Regulatory Commission or other relevant authorities or disciplinary actions by the stock exchanges.</p> <p>Except that directors <del>and—supervisors</del> are elected by cumulative voting system, each candidate for directors <del>and—supervisors</del> shall be proposed separately.</p> <p>The voting in the shareholders' meeting concerning the election of directors <del>and—supervisors</del> may, in accordance with the provisions of the Articles of Association, adopt the cumulative voting system.</p> <p>The cumulative voting system as stated in the preceding paragraph means that every share shall, in electing directors <del>or—supervisors</del> at the shareholders' meeting, have the same voting power with that of the candidate director <del>or—supervisor</del>, and the voting power possessed by the shareholder may be exercised in a centralized manner.</p>

Original provisions	After amendments
<p>Article 26 Registered shareholders or shareholders' entrusted proxies, directors, supervisors, senior executives, employed lawyers and guests invited by the convener of the meeting may attend the shareholders' meeting, and other persons may not attend the meeting without the consent of the presider of the shareholders' meeting.</p>	<p>Article 26 Registered shareholders or shareholders' entrusted proxies, directors, <del>supervisors</del>, senior executives, employed lawyers and guests invited by the convener of the meeting may attend the shareholders' meeting, and other persons may not attend the meeting without the consent of the presider of the shareholders' meeting.</p>
<p>Article 29 An individual shareholder attending the meeting in person shall present the identification card or other valid documents or evidence that can prove his identity and stock account card; entrusted proxies attending the meeting shall present his valid identity certificate and shareholder's power of attorney. An institutional shareholder shall designate its legal representative or a proxy entrusted by the legal representative to attend the meeting. The legal representative attending the meeting shall present his own identification card and valid certificates that can prove the qualification of a legal representative; entrusted proxies attending the meeting shall present his identification card and power of attorney issued by the legal representative of institutional shareholder's unit in accordance with the laws.</p> <p>Shareholders shall entrust a proxy in writing, the instrument shall be signed by the appointing shareholder or his duly authorized attorney in writing; if the appointing shareholder is a legal person, the instrument shall be stamped with the seal of the legal person or signed by its directors or a duly authorized attorney.</p>	<p>Article 29 An individual shareholder attending the meeting in person shall present the identification card or other valid documents or evidence that can prove his identity <del>and stock account card</del>; entrusted proxies attending the meeting shall present his valid identity certificate and shareholder's power of attorney. An institutional shareholder shall designate its legal representative or a proxy entrusted by the legal representative to attend the meeting. The legal representative attending the meeting shall present his own identification card and valid certificates that can prove the qualification of a legal representative; entrusted proxies attending the meeting shall present his identification card and power of attorney issued by the legal representative of institutional shareholder's unit in accordance with the laws.</p> <p>Shareholders shall entrust a proxy in writing, the instrument shall be signed by the appointing shareholder or his duly authorized attorney in writing; if the appointing shareholder is a legal person, the instrument shall be stamped with the seal of the legal person or signed by its directors or a duly authorized attorney.</p>

Original provisions	After amendments
<p>Article 30 Where the power of attorney for voting is signed by the authorized attorney of the appointing shareholder, the power of attorney signed upon authorization or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents as well as the power of attorney for voting shall be placed in the domicile of the Company or at other places prescribed in the notice of meeting.</p> <p>Where the appointing shareholder is a legal person, its legal representative or the person authorized by Board of Directors and other decision-making authority shall act as the representative to attend the shareholders' meeting.</p> <p>If the shareholder is a recognized clearing house (or its agent), the shareholder may authorize any representative or Company representative at any shareholders' meeting. However, if more than one person is authorized, the power of attorney shall specify the number and class of shares involved in that person's authorization. The authorized person may exercise his rights on behalf of the recognized clearing house (or its agent) as if he is an individual shareholder of the Company.</p>	<p>Article 30 Where the power of attorney for voting is signed by the authorized attorney of the appointing shareholder, the power of attorney signed upon authorization or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents as well as the power of attorney for voting shall be placed in the domicile of the Company or at other places prescribed in the notice of meeting.</p> <p><del><i>Where the appointing shareholder is a legal person, its legal representative or the person authorized by Board of Directors and other decision-making authority shall act as the representative to attend the shareholders' meeting.</i></del></p> <p>If the shareholder is a recognized clearing house (or its agent), the shareholder may authorize any representative or Company representative at any shareholders' meeting. However, if more than one person is authorized, the power of attorney shall specify the number and class of shares involved in that person's authorization. The authorized person may exercise his/<i>her</i> rights on behalf of the recognized clearing house (or its agent) as if he/<i>she</i> is an individual shareholder of the Company.</p>

Original provisions	After amendments
<p>Article 31 Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that if the shareholder does not give instructions, whether the proxy shall vote at his own discretion.</p> <p>Except for the above provisions, the proxy form shall also specify the following matters:</p> <p>(I) Name of the shareholder's proxy;</p> <p>(II) Amount of shares represented by the shareholder's proxy;</p> <p>(III) Whether the shareholder's proxy has any voting right;</p> <p>(IV) Whether the shareholder's proxy has the voting right on extraordinary resolutions that may be included in the agenda of the shareholders' meeting;</p> <p>(V) Specific instructions on which voting rights should be exercised if there are voting rights;</p> <p>(VI) Issuing date and validity period;</p> <p>(VII) If several persons are shareholders' proxies, the proxy form shall indicate the amount of shares represented by each shareholder's proxy;</p> <p>(VIII) Signature (or seal) of the appointing shareholder. Where the appointing shareholder is an institutional shareholder, the proxy form shall be stamped with the official seal.</p>	<p>Article 31 Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. <del>The proxy form shall state that if the shareholder does not give instructions, whether the proxy shall vote at his own discretion.</del></p> <p>Except for the above provisions, the proxy form shall also specify the following matters:</p> <p><b>(I) Name of the appointer, and the class and number of shares in the Company being held;</b></p> <p><del>(I)</del> Name of the <del>shareholder's</del> proxy;</p> <p><del>(II)</del> <del>Amount of shares represented by the shareholder's proxy;</del></p> <p><del>(III) Whether the shareholder's proxy has any voting right;</del></p> <p><del>(IV) Whether the shareholder's proxy has the voting right on extraordinary resolutions that may be included in the agenda of the shareholders' meeting;</del></p> <p><del>(V)</del> Specific instructions <del>on which voting rights should be exercised if there are voting rights</del>from the shareholder, including instruction for voting for, against or abstain on each matter to be considered under the agenda of the shareholders' meeting etc.;</p> <p><del>(VI)</del> Issuing date and validity period <del>of the</del> <b>(IV) proxy form;</b></p> <p><del>(VII)</del> If several persons are shareholders' proxies, the proxy form shall indicate the amount of shares represented by each shareholder's proxy;</p> <p><del>(VIII)</del> Signature (or seal) of the appointing shareholder. Where the appointing shareholder is an institutional shareholder, the proxy form shall be stamped with the official seal.</p>

Original provisions	After amendments
<p>Article 32 The register of meeting attendants shall be made by the Company. Information such as names of attendees (or company name), amount of held shares or shares with voting rights shall be recorded in such register.</p>	<p>Article 32 The register of meeting attendants shall be made by the Company. Information such as names of attendees (or company name), <b>identity card number</b>, amount of held shares or shares with voting rights, <b>name of appointer (or company name)</b> shall be recorded in such register.</p>
<p>Article 35 The shareholders' meeting shall be convened by the Board of Directors, and the Chairman shall be the chairman of the meeting. If the Chairman is unable to attend the meeting for certain reasons, the Vice Chairman shall be the chairman of the meeting. If the Vice Chairman is unable to attend the meeting for certain reasons, the meeting shall be presided over by a director elected by more than half of the total number of directors.</p> <p>If the Board of Directors cannot or fails to perform the duty of convening the shareholders' meeting, the Board of Supervisors that decides to convene the shareholders' meeting on its own or the shareholder that proposes the shareholders' meeting shall be responsible for presiding over this shareholders' meeting. For the shareholders' meeting independently summoned by Board of Supervisors, the Chairman of Board of Supervisors will preside over the meeting. If the Chairman of Board of Supervisors cannot or fails to perform such duty, the vice Chairman of Board of Supervisors will preside over the meeting. If the vice Chairman of Board of Supervisors cannot or fails to perform such duty, the meeting shall be presided over by a supervisor elected by more than half of the total number of supervisors. Shareholders' meeting independently summoned by the shareholders shall be presided over by a representative recommended by the convener.</p> <p>If, for any reason, shareholders cannot elect a person to preside over the meeting, the shareholders who hold the most voting shares (including their proxies) present at the meeting shall preside over the meeting.</p>	<p>Article 35 The shareholders' meeting shall be convened by the Board of Directors, and the Chairman shall be the chairman of the meeting. If the Chairman is unable to attend the meeting for certain reasons, the Vice Chairman (<b>if any</b>) shall be the chairman of the meeting. If the Vice Chairman (<b>if any</b>) is unable to attend the meeting for certain reasons, the meeting shall be presided over by a director elected by <del>more than half a</del> <b>majority</b> of the total number of directors.</p> <p>If the Board of Directors cannot or fails to perform the duty of convening the shareholders' meeting, the <del>Board of Supervisors</del> <b>audit committee</b> that decides to convene the shareholders' meeting on its own or the shareholder that proposes the shareholders' meeting shall be responsible for presiding over this shareholders' meeting. For the shareholders' meeting independently summoned by <del>Board of Supervisors</del> <b>the audit committee</b>, the <del>Chairman</del> <b>convener</b> of <del>Board of Supervisors</del> <b>the audit committee</b> will preside over the meeting. If the <del>Chairman</del> <b>convener</b> of <del>Board of Supervisors</del> <b>the audit committee</b> cannot or fails to perform such duty, <del>the vice Chairman of Board of Supervisors will preside over the meeting. If the vice Chairman of Board of Supervisors cannot or fails to perform such duty,</del> the meeting shall be presided over by a <del>supervisor</del> <b>member of the audit committee</b> elected by <del>more than half a majority of the total number of supervisors</del> <b>members of the audit committee</b>. Shareholders' meeting independently summoned by the shareholders shall be presided over by <del>the</del> <b>convener or</b> a representative recommended by the convener.</p> <p><del>If, for any reason, shareholders cannot elect a person to preside over the meeting, the shareholders who hold the most voting shares (including their proxies) present at the meeting shall preside over the meeting.</del></p>

Original provisions	After amendments
<p>Article 37 If the shareholders' meeting requires all directors, supervisors, general managers and other senior executives of the Company to attend, they shall attend the shareholders' meeting. At the shareholders' meeting, except for matters involving the Company's trade secrets that cannot be disclosed, the directors, supervisors, general managers and other senior executives who attend the meeting shall make reply or explanation to the questions raised by shareholders.</p>	<p>Article 37 If the shareholders' meeting requires <del>all</del> directors,<del>supervisors, general managers</del> and <del>other</del> senior executives of the Company to attend, they shall attend the shareholders' meeting <b>and accept questions raised by shareholders</b>. At the shareholders' meeting, except for matters involving the Company's trade secrets that cannot be disclosed, the directors,<del>supervisors, general managers</del> and <del>other</del> senior executives who attend the meeting shall make <del>reply</del><b>elaboration</b> or explanation to the questions <b>and recommendations</b> raised by shareholders.</p>
<p>Article 45 The following matters shall be resolved by way of ordinary resolution at the shareholders' meeting:</p> <p>(I) Work reports of the Board of Directors and Board of Supervisors;</p> <p>(II) Profit distribution schemes and loss recovery schemes drawn up by the Board of Directors;</p> <p>(III) Appointment, dismissal and remuneration and payment methods thereof for members of the Board of Directors and Board of Supervisors;</p> <p>(IV) Annual report of the Company;</p> <p>(V) Matters other than those on which special resolutions shall be proposed as stipulated in laws, administrative regulations or Articles of Association.</p>	<p>Article 45 The following matters shall be resolved by way of ordinary resolution at the shareholders' meeting:</p> <p>(I) Work reports of the Board of Directors <b>and Board of Supervisors</b>;</p> <p>(II) Profit distribution schemes and loss recovery schemes drawn up by the Board of Directors;</p> <p>(III) Appointment, dismissal and remuneration and payment methods thereof for members of the Board of Directors <b>and Board of Supervisors</b>;</p> <p><del>(IV)</del> <b>Annual report of the Company</b>;</p> <p><del>(V)</del> <b>(IV)</b> Matters other than those on which special resolutions shall be proposed as stipulated in laws, administrative regulations or Articles of Association.</p>

Original provisions	After amendments
<p>Article 46 The following matters shall be resolved by way of special resolution at the shareholders' meeting:</p> <p>(I) The Company increases or reduces its share capital and issues shares of any class, warrants and other similar securities;</p> <p>(II) The Company issues corporate bonds;</p> <p>(III) Demerger, spin-off, merger, dissolution and liquidation of the Company;</p> <p>(IV) Change of corporation form;</p> <p>(V) Any purchase or disposal of significant assets made or guarantee provided by the Company within one year, with the total assets or the transaction amount exceeding 30% of the latest audited total assets of the Company;</p> <p>(VI) Amendment of the Articles of Association;</p> <p>(VII) Deliberation and approval of the guarantees stipulated in the Articles of Association that need to be approved by special resolution;</p> <p>(VIII) Review and implement the share incentive plan;</p> <p>(IX) Other matters provided in laws, administrative regulations or the Articles of Association, or deemed by shareholders' meeting as having significant potential influence upon the Company by means of ordinary resolutions, and should be approved by special resolutions;</p> <p>(X) Other matters required by the listing rules of the exchange where the Company's shares are listed to be approved by special resolutions.</p>	<p>Article 46 The following matters shall be resolved by way of special resolution at the shareholders' meeting:</p> <p>(I) The Company increases or reduces its share capital and issues shares of any class, warrants and other similar securities;</p> <p>(II) The Company issues corporate bonds;</p> <p>(III) Demerger, spin-off, merger, dissolution and liquidation of the Company;</p> <p>(IV) Change of corporation form;</p> <p>(V) Any purchase or disposal of significant assets made or guarantee provided by the Company <i>for other parties</i> within one year, with the total assets or the transaction amount exceeding 30% of the latest audited total assets of the Company;</p> <p>(VI) Amendment of the Articles of Association;</p> <p>(VII) Deliberation and approval of the guarantees stipulated in the Articles of Association that need to be approved by special resolution;</p> <p>(VIII) Review and implement the share incentive plan;</p> <p>(IX) Other matters provided in laws, administrative regulations or the Articles of Association, or deemed by shareholders' meeting as having significant potential influence upon the Company by means of ordinary resolutions, and should be approved by special resolutions;</p> <p>(X) Other matters required by the listing rules of the exchange where the Company's shares are listed to be approved by special resolutions.</p>

Original provisions	After amendments
<p>Article 49 Prior to the voting on the proposal at the shareholders' meeting, two shareholders shall be elected to participate in vote calculation and scrutineer. If the shareholders are related parties to the matters to be considered, the relevant shareholders and their proxies shall not participate in the counting of votes and scrutineering.</p> <p>When the shareholders' meeting is voting on the proposal, shareholders' representative and supervisors' representative shall be jointly responsible for vote calculation and vote scrutineer.</p>	<p>Article 49 Prior to the voting on the proposal at the shareholders' meeting, two shareholders shall be elected to participate in vote calculation and scrutineer. If the shareholders are related parties to the matters to be considered, the relevant shareholders and their proxies shall not participate in the counting of votes and scrutineering.</p> <p>When the shareholders' meeting is voting on the proposal, <i>the lawyer and</i> shareholders' representative <del>and</del> <del>supervisors'</del> <b>representative</b> shall be jointly responsible for vote calculation and vote scrutineer.</p>
<p>Article 52 Prior to the formal announcement of the voting results, parties involved in the shareholders' meeting, including the Company, vote counter, scrutineer and major shareholders, shall bear confidential obligations to the voting.</p>	<p>Article 52 Prior to the formal announcement of the voting results, parties involved in the shareholders' meeting, including the Company, vote counter, scrutineer and <del>major</del> shareholders, shall bear confidential obligations to the voting.</p>
<p>Article 56 The secretary of the board shall be responsible for the minutes of shareholders' meeting and the meeting minutes shall contain the following content:</p> <p>(I) Time, place and agenda of the meeting as well as name of the meeting convener;</p> <p>(II) Names of the presider as well as directors, supervisors, secretary of the board, general managers and other senior executives present at or attending the meeting;</p> <p>(III) Number of shareholders and proxies attending the meeting, total number of shares with voting rights held by them and the proportion of shares to the total shares of the Company;</p>	<p>Article 56 The secretary of the board shall be responsible for the minutes of shareholders' meeting and the meeting minutes shall contain the following content:</p> <p>(I) Time, place and agenda of the meeting as well as name of the meeting convener;</p> <p>(II) Names of the presider as well as directors, <del>supervisors,</del> secretary of the board, <del>general managers</del> and <del>other</del> senior executives <del>present at or</del> attending the meeting;</p> <p>(III) Number of shareholders and proxies attending the meeting, total number of shares with voting rights held by them and the proportion of shares to the total shares of the Company;</p>

Original provisions	After amendments
(IV) Description of the deliberation process of each proposal, key points of speeches and voting results;	(IV) Description of the deliberation process of each proposal, key points of speeches and voting results;
(V) Shareholders' inquiry or suggestion and corresponding reply or explanation;	(V) Shareholders' inquiry or suggestion and corresponding reply or explanation;
(VI) Names of the lawyer, vote counter and scrutineer;	(VI) Names of the lawyer, vote counter and scrutineer;
(VII) Other items that shall be recorded as required under the Articles of Association.	(VII) Other items that shall be recorded as required under the Articles of Association.
Directors, supervisors, secretary of the board, meeting convener or its representative and meeting presider shall sign the meeting minutes, and shall ensure the meeting minutes are true, accurate and complete. The meeting minutes shall be kept together with the attendance records of shareholders present, power of attorney of proxies present, and valid data of voting by on-line or other ways for ten years.	Directors, <del>supervisors</del> , secretary of the board, meeting convener or its representative and meeting presider <b><i>present at or attending the meeting</i></b> shall sign the meeting minutes, and shall ensure the meeting minutes are true, accurate and complete. The meeting minutes shall be kept together with the attendance records of shareholders present, power of attorney of proxies present, and valid data of voting by on-line or other ways for ten years.

Details of the proposed amendments to the Rules of Procedures of the Board of Directors are as follows:

**Comparison Table of the Amendments to the Rules of Procedures of the Board of Directors of Shanghai Junshi Biosciences Co., Ltd.\***

Original provisions	After amendments
<p>Article 3 A director is a natural person and does not need to hold shares in the Company. A person falls under any of the following circumstances shall not be nominated as a candidate for the position of director of the Company:</p> <p>(I) The person is prohibited from serving as a director subject to the Company Law and other relevant laws and regulations;</p> <p>(II) Subject to any market entry bans taken by the China Securities Regulatory Commission prohibiting the person from serving as a director of listed companies for a period which has not expired;</p> <p>(III) Subject to any public treatment by any stock exchanges as unsuitable to serve as a director, supervisor, and senior management member of listed companies for a period which has not expired;</p> <p>(IV) Other circumstances stipulated by laws and regulations and the stock exchange of where the Company's shares are listed.</p>	<p>Article 3 A director is a natural person and does not need to hold shares in the Company. A person falls under any of the following circumstances shall not be nominated as a candidate for the position of director of the Company:</p> <p>(I) The person is prohibited from serving as a director subject to the Company Law and other relevant laws and regulations;</p> <p>(II) Subject to any market entry bans taken by the China Securities Regulatory Commission prohibiting the person from serving as a director of listed companies for a period which has not expired;</p> <p>(III) Subject to any public treatment by any stock exchanges as unsuitable to serve as a director <del>supervisor</del>, and senior management member of listed companies for a period which has not expired;</p> <p>(IV) Other circumstances stipulated by laws and regulations and the stock exchange of where the Company's shares are listed.</p>

Original provisions	After amendments
<p>Article 4 The following persons shall not serve as directors:</p> <p>(I) With no or limited capacity for civil conduct;</p> <p>(II) Sentenced to prison due to corruption, bribery, conversion of property, misappropriation of property and sabotage of social economic order; or having been deprived of political rights as a result of a criminal conviction, with a discharge period of less than 5 years; or within 2 years from the expiration of probation;</p> <p>(III) Serving as the director or factory director and the general manager of companies and enterprises under bankruptcy liquidation and having individual responsibility for the bankruptcy of the companies and enterprises within 3 years since bankruptcy and liquidation of the companies and enterprises;</p> <p>(IV) Acting as the legal representative of a company or enterprise whose business license was revoked and which was ordered to close down due to its violation of law, and is personally responsible for such revocation, with the revocation period of less than 3 years;</p> <p>(V) Listed as a dishonest debtor by the People's Court due to owing comparatively large amount of debt which is overdue and not yet fully repaid;</p> <p>(VI) Punishment by China's Securities Regulatory Commission as prohibition from access to securities market for a period which has not expired;</p> <p>(VII) Other contents prescribed by laws, administrative regulations and department rules.</p> <p>Election or appointment of directors in violation of this Article shall be invalid. Directors having such conducts as prescribed in this Article during their term shall be dismissed by the Company.</p>	<p>Article 4 The following persons shall not serve as directors:</p> <p>(I) With no or limited capacity for civil conduct;</p> <p>(II) Sentenced to prison due to corruption, bribery, conversion of property, misappropriation of property and sabotage of social economic order; or having been deprived of political rights as a result of a criminal conviction, with a discharge period of less than 5 years; or within 2 years from the expiration of probation;</p> <p>(III) Serving as the director or factory director and the general manager of companies and enterprises under bankruptcy liquidation and having individual responsibility for the bankruptcy of the companies and enterprises within 3 years since bankruptcy and liquidation of the companies and enterprises;</p> <p>(IV) Acting as the legal representative of a company or enterprise whose business license was revoked and which was ordered to close down due to its violation of law, and is personally responsible for such revocation, with the revocation period of less than 3 years;</p> <p>(V) Listed as a dishonest debtor by the People's Court due to owing comparatively large amount of debt which is overdue and not yet fully repaid;</p> <p>(VI) Punishment by China's Securities Regulatory Commission as prohibition from access to securities market for a period which has not expired;</p> <p>(VII) Other contents prescribed by laws, administrative regulations and department rules.</p> <p>Election or appointment of directors in violation of this Article shall be invalid. Directors having such conducts as prescribed in this Article during their term shall be dismissed <i>and suspended</i> by the Company.</p>

Original provisions	After amendments
<p>Article 5 The candidates for directors for the first session of the Company's Board of Directors shall be nominated by the promoter shareholders. During the change of the session of the Board of Directors, the candidates for new directors shall be nominated by the original Board of Directors; in the event of vacancy in the Board of Directors arising from a director's resignation, retirement, death, incapacity or dismissal by the shareholders' meeting, the successor candidate shall be nominated by the current Board of Directors.</p> <p>The shareholders holding more than 3% shares of the Company individually or in aggregate have the right to nominate new director candidate to the Company.</p>	<p>Article 5 The candidates for directors for the first session of the Company's Board of Directors shall be nominated by the promoter shareholders. During the change of the session of the Board of Directors, the candidates for new directors shall be nominated by the original Board of Directors; in the event of vacancy in the Board of Directors arising from a director's resignation, retirement, death, incapacity or dismissal by the shareholders' meeting, the successor candidate shall be nominated by the current Board of Directors.</p> <p>The shareholders holding more than <b>31%</b> shares of the Company individually or in aggregate have the right to nominate new director candidate to the Company.</p>
<p>Article 7 The term of office of directors shall be 3 years from the adoption date of the resolution of the shareholders' meeting until the expiration of the term of office of the current Board of Directors. Upon expiration of the term of office, the director may be reappointed. Prior to the expiration of the term of office, the shareholders meeting shall not dismiss, without cause, the post of the director. Where the directors' term of office is expired but the reelection has not been made in time, prior to the appointment of the reelected directors, the original director shall continue to perform his director duties in accordance with laws, administrative regulations, department rules and the Articles of Association.</p> <p>General managers or other senior executives can serve as directors concurrently, but the number of directors serving as general manager or other senior executives concurrently and the directors served by staff representative shall not be more than one half of total number of directors.</p>	<p>Article 7 The term of office of directors shall be 3 years from the adoption date of the resolution of the shareholders' meeting until the expiration of the term of office of the current Board of Directors. Upon expiration of the term of office, the director may be reappointed. Prior to the expiration of the term of office, the shareholders meeting shall not dismiss, without cause, the post of the director. Where the directors' term of office is expired but the reelection has not been made in time, prior to the appointment of the reelected directors, the original director shall continue to perform his director duties in accordance with laws, administrative regulations, department rules and the Articles of Association.</p> <p><del>General managers or other senior</del>Senior executives can serve as directors concurrently, but the number of directors serving as <del>general manager or other</del> senior executives concurrently and the directors served by staff representative shall not be more than one half of total number of directors.</p>

Original provisions	After amendments
<p>Article 9 The directors shall abide by the laws, administrative regulations and the Articles of Association, assume the following fiduciary duties, take measures to avoid conflicts between their own interests and those of the Company, and not use their powers to seek undue benefits.</p> <p>Directors have a duty of diligence towards the Company, and shall perform their duties with the reasonable care that managers usually should take for the best interests of the Company.</p>	<p>Article 9 The directors shall abide by the laws, administrative regulations and the Articles of Association, assume the following fiduciary duties, take measures to avoid conflicts between their own interests and those of the Company, and not use their powers to seek undue benefits. <i>The directors shall assume the following fiduciary duties:</i></p> <p>(I) <i>Not to misappropriate the Company's assets and embezzle the Company's funds;</i></p> <p>(II) <i>Not to open an account in his/her own name or name of other person to deposit the funds of the Company;</i></p> <p>(III) <i>Not to abuse power to accept bribery or other illegal income;</i></p> <p>(IV) <i>Not to directly or indirectly concluding a contract or conducting a transaction with the Company without reporting to the Board of Directors or the shareholders' meeting and being considered and approved by resolution at board meeting or shareholders' meeting in accordance with the Articles of Association;</i></p> <p>(V) <i>Not to abuse power to seek business opportunities for himself/herself or other persons that should be attributed to the Company, unless it has been reported to the Board of Directors or the shareholders' meeting and considered and approved by resolution at shareholders' meeting, or it is prohibited to use such business opportunities pursuant to provisions under laws, administrative regulations or the Articles of Association;</i></p>

Original provisions	After amendments
	<p>(VI) <i>Not to operate independently or jointly with others the same kind of business as that of the Company without reporting to the Board of Directors or the shareholders' meeting and being considered and approved by resolution at shareholders' meeting;</i></p> <p>(VII) <i>Not to peculate the commissions from any transactions between the Company and other parties;</i></p> <p>(VIII) <i>Not to reveal the confidential information of the Company without permission;</i></p> <p>(IX) <i>Not to abuse its associated relations to impair the interests of the Company;</i></p> <p>(X) <i>Perform other fiduciary duties prescribed by laws, administrative regulations, department rules and the Articles of Association.</i></p> <p><i>Directors' income obtained by breaching the provisions of this Article shall belong to the Company; if the Company suffers from losses caused thereby, such directors shall also bear the compensation liability.</i></p> <p><i>The item (IV) of paragraph two of this Article shall apply equally to the contracts or transactions between the Company and any close relatives of a director or senior management, any company that is directly or indirectly controlled by a director, senior management or their close relatives, and anyone which is otherwise related to a director or senior management.</i></p> <p><del><i>Directors have a duty of diligence towards the Company, and shall perform their duties with the reasonable care that managers usually should take for the best interests of the Company.</i></del></p>

Original provisions	After amendments
<p>Article 10 Directors shall not:</p> <p>(I) Misappropriate the Company's assets and embezzle the Company's fund;</p> <p>(II) Open an account in his (her) own name to deposit the funds and assets of the Company;</p> <p>(III) Abuse power to accept bribery or other illegal income;</p> <p>(IV) Peculate the commissions from transactions between the Company and other parties;</p> <p>(V) Reveal the confidential information of the Company without permission;</p> <p>(VI) Violate other fiduciary duties prescribed in laws, administrative regulations, department rules and the Articles of Association.</p>	<p>Article 10 <i>Directors shall abide by the laws, administrative regulations and the Articles of Association, assume the duty of care, and perform their duties with the reasonable care that the management usually should take for the best interests of the Company. Directors shall assume the following duty of care</i><del>Directors shall not:</del></p> <p>(I) <i>To prudently, conscientiously and diligently exercise the rights granted by the Company, so as to ensure that the business practices of the Company comply with national laws, administrative regulations and the requirements of various national economic policies, and that its commercial activities are within the scope of business specified in the business license;</i></p> <p>(II) <i>To treat all shareholders impartially;</i></p> <p>(III) <i>To keep informed of the operation and management conditions of the Company;</i></p> <p>(IV) <i>To sign written confirmation opinions for the regular reports of the Company, and to assure that the information disclosed by the Company is true, accurate and complete;</i></p> <p>(V) <i>To honestly provide the audit committee with relevant information and data, and not to prevent the audit committee from performing its duties and powers;</i></p> <p>(VI) <i>To fulfill other duty of care as stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.</i></p>

Original provisions	After amendments
	<p><del>(I) Misappropriate the Company's assets and embezzle the Company's fund;</del></p> <p><del>(II) Open an account in his (her) own name to deposit the funds and assets of the Company;</del></p> <p><del>(III) Abuse power to accept bribery or other illegal income; (IV) Peculate the commissions from transactions between the Company and other parties;</del></p> <p><del>(V) Reveal the confidential information of the Company without permission;</del></p> <p><del>(VI) Violate other fiduciary duties prescribed in laws, administrative regulations, department rules and the Articles of Association.</del></p>
<p>Article 11 If a director directly or indirectly enters into a contract or conducts a transaction with the Company, he/she shall report to the Board of Directors or shareholders' meeting on matters related to such contract or transaction, and such contract or transaction shall be approved by a resolution passed by the Board of Directors or shareholders' meeting in accordance with the provisions of the Articles of Association.</p> <p>The provisions of the preceding paragraph shall apply to the contracts or transactions between any close relatives of directors, enterprises directly or indirectly controlled by directors or their close relatives, and any persons who are related to directors otherwise with the Company.</p>	<p><i>Deleted</i></p>

Original provisions	After amendments
<p>Article 12 Directors shall not take advantage of their positions to seek business opportunities belonging to the Company for themselves or others, except for any of the following situations:</p> <p>(I) The transaction is reported to the Board of Directors or shareholders' meeting, and approved by a resolution passed by the Board of Directors or shareholders' meeting in accordance with the provisions of the Articles of Association;</p> <p>(II) The Company cannot take advantage of such business opportunity, subject to laws, administrative regulations, or the Articles of Association.</p>	<p><i>Deleted</i></p>
<p>Article 13 Directors who fail to report to the Board of Directors or the shareholders' meeting and obtain an approval by the Board of Directors or the shareholders' meeting in accordance with the provisions of the Articles of Association shall not engage in the same business as the Company they serve for themselves or for others.</p>	<p><i>Deleted</i></p>
<p>Article 14 The income obtained by directors who violate the provisions of Articles 10 to 13 of these Rules shall be attributable to the Company.</p>	<p><i>Deleted</i></p>
<p>Article 15 The Company shall be liable for any damages to others caused by a director while performing his duties. The director shall be liable for such damages caused by his/her intentional or gross negligence. The controlling shareholder or actual controller of the Company instructing a director to engage in acts that harm the interests of the Company or shareholders shall bear joint and several liabilities with the director.</p>	<p>Article <del>15</del><b>11</b> The Company shall be liable for any damages to others caused by a director while performing his/<i>her</i> duties. The director shall be liable for such damages caused by his/her intentional or gross negligence. <i>Where losses are caused to the Company as a result of the violation of the laws, administrative regulations, departmental rules or the Articles of Association by a director in the course of performing his/her duties, such director shall be liable for compensation.</i> The controlling shareholder or actual controller of the Company instructing a director to engage in acts that harm the interests of the Company or shareholders shall bear joint and several liabilities with the director.</p>

Original provisions	After amendments
<p>Article 20 A director may resign before the expiration of his/her term of service. When a director resigns, he/she shall submit a written resignation notice to the Board of Directors.</p> <p>If the number of directors falls below the minimum requirement due to a director's resignation, the resignation of the director shall take effect only after the approval of the shareholders' meeting and the appointment of the successor director. In addition, the Board of Directors has the right to approve the resignation of any director. However, a proposal for the election of the new director shall be submitted to the latest shareholders' meeting after the resignation of the director. The Board of Directors or shareholders holding or jointly holding more than 3% of the total number of outstanding voting shares issued by the Company shall be entitled to nominate candidate for new director.</p> <p>If the term of office of a director expires but re-election is not made forthwith, or the number of the directors fall below the minimum requirement due to a director's resignation within his/her term of office, the resigning director shall continue to carry out his/her duties in accordance with the laws, administrative regulations and the Articles of Association before the elected director takes office.</p>	<p>Article <b>2016</b> A director may resign before the expiration of his/her term of service. When a director resigns, he/she shall submit a written resignation notice to the Board of Directors.</p> <p>If the number of directors falls below the minimum requirement due to a director's resignation, <i>or the proportion of independent directors on the Board of Directors or its special committees no longer meet with requirements under laws and regulations or the Articles of Association due to the resignation of an independent director, or there is no accounting professional serving as independent director</i>, the resignation of the director shall take effect only after the approval of the shareholders' meeting and the appointment of the successor director. In addition, the Board of Directors has the right to approve the resignation of any director. However, a proposal for the election of the new director shall be submitted to the latest shareholders' meeting after the resignation of the director. The Board of Directors or shareholders holding or jointly holding more than <b>31%</b> of the total number of outstanding voting shares issued by the Company shall be entitled to nominate candidate for new director.</p> <p>If the term of office of a director expires but re-election is not made forthwith, or the number of the directors fall below the minimum requirement due to a director's resignation within his/her term of office, <i>or the proportion of independent directors on the Board of Directors or its special committees no longer meet with requirements under laws and regulations or the Articles of Association due to resignation of an independent director, or there is no accounting professional serving as independent director</i>, the resigning director shall continue to carry out his/her duties in accordance with the laws, administrative regulations and the Articles of Association before the elected director takes office.</p>

Original provisions	After amendments
<p>Article 24 The Board of Directors shall consist of over three directors. The Board of Directors shall have one chairman. The Board of Directors is accountable to the shareholders' meeting, and is the operation decision-making body of the Company. It exercises the following functions and powers:</p> <p>(I) to be responsible for convening shareholders meeting and report its work at the shareholders' meeting;</p> <p>(II) to implement resolutions of the shareholders' meeting;</p> <p>(III) to decide on the Company's business plans and investment programs;</p> <p>(IV) to formulate the Company's profit distribution plans and loss recovery plans;</p> <p>(V) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof, or to decide to issue a certain number of domestic shares to specific investors based on the authorization of shareholders' meeting;</p> <p>(VI) to formulate plans for the Company's material acquisitions or disposals and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(VII) within the scope authorized by the shareholders' meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of security on the Company's assets external guarantees, wealth management entrustment, loans, and related party transactions, and donations;</p>	<p>Article <del>240</del> The Board of Directors shall consist of <del>over three</del><sup>9-15</sup> directors. The Board of Directors shall have one chairman. The Board of Directors is accountable to the shareholders' meeting, and is the operation decision-making body of the Company. It exercises the following functions and powers:</p> <p>(I) to be responsible for convening shareholders meeting and report its work at the shareholders' meeting;</p> <p>(II) to implement resolutions of the shareholders' meeting;</p> <p>(III) to decide on the Company's business plans and investment programs;</p> <p>(IV) to formulate the Company's profit distribution plans and loss recovery plans;</p> <p>(V) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof, or to decide to issue a certain number of domestic shares to specific investors based on the authorization of shareholders' meeting;</p> <p>(VI) to formulate plans for the Company's material acquisitions or disposals and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(VII) within the scope authorized by the shareholders' meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of security on the Company's assets external guarantees, wealth management entrustment, loans, and related party transactions, and donations;</p>

Original provisions	After amendments
(VIII) to decide on establishment of internal management organizations of the Company;	(VIII) to decide on establishment of internal management organizations of the Company;
(IX) to appoint or dismiss the general manager and secretary of the board of the Company; to appoint or dismiss deputy general manager, financial administrator and other senior executives in the Company according to the general manager's nomination, and determine their remuneration, rewards and punishments;	(IX) to appoint or dismiss the general manager and secretary of the board of the Company; to appoint or dismiss deputy general manager, financial administrator and other senior executives in the Company according to the general manager's nomination, and determine their remuneration, rewards and punishments;
(X) to decide on the plan for reforming, division, restructuring, and dissolution of the Company's wholly-owned and holding companies;	(X) to decide on the plan for reforming, division, restructuring, and dissolution of the Company's wholly-owned and holding companies;
(XI) to formulate the basic management system of the Company, decide on the salary, benefits, reward and punishment policies and plans of the Company's employees;	(XI) to formulate the basic management system of the Company, decide on the salary, benefits, reward and punishment policies and plans of the Company's employees;
(XII) to formulate proposals to amend the Articles of Association;	(XII) to formulate proposals to amend the Articles of Association;
(XIII) to formulate the Company's equity incentive plans;	(XIII) to formulate the Company's equity incentive plans;
(XIV) to decide on the establishment of dedicated committees of the Board of Directors and appoint or dismiss the heads of dedicated committees;	(XIV) to decide on the establishment of dedicated committees of the Board of Directors and appoint or dismiss the heads of dedicated committees;
(XV) to propose at the shareholders' meeting the appointment or change of the accounting firms which provide audit services to the Company;	(XV) to propose at the shareholders' meeting the appointment or change of the accounting firms which provide audit services to the Company;
(XVI) to listen to work reports submitted by the general manager and review his work;	(XVI) to listen to work reports submitted by the general manager and review his work;
(XVII) to decide on other major and administrative affairs of the Company and sign other important agreements than those matters decided by the shareholders' meeting as stipulated in the Company Law and the Articles of Association;	(XVII) to decide on other major and administrative affairs of the Company and sign other important agreements than those matters decided by the shareholders' meeting as stipulated in the Company Law and the Articles of Association;

Original provisions	After amendments
<p>(XVIII) to manage the Company's information disclosure;</p> <p>(XIX) other functions and powers granted by the Articles of Association or the shareholders' meeting;</p> <p>(XX) other matters stipulated by Chinese laws and regulations.</p> <p>Resolutions by the Board of Directors on the matters mentioned in the preceding paragraph shall be approved by more than half of the votes of all directors, except Item (V) and (XII), which must be approved by more than two-thirds of the directors.</p> <p>The Board of Directors may establish dedicated committees, such as the strategy committee, audit committee, compensation and assessment committee, and nomination committee, as it deems necessary. Under the leadership of the Board of Directors, these committees shall assist the Board of Directors in exercising their powers or provide suggestions or advice for the board to make decisions. The composition and rules of procedure of such committees shall be determined separately by the Board of Directors. The dedicated committees are responsible to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Any proposals shall be submitted to the Board of Directors for review and decision. The dedicated committees shall be composed of directors, with independent directors holding the majority and serving as conveners in the audit committee, nomination committee, and compensation and assessment committee. The members of the audit committee shall be directors who are not senior management of the Company, and the convener shall be an independent non-executive director who is an accounting professional.</p>	<p>(XVIII) to manage the Company's information disclosure;</p> <p>(XIX) other functions and powers granted by the Articles of Association or the shareholders' meeting;</p> <p>(XX) other matters stipulated by Chinese laws and regulations.</p> <p>Resolutions by the Board of Directors on the matters mentioned in the preceding paragraph shall be approved by more than half of the votes of all directors, except Item (V) and (XII), which must be approved by more than two-thirds of the directors.</p> <p>The Board of Directors may establish dedicated committees, such as the strategy committee, audit committee, compensation and assessment committee, and nomination committee, as it deems necessary. Under the leadership of the Board of Directors, these committees shall assist the Board of Directors in exercising their powers or provide suggestions or advice for the board to make decisions. The composition and rules of procedure of such committees shall be determined separately by the Board of Directors. The dedicated committees are responsible to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Any proposals shall be submitted to the Board of Directors for review and decision. The dedicated committees shall be composed of directors, with independent directors holding the majority and serving as conveners in the audit committee, nomination committee, and compensation and assessment committee. The members of the audit committee shall be directors who are not senior management of the Company, and the convener shall be an independent non-executive director who is an accounting professional.</p>

Original provisions	After amendments
<p>Article 26 Company transactions (other than the provision of guarantees) shall be submitted to the Board for consideration if they meet one of the following criteria:</p> <p>(I) The total assets involved in the transaction (the greater one will prevail in case both book value and assessed value are available) account for more than 10% of the latest audited total assets of the Company;</p> <p>(II) The transaction amount accounts for more than 10% of the Company's market capitalization;</p> <p>(III) The net assets of the subject matter of transaction (such as equity interests) account for more than 10% of the Company's market capitalization in the latest accounting year;</p> <p>(IV) The relevant operating income of the subject matter of transaction (such as equity interests) in the latest accounting year accounts for more than 10% of the audited operating income of the Company in the latest accounting year, and exceeds RMB10 million;</p> <p>(V) The profit generating from the transaction accounts for more than 10% of the audited net profit in the latest accounting year of the Company and exceeds RMB1 million;</p>	<p>Article <b>262</b> Company transactions (other than the provision of guarantees <b>and provision of financial assistance</b>) shall be submitted to the Board for consideration if they meet one of the following criteria:</p> <p>(I) The total assets involved in the transaction (the greater one will prevail in case both book value and assessed value are available) account for more than 10% of the latest audited total assets of the Company;</p> <p>(II) The transaction amount accounts for more than 10% of the Company's market capitalization;</p> <p>(III) The net assets of the subject matter of transaction (such as equity interests) account for more than 10% of the Company's market capitalization in the latest accounting year;</p> <p>(IV) The relevant operating income of the subject matter of transaction (such as equity interests) in the latest accounting year accounts for more than 10% of the audited operating income of the Company in the latest accounting year, and exceeds RMB10 million;</p> <p>(V) The profit generating from the transaction accounts for more than 10% of the audited net profit in the latest accounting year of the Company and exceeds RMB1 million;</p>

Original provisions	After amendments
<p>(VI) The net profit in connection with the subject matter of transaction (such as equity interests) in the latest accounting year accounts for more than 10% of the net profit audited in the latest accounting year of the Company and exceeds RMB1 million.</p> <p>The net profit index in the above criteria can be exempted from application before the Company realizes profits.</p> <p>The shareholders' meeting shall authorize the Board of Directors to review and approve the matters within the above limits of authority, and the matters beyond the scope of authorization shall be submitted to the shareholders' meeting for review and approval upon unanimous consent of the Board of Directors.</p>	<p>(VI) The net profit in connection with the subject matter of transaction (such as equity interests) in the latest accounting year accounts for more than 10% of the net profit audited in the latest accounting year of the Company and exceeds RMB1 million.</p> <p><i>If the data in the above index calculation is negative, the absolute value shall prevail. <del>The net profit index in the above criteria can be exempted from application before the Company realizes profits.</del></i></p> <p>The shareholders' meeting shall authorize the Board of Directors to review and approve the matters within the above limits of authority, and the matters beyond the scope of authorization shall be submitted to the shareholders' meeting for review and approval upon <del>unanimous</del> <i>consent of consideration and approval by</i> the Board of Directors.</p>
<p>Article 29 The chairman of the Board of Directors shall convene and preside over meetings of the Board of Directors to examine the implementation of the resolutions of the Board of Directors. In case that the chairman cannot or does not perform his/her duty, a director shall be elected jointly by more than half of the directors to perform such duties.</p>	<p>Article <del>29</del><b>5</b> The chairman of the Board of Directors shall convene and preside over meetings of the Board of Directors to examine the implementation of the resolutions of the Board of Directors. In case that the chairman cannot or does not perform his/her duty, a director shall be elected jointly by <del>more than half</del> <i>majority</i> of the directors to perform such duties.</p>

Original provisions	After amendments
<p>Article 30 The Board of Directors shall hold at least four regular meetings every year, at approximately quarterly intervals, one of which shall be held in the first half year to consider the annual work report and the profit distribution plan of the Company in the previous year. The regular meeting shall be convened by the chairman of the Board and shall be notified in writing to all directors and supervisors 14 days before the meeting is convened.</p> <p>The chairman of the board may convene an extraordinary meeting of the Board of Directors at any time if necessary as deemed by the chairman; in any of the following circumstances, the chairman of the board shall convene and preside over an extraordinary meeting of the Board of Directors within 10 days:</p> <p>(I) proposed by shareholders representing more than one tenth of the voting right;</p> <p>(II) jointly proposed by more than one third of the directors;</p> <p>(III) proposed by more than half of the independent non-executive directors;</p> <p>(IV) proposed by the Board of Supervisors.;</p> <p>(V) when an extraordinary board meeting is proposed by the general manager in the event of an emergency.</p> <p>If the chairman of the board fails to convene and preside over an extraordinary meeting of the Board of Directors within 10 days after receiving the aforesaid written request, the directors requesting to hold the extraordinary meeting of the Board of Directors shall have the right to convene an extraordinary meeting of the Board of Directors on their own.</p>	<p>Article <del>30</del><b>26</b> The Board of Directors shall hold at least four regular meetings every year, at approximately quarterly intervals, one of which shall be held in the first half year to consider the annual work report and the profit distribution plan of the Company in the previous year. The regular meeting shall be convened by the chairman of the Board and shall be notified in writing to all directors <del>and supervisors</del> 14 days before the meeting is convened.</p> <p>The chairman of the board may convene an extraordinary meeting of the Board of Directors at any time if necessary as deemed by the chairman; in any of the following circumstances, the chairman of the board shall convene and preside over an extraordinary meeting of the Board of Directors within 10 days:</p> <p>(I) proposed by shareholders representing more than one tenth of the voting right;</p> <p>(II) jointly proposed by more than one third of the directors;</p> <p>(III) proposed by more than half of the independent non-executive directors;</p> <p>(IV) proposed by the <del>Board of Supervisors</del> <b>Board—of Supervisors-audit committee</b>;</p> <p>(V) when an extraordinary board meeting is proposed by the general manager in the event of an emergency.</p> <p>If the chairman of the board fails to convene and preside over an extraordinary meeting of the Board of Directors within 10 days after receiving the aforesaid written request, the directors requesting to hold the extraordinary meeting of the Board of Directors shall have the right to convene an extraordinary meeting of the Board of Directors on their own.</p>

Original provisions	After amendments
<p>Article 37 If the chairman of the Board of Directors attends the meeting in person, the chairman will act as chairman of the meeting to preside over the meeting. If the chairman of the Board of Directors does not attend the meeting but formally appoints another director to act as the chairman of the board on his/her behalf, and such director attends the meeting in person, such director will act as chairman of the meeting to preside over the meeting. If the chairman of the Board of Directors does not attend the meeting in person or appoint another director to act as the chairman of the Board of Directors on his/her behalf, or such director does not attend the meeting in person although being appointed, or if such director refuses to preside over the meeting, a director shall be elected by more than half of the directors jointly to preside over the meeting.</p>	<p>Article 37<del>3</del> If the chairman of the Board of Directors attends the meeting in person, the chairman will act as chairman of the meeting to preside over the meeting. If the chairman of the Board of Directors does not attend the meeting but formally appoints another director to act as the chairman of the board on his/her behalf, and such director attends the meeting in person, such director will act as chairman of the meeting to preside over the meeting. If the chairman of the Board of Directors does not attend the meeting in person or appoint another director to act as the chairman of the Board of Directors on his/her behalf, or such director does not attend the meeting in person although being appointed, or if such director refuses to preside over the meeting, a director shall be elected by <i>more than halfa majority</i> of the directors jointly to preside over the meeting.</p>
<p>Article 38 The secretary of the board and every supervisor shall have the right to attend every meeting of the Board of Directors; unless otherwise decided by the Board of Directors, the general manager and the financial administrator shall be entitled to attend every meeting of the Board of Directors; upon the proposal of any director, the deputy general manager and other senior management personnel shall have the right to attend meetings of the Board of Directors; any other person invited by the Board of Directors may attend meetings of the Board of Directors.</p>	<p>Article 38<del>4</del> The secretary of the board <i>and every supervisor</i> shall have the right to attend every meeting of the Board of Directors; unless otherwise decided by the Board of Directors, the general manager and the financial administrator shall be entitled to attend every meeting of the Board of Directors; upon the proposal of any director, the deputy general manager and other senior management personnel shall have the right to attend meetings of the Board of Directors; any other person invited by the Board of Directors may attend meetings of the Board of Directors.</p>

Original provisions	After amendments
<p>Article 41 The Board of Directors shall arrange at least one director to cooperate with the secretary of the board in the statistics of the voting results, and shall invite a supervisor to conduct on-the-spot supervision over the counting process and the counting results.</p> <p>When a meeting of the Board of Directors is convened by means of communication, the vote counters and the scrutineers shall be arranged by the chairman of the meeting, but it should be ensured that at least one director and one supervisor are among the vote counters and the scrutineers.</p> <p>The vote counters and the scrutineers shall perform their duties in good faith and fairly, and shall bear legal responsibility for the authenticity and accuracy of the statistical results.</p>	<p>Article <del>41</del><b>37</b> The Board of Directors shall arrange at least one director to cooperate with the secretary of the board in the statistics of the voting results, and shall invite <del>a supervisor</del><b>a independent non-executive director</b> to conduct on-the-spot supervision over the counting process and the counting results.</p> <p>When a meeting of the Board of Directors is convened by means of communication, the vote counters and the scrutineers shall be arranged by the chairman of the meeting, but it should be ensured that at least one director and one <del>supervisor</del><b>independent non-executive director</b> are among the vote counters and the scrutineers.</p> <p>The vote counters and the scrutineers shall perform their duties in good faith and fairly, and shall bear legal responsibility for the authenticity and accuracy of the statistical results.</p>
<p>Article 42 If a meeting of the Board of Directors is convened on site, the Board of Directors shall arrange appropriate time for the directors attending the meeting to ask questions. The general managers and other senior executives who attend the meeting shall reply to or explain the questions raised by directors.</p> <p>The supervisor and the general manager, as well as the attendees related to the matters considered in the meeting of the Board of Directors, shall have the right to speak at the meeting; with the consent of the chairman of the meeting, other attendees are also entitled to speak at the meeting.</p>	<p>Article <del>42</del><b>38</b> If a meeting of the Board of Directors is convened on site, the Board of Directors shall arrange appropriate time for the directors attending the meeting to ask questions. The general managers and other senior executives who attend the meeting shall reply to or explain the questions raised by directors.</p> <p>The <del>supervisor and</del> general manager, as well as the attendees related to the matters considered in the meeting of the Board of Directors, shall have the right to speak at the meeting; with the consent of the chairman of the meeting, other attendees are also entitled to speak at the meeting.</p>

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## APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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### SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\* WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Chapter I General Provisions

**Article 1** In order to further improve the governance structure of Shanghai Junshi Biosciences Co., Ltd.\* (上海君實生物醫藥科技股份有限公司) (the “**Company**”) and facilitate the standardized operations of the Company and facilitate the performance of duties for independent non-executive directors, these rules have been formulated pursuant to the relevant laws, regulations and normative documents such as the Company Law of the People’s Republic of China (the “**Company Law**”), the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (the “**STAR Market Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) as well as the relevant regulations of the Articles of Association of Shanghai Junshi Biosciences Co., Ltd.\* (the “**Articles of Association**”) while taking into account the actual circumstances of the Company.

**Article 2** An independent non-executive director shall be a director who does not hold any positions in the Company other than the position of director, and shall have no direct or indirect interest with the Company and its substantial shareholders (i.e. shareholders who individually or jointly hold more than 5% of shares with voting rights of the Company or hold less than 5% of the shares but have a significant impact on the Company) and actual controller or other relationship that may affect his/her independent and objective judgment, and who satisfies the independence requirements under the STAR Market Listing Rules and the Hong Kong Listing Rules of the places where the Company’s shares are listed.

#### Chapter II Qualifications of Independent Non-Executive Directors

**Article 3** A person holding the position of independent non-executive director shall satisfy the basic qualifications set forth below:

- (I) to satisfy the requirements for independent non-executive directors in respect of character, integrity, independence and experience under the laws and administrative regulations of the places where the Company’s shares are listed, the STAR Market Listing Rules, the Hong Kong Listing Rules and other relevant provisions, to possess the qualifications to hold office as a director of a listed company;
- (II) to possess the independence as required by laws, administrative regulations and departmental rules, the STAR Market Listing Rules, the Hong Kong Listing Rules, and the Articles of Association and Article 6 herein;

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## APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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- (III) to have the basic knowledge of the operations of a listed company, to be familiar with relevant laws, administrative regulations, competent departmental rules and regulations;
- (IV) to have at least five years of legal, accounting, or economic work experience necessary to fulfill the duties of an independent director;
- (V) to have good personal characters, with no negative records such as severe dishonesty;
- (VI) other conditions as required by the STAR Market Listing Rules, the Hong Kong Listing Rules, and the Articles of Association.

**Article 4** The members of the Board of Directors of the Company (the “**Board**”) shall comprise of no less than one third of and no less than three independent non-executive directors, of which at least one is an accounting professional. Candidates nominated as accounting professionals for independent non-executive directors shall have extensive accounting knowledge and experience, and meet at least one of the following conditions: (I) having the qualification of a registered accountant; (II) having a senior professional title, associate professor or above title, or doctoral degree in accounting, auditing, or financial management; (III) having a senior professional title in economic management and more than five years of full-time work experience in professional positions such as accounting, auditing, or financial management.

At least one independent non-executive director of the Company shall usually reside in Hong Kong.

**Article 5** Independent non-executive directors shall have good personal characters, without any inappropriateness for being nominated as directors of a listed company, and shall not have the following negative records:

- (I) subject to administrative penalties by the China Securities Regulatory Commission or criminal penalties by judicial authorities for securities and futures violations within the past 36 months;
- (II) subject to investigation by the China Securities Regulatory Commission or judicial authorities for suspected securities and futures violations, pending a clear conclusion;
- (III) subject to public condemnation by a stock exchange or criticism by a stock exchange three or more times in the past 36 months;
- (IV) having negative records such as severe dishonesty;

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## APPENDIX IV      **PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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- (V) having been requested by the Board of Directors to be dismissed from his/her position at the general meeting for less than 12 months, as he/she failed to attend the Board meetings in person or delegate other independent non-executive directors to attend on his/her behalf for two consecutive times during his/her previous tenure as an independent non-executive director;
- (VI) other circumstances recognized by laws, administrative regulations, provisions of the China Securities Regulatory Commission, and stock exchanges.

### **Chapter III Independence of Independent Non-Executive Directors**

**Article 6** An independent non-executive director shall be independent, and shall satisfy the independence requirements in respect of independent non-executive directors under the STAR Market Listing Rules, the Hong Kong Listing Rules, and requirements of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). Unless otherwise required herein, none of the following persons shall be nominated as an independent non-executive director of the Company:

- (I) persons working at the Company or its affiliates and their immediate relatives and major social relations (immediate relatives refer to spouses, parents, and children; major social relations refer to brothers and sisters, spouses of brothers and sisters, parents of spouses, brothers and sisters of spouses, spouses of children, and parents of children’s spouses, etc.);
- (II) persons directly or indirectly holding more than 1% of the issued shares of the Company or natural person shareholders and their immediate family members among the top ten shareholders of the Company;
- (III) persons directly or indirectly holding more than 5% of the issued shares of the Company or natural person shareholders and their immediate family members among the top five shareholders of the Company;
- (IV) persons and their immediate family members who work at affiliates of the controlling shareholders and actual controllers of the Company;
- (V) persons who have significant business dealings with the Company, its controlling shareholders, actual controllers, or their respective affiliates, or who hold positions in organizations with significant business dealings and their controlling shareholders or actual controllers;

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**APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE  
INDEPENDENT NON-EXECUTIVE DIRECTORS**

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- (VI) persons who provide financial, legal, consulting, sponsorship, and other services to the Company, its controlling shareholders, actual controllers, or their respective affiliates, including but not limited to all members of the project team of intermediary institutions providing such services, review personnel at all levels, personnel who sign reports, partners, directors, senior management members, and persons in charge;
- (VII) persons who have experiences mentioned in the above six items within the past twelve months;
- (VIII) such person having received an interest in any security of the Company as a gift, or by means of other financial assistance, from connected parties of the Company (including the Company's core connected persons) or the Company itself. However, subject to section (II), such person will still be considered independent if such person receives shares or interests in securities from the Company or its subsidiary (but not from connected parties (including the Company's core connected persons)), as part of his/her director's fee, or pursuant to share option schemes established in accordance with the Hong Kong Listing Rules;
- (IX) such person is or was a director, partner or principal of a professional adviser which currently provides or has within one year immediately prior to the date of the proposed appointment provided services, or is or was an employee of such professional adviser who is or has been involved in providing such services during the same period, to:
  - (1) the Company, its controlling shareholders, or any of their respective subsidiaries or connected parties (including the Company's core connected persons); or
  - (2) any person who was a controlling shareholder or, where there was no controlling shareholder, the chief executive or a director (other than an independent non-executive director), of the Company within two years immediately prior to the date of his/her proposed appointment as independent non-executive director or any of his/her close associates.
- (X) currently, or within one year immediately prior to the date of the person's proposed appointment, such person has or had a material interest in any principal business activity of or is involved in any material business dealings with the Company, its controlling shareholders or their respective subsidiaries or with any connected parties (including the Company's core connected persons) of the Company;
- (XI) such person is on the Board specifically to protect an entity whose interests are not the same as those of the shareholders as a whole;

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## APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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- (XII) such person is or was connected with a director, chief executive or a substantial shareholder of the Company within two years immediately prior to the date of his/her proposed appointment as independent non-executive director, including:
- (1) any person cohabiting as a spouse with, and any child, step-child, parent, step-parent, brother, sister, step-brother and step-sister of, a director, the chief executive or a substantial shareholder of the Company;
  - (2) the following relatives of such director, chief executive or substantial shareholder: a father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, uncle, aunt, cousin, brother-in-law, sister-in-law, nephew and niece. In the above circumstances, the Company shall provide the Hong Kong Stock Exchange with all relevant information to enable the Hong Kong Stock Exchange to make a determination on the independence of the director.
- (XIII) such person is, or has at any time during the two years immediately prior to the date of his proposed appointment been, an executive or director (other than an independent non-executive director) of the Company, its controlling shareholders or any of their respective subsidiaries or any of their core connected persons;
- (XIV) such person is financially dependent on the Company, its controlling shareholders or any of their respective subsidiaries or core connected persons of the Company;
- (XV) other persons who do not possess the independence as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, rules of the stock exchanges where the Company's shares are listed, and the Articles of Association.

For the purposes of this Article, a “substantial shareholder” refers to a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company or any subsidiaries.

**Article 7** Independent non-executive directors shall inform the Company and the Hong Kong Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence and must provide an annual confirmation of their independence to the Company. The Company must confirm in its annual reports whether it has received such confirmation and whether it still considers the independent non-executive directors to be independent.

Independent non-executive directors shall carry out an annual self-inspection of their independence and submit the results of such self-inspection to the Board of Directors. The Board of Directors shall evaluate the independence of independent non-executive directors and issue special opinions on an annual basis, which shall be disclosed together with the annual report.

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## **APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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### **Chapter IV Nomination, Election and Change of Independent Non-Executive Directors**

**Article 8** The Company's Board, shareholders individually or in aggregate holding 1% or more of the issued shares with voting powers of the Company may nominate candidates for the office of independent non-executive directors to be elected at a general meeting.

An investor protection institution established in accordance with the law may publicly request shareholders to entrust it to exercise the right to nominate independent non-executive directors on their behalf.

The nominator specified in the first paragraph of this Article shall not nominate any persons who have an interest with the nominator or other closely related persons who may affect the independent performance as independent non-executive director candidates.

**Article 9** The following procedures shall be observed before electing independent non-executive directors:

- (I) The nominator of candidates for an independent non-executive director shall obtain consent from the nominee prior to his/her nomination. The nominator shall have full knowledge of the nominee's occupation, educational background, professional title, detailed working experience, all other posts he/she concurrently holds, and existence of negative records such as severe dishonesty, and shall be responsible for providing the Company with written materials of such information. A candidate shall undertake to the Company in writing that he/she accepts the nomination, and undertake that his/her publicly disclosed information is true and complete and guarantee to fulfill his/her duties as a director after being elected.
- (II) The nominator of an independent non-executive director shall give opinion on the nominee's qualifications and independence fit for an independent non-executive director. The nominee shall make a public statement that he/she meets the independence and other conditions for serving as an independent non-executive director.

**Article 10** The Company shall submit relevant materials of all nominees to the Shanghai Stock Exchange before the general meeting for electing independent non-executive directors is held. If the Board of Directors of the Company has objections to the information of the nominees, such objections shall be submitted in writing as well.

The Shanghai Stock Exchange shall review the relevant materials of the candidates for independent non-executive directors in accordance with regulations, carefully decide whether the candidates for independent non-executive directors meet the qualifications for appointment, and have the right to raise objections. The Company shall not propose those objected by the Shanghai Stock Exchange to the general meeting for election.

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## **APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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**Article 11** The term of office of an independent non-executive director shall be 3 years, which is the same as the term of office of other directors of the Company, and shall be eligible for re-election upon expiry of the term, provided that the term of office shall not be longer than 6 years. Those who have served as independent non-executive directors at the Company for at least 6 consecutive years shall not be nominated as a candidate for independent non-executive directors for the Company within 36 months upon the completion of such six years. Independent non-executive directors who have served before the IPO shall have their tenure counted continuously.

**Article 12** An independent non-executive director shall attend meetings of the Board. If an independent non-executive director fails to attend in person or delegate other independent non-executive directors to attend on his/her behalf a Board meeting for two consecutive times, the Board shall propose to convene a general meeting to dismiss the independent non-executive director within 30 days from such failure.

**Article 13** The Company may dismiss an independent non-executive director in accordance with legal procedures before the expiry of his/her term. If an independent non-executive director is dismissed early, the Company shall promptly disclose the specific reasons and basis for such early dismissal. The Company shall promptly disclose any objections raised by any independent non-executive director.

If an independent non-executive director fails to meet the requirements for independence or qualifications after taking office, he/she shall immediately cease to perform his/her duties and resign. If he/she fails to submit his/her resignation, the Board of Directors shall immediately remove him/her from his/her position in accordance with regulations upon becoming aware of or should have become aware of this fact.

**Article 14** An independent non-executive director may tender his/her resignation before the expiry of his/her term. When an independent non-executive director resigns, he/she shall submit a written resignation report to the Board in which he/she shall provide information on any circumstances related to his/her resignation or any circumstances to which he/she believes the attention of the Company's shareholders and creditors must be drawn. The Company shall disclose the reasons and concerns for the resignation of independent non-executive directors.

If the resignation or dismissal of an independent non-executive director causes the proportion of independent non-executive directors on the Board of the Company or its dedicated committees to fail to meet the requirements of laws, regulations or the Articles of Association, or there is a lack of accounting professionals among the independent non-executive directors, the independent non-executive director who intends to resign shall continue to perform his/her duties until the date of the appointment of a new independent non-executive director (except for resignation under Article 13 herein). The Company shall complete the by-election within 60 days upon the occurrence of the aforementioned facts.

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## **APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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**Article 15** If an independent non-executive director does not satisfy the requirements for independence or if other circumstances renders him/her unsuitable for performing the duties of an independent non-executive director or any other reasons arise, causing the number of independent non-executive directors of the Company to fail to reach the required number of persons required by the Hong Kong Listing Rules, the Company shall immediately inform the Hong Kong Stock Exchange, and publish an announcement in accordance with the Hong Kong Listing Rules to announce relevant details and reasons.

### **Chapter V Duties and Powers and Performance of Duties of Independent Non-Executive Directors**

**Article 16** Independent non-executive directors shall perform the following duties:

- (I) participate in the decision-making of the Board and express clear opinions on the matters discussed;
- (II) supervise potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, and senior management members in accordance with Articles 23, 26, 27, and 28 of the Measures for the Administration of Independent Directors of Listed Companies, promote the decision-making of the Board of Directors to align with the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders;
- (III) provide professional and objective suggestions for the Company's operation and development, and promote the improvement of the decision-making of the Board of Directors;
- (IV) other responsibilities stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, rules of the stock exchanges where the Company's shares are listed, and the Articles of Association.

**Article 17** In order to maximize the function of independent non-executive directors, the independent non-executive directors shall perform the following special duties and powers in addition to those granted by laws and administrative regulations including the Company Law, the STAR Market Listing Rules and the Hong Kong Listing Rules, and the Articles of Association:

- (I) independently engage intermediary agencies to audit, consult, or verify specific matters of the Company;
- (II) propose to the Board for convening an extraordinary general meeting of the shareholders;
- (III) propose for convening a meeting of the Board;

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## APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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- (IV) express independent opinions on matters that may harm the rights and interests of the Company or minority shareholders;
- (V) subject to applicable laws, regulations and/or requirements of the rules of the stock exchanges where the shares of the Company are listed, publicly solicit voting powers from shareholders before the general meeting.
- (VI) other duties and powers stipulated by laws, regulations, and/or the rules of the stock exchanges where the Company's shares are listed, the provisions of the China Securities Regulatory Commission, and the Articles of Association.

Independent non-executive directors shall obtain the consent of more than half of all independent non-executive directors prior to exercising the duties and powers mentioned in the preceding sections (I) to (III).

The Company shall promptly disclose the exercising by independent non-executive directors of the duties and powers listed in the first paragraph. If the above-mentioned duties and powers cannot be exercised in a normal manner, the Company shall disclose the facts and reasons.

**Article 18** The following matters shall be approved by more than half of the independent non-executive directors of the Company before being submitted to the Board of Directors for review:

- (I) related party transactions that are required to be disclosed;
- (II) plans for the Company and its related parties to change or waive commitments;
- (III) decisions and measures taken by the board of directors of the company to be acquired regarding the acquisition;
- (IV) other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, and the Articles of Association.

**Article 19** If an independent non-executive director votes against or abstains from voting on a proposal of the Board, he/she shall specify the reasons and basis, the legality and compliance of the matters involved in the proposal, potential risks, and the impact on the rights and interests of the Company and minority shareholders. When disclosing Board resolutions, the Company shall also disclose the dissents of independent non-executive directors, and record the same in the Board resolutions and minutes.

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## APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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In accordance with the relevant regulations of the Hong Kong Listing Rules, the independent non-executive directors shall review the continuing connected transactions annually, and confirm in annual reports whether such transactions:

- (I) were entered into in the ordinary and usual course of business of the Company and its subsidiaries;
- (II) were conducted on normal commercial terms or better; and
- (III) were conducted according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

**Article 20** The Company shall convene regular or extraordinary meetings attended by all independent non-executive directors (the “**Extraordinary Meetings of Independent Non-Executive Directors**”). The matters mentioned in sections (I) to (III) under the first paragraph of Article 17 and Article 18 herein shall be reviewed by the Extraordinary Meetings of Independent Non-Executive Directors.

The Extraordinary Meetings of Independent Non-Executive Directors may discuss other matters of the Company as necessary.

The Extraordinary Meetings of Independent Non-Executive Directors shall be convened and presided over by an independent non-executive director jointly elected by more than half of the independent non-executive directors. When the convener fails or is unable to perform his/her duties, two or more independent non-executive directors may convene such meeting on their own and elect a representative to preside.

The Company shall facilitate and support the Extraordinary Meetings of Independent Non-Executive Directors.

Minutes for the Extraordinary Meetings of Independent Non-Executive Directors shall be made in accordance with regulations, and the opinions of independent non-executive directors shall be recorded in such minutes. Independent non-executive directors shall sign and confirm such minutes.

**Article 21** Independent non-executive directors shall make work records, detailing the performance of their duties. The information obtained by independent non-executive directors during the performance of their duties, relevant minutes, and communication records with the Company and intermediary personnel constitute an integral part of the work records. Independent non-executive directors may request the Board secretary and other relevant personnel to sign and confirm the work records with important information, and the Company and relevant personnel shall cooperate.

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## **APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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The work records of independent non-executive directors and the information provided by the Company to independent non-executive directors shall be kept for at least ten years.

Independent non-executive directors shall submit their work reports to the annual general meeting of the Company and disclose the same.

### **Chapter VI Obligations of Independent Non-Executive Directors**

**Article 22** An independent non-executive director owes duties of loyalty and due diligence to the Company and all shareholders. An independent non-executive director shall perform his/her duty earnestly, safeguard the overall interests of the Company, and protect the lawful interests of minority shareholders in accordance with relevant laws, regulations, the STAR Market Listing Rules, the Hong Kong Listing Rules, the Articles of Association and these rules.

**Article 23** An independent non-executive director shall carry out his/her duties independently, without being subject to influence from the substantial shareholders and actual controllers of the Company, or other units or individuals that are interested in the Company.

**Article 24** An independent non-executive director shall be allowed to serve concurrently as independent non-executive director for a maximum of three domestic listed companies, and shall ensure that he/she has sufficient time and energy to effectively fulfill his/her duties as an independent non-executive director. Independent non-executive directors shall work on-site at the Company for no less than 15 days per year. In addition to attending general meetings, meetings of the Board of Directors and its dedicated committees, and the Extraordinary Meetings of Independent Non-Executive Directors as required, independent non-executive directors may fulfill their duties through various means such as regularly obtaining information on the Company's operations, listening to management reports, communicating with the head of internal audit department and intermediary organizations such as accounting firms that handle the Company's audit, conducting on-site inspections, and communicating with minority shareholders.

**Article 25** Independent non-executive directors shall attend meetings of the Board in person, understand the condition of the production and operational activities of the Company in a timely manner and take initiative to investigate in and obtain information and materials necessary for making decisions. If an independent non-executive director is unable to attend a meeting in person for any reason, he/she shall review the meeting materials and conclude opinions in advance, and delegate other independent non-executive directors in writing to attend on his/her behalf.

If an independent non-executive director fails to attend in person or delegate other independent non-executive directors to attend on his/her behalf a Board meeting for two consecutive times, the Board of Directors shall propose to convene a general meeting to remove the independent non-executive director from his/her office within 30 days upon such failure.

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## APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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**Article 26** Independent non-executive directors shall submit an annual debriefing report at the annual general meeting of the Company and make a disclosure, describing the following details of the performance of their duties:

- (I) manners and frequency of attending, and voting at the meetings of the Board, and frequency of attendance at general meetings;
- (II) works with the dedicated committees of the Board and the Extraordinary Meetings of Independent Non-Executive Directors;
- (III) deliberations on the matters mentioned in Article 18 herein and Articles 26, 27, and 28 of the Measures for the Administration of Independent Directors of Listed Companies and exercise of the special duties and powers of independent non-executive directors set forth in the first paragraph of Article 17 herein;
- (IV) major matters, manners, and results of communication with internal audit department and accounting firms responsible for the audit of the Company regarding the Company's financial and business status;
- (V) communication with minority shareholders;
- (VI) time and content of on-site works at the Company;
- (VII) other performance of duties.

**Article 27** Independent non-executive directors shall perform their duties effectively in the process of preparation and disclosure of the Company's annual report.

**Article 28** Each independent non-executive director shall confirm any securities of the Company that he/she owns after the end of the Company's financial year.

**Article 29** Upon the resignation or expiry of the term of any independent non-executive director, his/her obligations towards the Company and its shareholders may not be released prior to the effective date of his/her resignation report or within a reasonable period after the effective date of his/her resignation report, and within a reasonable period after the expiry of his/her term of office. His/her confidentiality obligation regarding the protection of the trade secrets of the Company continues to be applicable until such information becomes public. The continuity of other obligations of the independent non-executive directors shall be negotiated on an arms-length basis.

**Article 30** Independent non-executive directors shall abide by the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules.

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## **APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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### **Chapter VII Ensuring Independent Non-Executive Directors’ Performance of Duties**

**Article 31** The Company shall provide independent non-executive directors with necessary working conditions and personnel support, and designate specialized departments and personnel such as the Board office and the Board secretary to assist independent non-executive directors in fulfilling their duties.

The Board secretary shall ensure the smooth communication between independent non-executive directors and other directors, senior management members, and other relevant personnel, and ensure that independent non-executive directors can have access to sufficient resources and necessary professional opinions in performing their duties.

**Article 32** The Company shall ensure that each independent non-executive director shall have the same right to information as other directors. To ensure the effective exercise of duties and powers by independent non-executive directors, the Company shall inform independent non-executive directors of the Company’s operations on a regular basis, provide information, and organize or cooperate with independent non-executive directors to conduct on-site inspections. The Company may organize independent non-executive directors to participate in research and argumentation before the Board of Directors reviews major and complex matters, listen carefully to the opinions of independent non-executive directors, and provide feedback on the adoption of opinions to independent non-executive directors in a timely manner.

**Article 33** The Company shall issue notices of Board meetings to independent non-executive directors in a timely manner, provide relevant meeting materials no later than the notice period for Board meetings stipulated by laws, administrative regulations or the Articles of Association, and make effective communication channels available to independent non-executive directors. If a meeting of any dedicated committee of the Board is convened, the Company shall, in principle, provide relevant materials and information no later than 3 days before such meeting. The Company shall keep the above-mentioned meeting materials for at least 10 years. If two or more independent non-executive directors believe that the meeting materials are incomplete, the arguments are insufficient, or the information is not provided promptly, they may submit a written request to the Board of Directors to postpone the meeting or the consideration of the matter, and the Board of Directors shall approve such request.

**Article 34** When an independent non-executive director performs his/her duties and powers, relevant personnel of the Company shall actively cooperate and shall not refuse or obstruct such performance or conceal any information, nor interfere with his/her independent performance of such duties and powers. If independent non-executive directors are hindered in performing their duties and powers in accordance with the law, they may state the fact to the Board of Directors, requesting the cooperation of directors, senior management members, and other relevant personnel, and recording the details and solutions of such hindrance in their work records. Such hindrance that cannot be eliminated may be reported to the China Securities Regulatory Commission and the Shanghai Stock Exchange.

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## **APPENDIX IV      PROPOSED AMENDED WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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If the performance of duties of independent non-executive directors involves any information that shall be disclosed, the Company shall make the disclosure in a timely manner. If the Company fails to disclose, independent non-executive directors may directly apply for disclosure or report to the China Securities Regulatory Commission and the Shanghai Stock Exchange.

**Article 35** If independent non-executive directors need to engage intermediaries for professional opinions in considering matters of major related party transactions and specific issues, the Company may provide independent non-executive directors with a list of intermediaries to choose from.

**Article 36** The Company shall give independent non-executive directors allowances appropriate to their duties. Standards for such allowances shall be formulated by the Board, approved at a general meeting, and disclosed in accordance with relevant regulations. Aside from the above allowances, independent non-executive directors shall not obtain other benefits from the Company, its substantial shareholders, actual controllers or any organization or individual that has an interest in the Company.

### **Chapter VIII Supplementary Provisions**

**Article 37** The term “more than” herein shall include the given figure.

**Article 38** Relevant terms and definitions herein shall have the same meanings with those in the Articles of Association or the STAR Market Listing Rules and the Hong Kong Listing Rules. Unless otherwise expressly specified in relevant national laws, administrative regulations and regulatory rules of the place where the Company’s shares are listed, the term “Independent Non-Executive Director” herein shall have the same meaning as the term “Independent Director”.

**Article 39** Matters not covered by these rules shall be executed in accordance with the provisions under relevant laws and regulations, relevant regulatory rules of the places where the Company’s shares are listed, and the Articles of Association. In the event that these rules are inconsistent with the provisions under relevant laws and regulations, relevant regulatory rules of the places where the Company’s shares are listed such as the STAR Market Listing Rules, the Measures for the Administration of Independent Directors of Listed Companies, and the Hong Kong Listing Rules or the Articles of Association, the laws and regulations, relevant regulatory rules of the places where the Company’s shares are listed such as the STAR Market Listing Rules, the Hong Kong Listing Rules and the Measures for the Administration of Independent Directors of Listed Companies, and the Articles of Association shall prevail, and these rules shall be submitted to a general meeting for consideration and approval after amendment.

**Article 40** These rules shall be amended and construed by the Board.

**Article 41** These rules shall come into effect subject to consideration and approval at a general meeting of the Company.

SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\*  
MANAGEMENT POLICIES FOR RAISED FUNDS

## Chapter I General Provisions

**Article 1** In order to regulate the fund-raising behavior of Shanghai Junshi Biosciences Co., Ltd.\* (上海君實生物醫藥科技股份有限公司) (the “**Company**”), strengthen the fund-raising management of the Company, prevent the risk of fund raising, guarantee the safety of fund raising, and maintain the image of the Company and the interests of its shareholders, the Company establishes these policies in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the STAR Market of the Shanghai Stock Exchange, Guidelines for Self-Regulation of Listed Companies on the STAR Market of the Shanghai Stock Exchange No. 1 – Standardized Operation and other laws, regulations and regulatory documents, and the provisions of Articles of Association of Shanghai Junshi Biosciences Co., Ltd.\*, (the “**Articles of Association**”) while taking into account the actual circumstances of the Company.

**Article 2** The policy is applicable to the supervision of funds raised by the Company from investors through issuing shares or other securities with equity interests and used for specific purposes, but does not include the supervision of funds raised for implementing equity incentive plans.

**Article 3** The Company shall use the funds in a specific manner. The funds should be used in accordance with national industrial policies, relevant laws and regulations. It should principally practice the concept of sustainable development, fulfill social responsibilities, and generally used for the main business, which is conducive to enhancing the Company’s competitiveness and innovation ability. The Company shall invest in the field of technological innovation and promote the development of new quality productive forces.

If the issuance of shares and convertible corporate bonds by the Company to purchase assets and raise corresponding funds is otherwise specified, such provisions shall apply.

For the understanding and application of the term financial investment in the first paragraph of this Article, please refer to the relevant provisions of Interpretation on the Application of the Provisions of Articles 9, 10, 11, 13, 40, 57 and 60 of the Securities Regulation for Listed Companies – Securities and Futures Law Application Opinion No. 18.

**Article 4** The Board of directors (the “**Board**”) of the Company shall be responsible for establishing and improving the management policy of the Company’s raised funds, specifying such contents as the special account deposit, management, use, change of use, supervision and accountability of the raised funds, and ensuring the effective implementation of these policies.

Where an investment project of the raised funds is carried out through a subsidiary of the Company or other enterprise under the control of the Company, the Company shall ensure that such subsidiary or other enterprise under its control complies with the provisions of these policies.

**Article 5** The Board shall continuously monitor the storage, management and use of the raised funds, effectively prevent investment risks, and improve the efficiency of its use.

Directors and senior management of the Company should be diligent and responsible to ensure the safety of the Company's raised funds and shall not manipulate the Company to change the use of the proceeds unilaterally or in disguise.

**Article 6** Controlling shareholders, actual controllers, and other related parties of the Company shall not appropriate raised funds of the Company, nor shall they seek improper benefits from the projects to be invested by raised funds of the Company (the “**investment projects**”).

If the Company discovers that its controlling shareholders, actual controllers, or other related parties have appropriated the raised funds, it shall promptly demand repayment and disclose the reasons for the appropriation, the impact on the Company, the rectification plan for repayment, and the progress of the rectification.

## **Chapter II Deposit in the Special Account for Raised Funds**

**Article 7** The Company shall carefully select a commercial bank and open a special account for raised funds (a “**special account**”). The raised funds shall be centrally managed and used in a special account approved for establishment by the Board of the Company, and this special account shall not be used to deposit funds that are not raised or for other purposes.

**Article 8** Where the Company has raised funds more than twice, a special account for raised funds shall be established independently. The actual net amount of raised funds exceeding the planned amount of raised funds (the “**excessive raised funds**”) shall also be deposited in the special account for raised funds for management.

**Article 9** The Company shall, within 1 month after the raised funds are in place, enter into a tripartite supervision agreement (the “**agreement**”) with the sponsor institution or the independent financial advisor and the commercial bank where the raised funds are deposited (the “**commercial bank**”) and announce in a timely manner. The Company can use the raised funds after the agreement is signed. The agreement shall include at least the following:

- (I) The Company shall centralize the raised funds in a special account for raised funds;
- (II) The commercial bank shall issue monthly statements of account to the Company and copy the sponsor institution or the independent financial advisor;

- (III) The sponsor institution or the independent financial advisor may, at any time, inquire the special account information in the commercial bank;
- (IV) Liabilities for breach of contract of the Company, the commercial bank, the sponsor institution, or the independent financial advisor.

Where the Company implements an investment project of the raised funds through a holding subsidiary or other entities, the Company, the company that implements the investment project of the raised funds, the commercial bank and the sponsor institution or the independent financial advisor shall jointly sign a tripartite supervision agreement, and the Company and the company that implements the investment project of the raised funds shall be treated as one party.

If the above-mentioned agreement terminates before the expiration of the term of validity due to the change of commercial banks, sponsor institution or independent financial advisors, the Company shall sign a new agreement with the relevant parties within 1 month from the date of termination of the agreement.

**Article 10** The Company shall actively urge the commercial bank to fulfill the agreement. Where the commercial bank fails three consecutive times to timely issue a statement of account to the sponsor institution or notify the sponsor institution of a large amount of withdrawals from the special account, and there are circumstances in which it fails to cooperate with the sponsor institution to inquire and investigate the information of the special account, the Company may terminate the agreement and cancel the special account for raised funds.

**Article 11** If the Company uses raised funds to invest in overseas projects, it shall comply with the provisions of this section. The Company and its sponsor institution or independent financial advisor shall take effective measures to ensure the safety and standardized use of the raised funds invested in overseas projects, and disclose the specific relevant measures and actual effects in the “Special Report on the Deposit and Actual Use of Proceeds” (the “**Special Report on Raised Funds**”).

### Chapter III Use of Raised Funds

**Article 12** The Company’s investment project of the raised funds shall not be used for:

- (I) except the financial enterprises, engage in holding financial investments to directly or indirectly invest in a company whose main business is to buy or sell securities;
- (II) change the use of raised funds in disguised form through pledge, entrustment loan or other means.

- (III) directly or indirectly providing raised funds to related parties such as the controlling shareholder and the actual controller, and facilitating the obtaining of improper benefits by related parties through the investment project
- (IV) other violations of the management policies for raised funds.

**Article 13** If any of the following circumstances occur in respect of the investment project of the raised funds, the Company shall re-demonstrate the feasibility, the expected income, etc. of the project, and decide whether to continue to implement the project in a timely manner:

- (I) a major change in the market environment in which an investment project of the raised funds is involved;
- (II) after the raised funds are received, the investment project of the raised funds has been laid aside for more than one year;
- (III) the deadline for completion of the previous investment plan of the raised funds has been passed and the amount of raised funds has not reached 50% of the relevant planned amount;
- (IV) abnormal circumstances have occurred in other investment projects of the raised funds.

If the Company is subject to any circumstances specified in the preceding paragraph, it shall make a prompt disclosure. If there is an adjustment of the investment plan of raised funds, the adjusted investment plan for the raised funds shall be disclosed simultaneously; in cases involving changes to investment project, the relevant deliberation procedures for changing the use of raised funds shall apply.

The Company shall disclose in its annual and semi-annual reports the specific circumstances of the reevaluation of the investment projects during the reporting period.

**Article 14** If the investment project is unexpected to be completed within the original time limit and the Company intends to postpone its implementation, it shall be promptly reviewed and approved by the Board, and the sponsor institutions or independent financial advisor shall issue a clear opinion. The Company should promptly disclose the reasons for the failure of completing the project on schedule, explain the current deposit and status of the raised funds, whether there are circumstances affecting the normal progress of the use plan, the expected completion time, phased investment plan, as well as measures to ensure the completion on schedule after the postponement.

**Article 15** Where the Company decides to terminate the original investment project of the raised funds, it shall select a new investment project as soon as possible and scientifically.

**Article 16** Where the Company uses raised funds to replace self-raised funds that have been pre-invested in investment projects, and such replacement is conducted after the raised funds are in place, it shall be implemented within 6 months after the raised funds are transferred into the special account.

In the process of implementing an investment project, payments shall be made directly with raised funds in principal. In cases where direct payment by raised funds has difficulty, such as paying staff salaries or purchasing overseas products and equipment, replacement can be implemented within 6 months after payment by self-raised funds.

Matters concerning the replacement of raised funds shall be approved by the Board, and the sponsor institution or independent financial advisor should issue clear opinions. The Company shall disclose the relevant information in a timely manner.

**Article 17** Where the Company's idle raised funds are temporarily used to replenish its working capital, they shall be implemented through special account of raised funds, and following conditions shall be met:

- (I) The purpose of raised funds shall not be changed in disguised form;
- (II) The normal implementation of investment plan of the raised funds shall not be affected;
- (III) The period for a single temporary replenishment of working capital shall not exceed 12 months;
- (IV) The raised funds previously used for temporary replenishment of working capital have been repaid (if applicable).
- (V) They shall be limited to the production and operation related to the main business, and shall not be used through direct or indirect arrangement for the placement of new shares, purchase of new shares, or for transactions of shares and their derived varieties, convertible corporate bonds, etc.

**Article 18** Where the Company uses the idle raised funds to temporarily replenish its working capital, matters such as amount and terms shall be considered and approved by the Board and the sponsor institution or independent financial advisors should issue clear opinion, and relevant information shall be disclosed in a timely manner.

The Company shall, prior to the maturity date of the replenishment of the working capital, return such part of the funds to the special account for raised funds and promptly announce the status of repayment of raised funds.

**Article 19** The Company shall arrange the plan of using the excess funds raised in a prudent manner according to the Company's development plan and actual needs of production and operation. The excess funds raised shall be used for the ongoing projects and new projects, and repurchase of the Company's shares which will be canceled in accordance with the law. The Company shall clarify the specific plan of using the excessive funds raised when the overall conclusion of the same batch of investment projects is reached, and put it into use according to the plan. The use of excess funds shall be resolved by the Board in accordance with the law, and the sponsor institution or independent financial advisor shall express clear opinions and submit to the general meeting of shareholders for deliberation. The Company shall disclose the necessity and rationality of using excess funds raised in a timely and sufficient manner.

Where the Company uses the excessive raised funds for investment in ongoing and new projects (including asset acquisitions), such funds shall be invested in the Company's main business with scientific and prudent feasibility analysis of the investment project. The Company shall disclose relevant information such as project construction plan, investment cycle and return rate adequately.

**Article 20** If it is necessary for the Company to use the temporarily idle excessive raised funds to temporarily replenish the working capital or conduct cash management, the necessity and reasonableness shall be explained. Where the Company uses temporarily idle excessive raised funds for cash management or temporary replenishment of working capital, matters such as the amount and terms shall be reviewed and approved by the Board, and the sponsor institution or the independent financial advisor shall issue clear consent opinion. The Company shall disclose the relevant information in a timely manner.

**Article 21** The Company may conduct cash management on the temporarily idle raised funds. Cash management shall be implemented through the special account for raised funds or a publicly disclosed product specific settlement account. If cash management is implemented through a product specific settlement account, the account shall not be used to deposit non-raised funds or for other purposes. Cash management shall not affect the normal implementation of the investment plan of the raised funds, and the it should meet the following conditions:

- (I) Products such as structured deposits and large denomination time deposits with high security level, which shall not be non-principal protected;
- (II) Their liquidity is good and the term of the product shall not exceed 12 months;
- (III) Cash management products cannot be pledged.

The Company shall announcement timely when special settlement account for the products is opened or canceled.

**Article 22** Where the Company uses temporarily idle raised funds for cash management, it shall be approved by the Board, and the sponsor institution or the independent financial advisor shall issue clear opinion. The Company shall announce in a timely manner the following information:

- (I) Basic situations of the raised funds, including the fund raising time, amount, net amount, investment plan, etc.;
- (II) Use of the raised funds;
- (III) Amount and time limit for cash management;
- (IV) Whether there is a disguised change in the use of raised funds, measures to ensure that the normal operation of the investment project is not affected;
- (V) Income distribution method of cash management products, scope of investment, and security analysis;
- (VI) Opinions issued by the sponsor institution or the independent financial advisor.

The Company shall disclose the risk warning notice in a timely manner when there is any situation that may damage the interests of the Company and investors, such as the deterioration of the financial situation of the issuer of the product and the loss of the product investment, and explain the risk control measures taken by the Company to ensure the safety of funds.

#### **Chapter IV Changes in the Use of Raised Funds**

**Article 23** The Company should use the raised funds prudently in accordance with the purpose listed in the prospectus or other public offering fundraising documents, and the purpose shall not be changed without authorization. Where the Company is under any of the following circumstances, it shall be deemed to have changed the use of raised funds and shall be submitted to the Board for approval according to the relevant rules. The sponsor institution or independent financial advisor should issue clear opinions and it should be submitted to the general meeting of shareholders for deliberation. The Company should disclose the relevant information:

- (I) Cancel or terminate the original raised funds project and implement a new project or replenish working capital permanently;
- (II) Change the implementation entity of the investment project of the raised funds;
- (III) Change the implementation mode of the investment project of the raised funds;
- (IV) Other circumstances identified by the CSRC or Shanghai Stock Exchange.

If there are any circumstances specified in (I) above, the sponsor institution or independent financial advisor shall specify in detail the main reasons for the changes in the investment projects and the rationality of the previous relevant opinions in conjunction with the previously disclosed relevant documents on the raised funds.

Where the implementation entity of an investment project changes between the Company and its wholly-owned subsidiaries, or where the change solely involves altering the implementation location of the project, such changes shall not be deemed as a change in the use of raised funds. The relevant changes shall be resolved by the Board without the approval from the general meeting of shareholders. The sponsor institution or independent financial advisor shall issue clear opinion, and the Company shall promptly disclose relevant information.

If the Company conducts cash management or temporarily replenishes working capital with temporarily idle raised funds or excess raised funds, and such actions exceed the amount, term, etc. determined through the review and approval procedures of the Board of Directors, and if the circumstances are serious, such actions shall be deemed as unilaterally changing the use of raised funds.

**Article 24** The Company's investment projects after the change shall be invested in the main business.

**Article 25** The Board of the Company shall carefully and scientifically carry out the feasibility analysis of the new investment project, and ensure that the investment project is conducive to enhancing the competitiveness and creativity of the Company, effectively prevents the investment risks and improves the utilization efficiency of the raised funds.

**Article 26** If the Company intends to change the use of raised funds, it shall make a public announcement with the following contents promptly after it is submitted to the Board for consideration:

- (I) Basic situation of the original investment project and the specific reasons for the change;
- (II) Basic situation, feasibility analysis and risk indication of the new investment project;
- (III) Investment plan for the new investment project;
- (IV) Explanation that approval of the new investment project has been obtained or has yet to be obtained from relevant departments (if applicable);
- (V) Opinions of the sponsor institution or the independent financial advisor on changes in the investment of raised funds;

(VI) Explanation on the change of the investment project of the raised funds still needs to be submitted to the general meeting for consideration;

(VII) Other contents required by the Shanghai Stock Exchange.

New project involving related party transactions, asset purchases and external investment shall also be resolved and disclosed in accordance with the relevant rules.

**Article 27** Except for the circumstances where the Company has fully transferred or replaced the investment project to an external party in the Company's major asset restructuring, if the Company proposes to externally transfer or replace the investment, the Company shall submit to the Board for deliberation and promptly announce the following information:

- (I) Specific reasons for external transfer or exchange of fundraising projects;
- (II) The amount of funds raised invested in the project;
- (III) The progress and realized benefits of the project;
- (IV) Basic information, analysis of feasibility and risk warnings for the project received, if applicable;
- (V) Basis of pricing for and related benefits from transfer or exchange;
- (VI) Opinions of the sponsor institution or the independent financial advisor on the transfer or exchange of fundraising projects;
- (VII) Statement that the transfer or exchange of fundraising projects is to be submitted to the general meeting for consideration;
- (VIII) Other contents required by the Shanghai Stock Exchange.

The Company shall pay close attention to the collection and use of the transfer price, the change of ownership of the assets received, and the continuous operation of the assets received, and fulfill necessary information disclosure obligations.

**Article 28** Upon completion of a single or all investment projects, the use of the amount of the Company's remaining raised funds (including interest income) for other purposes shall be subject to the consideration and approval of the Board and clear opinion from the sponsor institution or the independent financial advisor. The Company should promptly disclose after approval by the Board.

Where the amount of remaining raised funds (including interest income) is less than RMB10 million, it may be exempted from performing the procedure mentioned in the preceding paragraph, and the use thereof shall be disclosed in the annual report.

**Chapter V Management and Supervision of Raised Funds**

**Article 29** The Company shall truthfully, accurately and completely disclose the actual use of raised funds. Where there are circumstances that seriously affect the normal progress of the raised funds investment plan, the Company shall make a prompt announcement.

**Article 30** The Board of the Company shall monitor the actual management and the use of the raised funds and excess proceeds (if any) on an ongoing basis, comprehensively verify the progress of the investment projects every half year, and prepare, review and disclose the Special Report on Raised Funds. The relevant special report should involve the basic status, deposit, management and use of the raised funds and excess raised funds.

Where there are differences between the actual investment schedule and the investment plan of the investment project of the raised funds, the Company shall explain the specific reasons in the Special Report on Raised Funds.

**Article 31** The sponsor institution or independent financial advisor shall, in accordance with the provisions of Administrative Measures for Sponsorship Business in Securities Issuance and Listing, conduct continuous supervision over the deposit, management, and use of the raised funds. If any abnormal circumstances are discovered during the continuous supervision, they shall promptly carry out on-site inspections. The sponsor institution or the independent financial advisor shall, at least every six months, conduct an on-site review of the deposit, management and use of the Company's raised funds. If any abnormal situations is found in the ongoing supervision and on-site inspection by the sponsor institution or independent financial advisor, they shall urge the Company to make timely rectifications and report to Shanghai Stock Exchange and the relevant regulatory authorities.

After the end of each accounting year, the sponsor institution or the independent financial advisor shall issue a special verification report on the deposit, management and use of the Company's raised funds, and disclose it together with the annual report of the Company.

During the annual audit, the Company shall engage an accounting firm to issue a verification report on the deposit, management and use of raised funds, and disclose it together with the annual report.

The Company shall cooperate with the continuous supervision and on-site inspections conducted by the sponsor institution or independent financial advisor as well as the audit work of the accounting firm, and promptly provide or apply to the bank to provide the necessary materials related to the deposit, management and use of raised funds.

**Article 32** After the end of each accounting year, the Board of the Company shall disclose the conclusive opinions of the special verification report of the sponsor institution or independent financial advisor and the assurance report of the accounting firm in the Special Report on Raised Funds.

**Chapter VI Supplementary Provisions**

**Article 33** These policies shall come into effect upon approval by way of resolution at the general meeting.

**Article 34** Unless otherwise specified, the terms used in these policies shall have the same meaning as those in the Articles of Association.

**Article 35** In these policies, “above” and “below” include the given number, while “over”, “insufficient” and “less than” do not include the given number.

**Article 36** Matters not covered by these policies shall be executed in accordance with the relevant state laws, regulations, regulatory documents and the provisions of the Articles of Association; where these policies are inconsistent with the relevant laws, regulations, regulatory documents and relevant provisions of the Articles of Association, the relevant laws, regulations, regulatory documents and relevant provisions of the Articles of Association shall prevail; if these policies are in conflict with the laws, regulations, regulatory documents issued by the state in the future or the Articles of Association modified by legal procedures, such relevant state laws, regulations, regulatory documents and Articles of Association shall prevail. These policies shall be submitted to a general meeting for consideration and approval after amendment.

**Article 37** These policies shall not apply to the management of the use of proceeds raised from the issue of H shares by the Company. The management of the use of proceeds raised from the issue of H shares shall be subject to the relevant provisions of the Hong Kong Securities and Futures Commission and the Stock Exchange of Hong Kong Limited.

**Article 38** The amendments to these policies shall be proposed by the Board and submitted to a general meeting for consideration and approval.

**Article 39** These policies shall be construed by the Board of the Company.

SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\*  
MANAGEMENT POLICIES FOR DISTRIBUTION OF PROFITS

## Chapter I General Provisions

**Article 1** With an aim to regulate the profit distribution of Shanghai Junshi Biosciences Co., Ltd.\* (上海君實生物醫藥科技股份有限公司) (the “**Company**”), to establish a scientific, consistent and stable distribution mechanism, enhance the transparency in profit distribution, and to effectively protect the legitimate rights and interests of minority investors, these policies have been formulated according to relevant laws and regulations including the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, and the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, and the Articles of Association of Shanghai Junshi Biosciences Co., Ltd.\* (the “**Articles of Association**”), while taking into account the actual circumstances of the Company.

**Article 2** The Company shall further enhance its awareness in generating shareholders’ returns and make independent decisions regarding the distribution of profits, while strictly complying with the Company Law, the Articles of Association and the requirements of laws and regulations in the place where the Company’s shares are listed. The Company shall give sufficient protection to the legitimate rights of the shareholders, including their rights in assets and revenue, and continuously enhance the decision-making procedures and mechanism of board of directors (the “**Board**”) and general meetings regarding the profit distribution of the Company.

**Article 3** The Company shall perform requisite decision-making procedures in the formulation of the profit distribution policy (especially the cash dividend policy). The Board of the Company shall conduct specific research and demonstration in respect of shareholders’ returns, and elaborate the rationale of proposals and arrangements in details. The Company shall listen to the views of minority shareholders through various channels (including but not limited to telephone, fax, mailbox and interactive platforms, etc.) and duly disclose information in relation to cash dividends.

## Chapter II Sequence of Profit Distribution

**Article 4** The Company shall prioritize reasonable returns of investors, in particular, the minority investors, and formulate a consistent and stable profit distribution policy.

In accordance with relevant laws and regulations of the PRC and the place where the Company's shares are listed, and the Articles of Association, after-tax profits of the Company shall be distributed in the following order:

- (I) When allocating the after-tax profits of the current year, the Company shall allocate 10% of its profit to the statutory reserve. In the event that the accumulated statutory reserve of the Company has reached at least 50% of the registered capital of the Company, no further allocation is required;
- (II) In the event that the statutory reserve of the Company is insufficient to make up the losses of the Company for the previous years, before allocating the statutory reserve in accordance with the provision of the preceding paragraph, the Company shall first make up the losses by using the profits of the current year;
- (III) After allocating the statutory reserve from the after-tax profits of the Company, the Company may allocate the discretionary reserve as resolved at its general meeting;
- (IV) After making up for the losses and making contributions to the reserve, any remaining after-tax profits shall be distributed to shareholders in proportion to their respective shareholdings, except for circumstances stated in the Articles of Association, which provide for any disproportionate distribution;
- (V) Where the general meeting of the Company violates the aforementioned requirements and where profits are distributed to shareholders prior to making up losses and allocating to the statutory reserve of the Company, shareholders should return the profit so distributed to the Company. If there is any loss to the Company, shareholders, responsible directors and senior management should be liable for compensation;
- (VI) The shares of the Company held by the Company shall not be entitled to any profit distribution.

**Article 5** The reserve of the Company shall be used to make up the losses of the Company, expand its production and operations, or increase its registered capital.

Any losses of the Company shall be offset with the discretionary reserve and the statutory reserve in the first place. If such losses cannot be covered by these reserves, the capital reserve may be used in accordance with regulations.

In transferring the statutory reserve to registered capital, the remaining balance of such reserve shall not be less than 25% of the registered capital of the Company prior to such transfer.

**Chapter III Profit Distribution Principle and Policy****Article 6** Profit distribution principle.

The Company is committed to implementing a consistent and stable profit distribution policy. The profit distribution of the Company shall prioritize reasonable investment return to the investors while balancing the sustainable development of the Company. The profit distribution of the Company shall not exceed the accumulated profit available for distribution, and shall not jeopardize the Company's ability to operate as a going concern.

**Article 7** Forms of profit distribution.

Subject to its profit distribution principle, the Company may distribute dividends in the form of (or in a combination of) cash or shares, in which, cash dividends shall be preferred to share dividends. In particular, the Company's current dividend policy is a cash dividend policy targeting remaining dividends. Where the Company is in a position to distribute profits in the form of cash dividends, distribution should be made in cash.

**Article 8** Decision-making mechanism and procedures in relation to profit distribution.

The profit distribution plans of the Company shall be formulated by the Board. The Board shall take into account, among other things, the Company's actual operating condition, future profitability, operation and development plan, cash flow, shareholders' return, public capital costs and external financing environment. In formulating the annual or interim profit distribution plans, the Board shall carefully consider and demonstrate timing, conditions and minimum percentage, adjustment conditions and decision-making requirements for the distribution of cash dividends, which shall be passed by a majority vote of all the directors of the Board. If independent non-executive directors believe that the specific cash dividend plan may harm the rights and interests of the Company or minority shareholders, they have the right to express independent opinions. If the Board fails to adopt or fully adopts the opinions of independent non-executive directors, the opinions of independent non-executive directors and the specific reasons for not adopting such opinions shall be recorded in the resolution of the Board and be disclosed accordingly.

Under special circumstances where the profit distribution plan of the year cannot be determined in accordance with the established cash dividend policy or the minimum cash distribution percentage, the specific reasons thereof shall be disclosed in the annual report. Under such circumstances, the Company's profit distribution plan for the year shall be passed by more than two-thirds of the voting rights held by shareholders present at the general meeting.

The Board shall submit a profit distribution plan considered and approved by it to the general meeting for consideration and approval, and the general meeting shall vote on the profit distribution plan proposed by the Board in accordance with laws and regulations. The Company shall foster communication and exchange of opinions between itself and shareholders through various channels, in particular the minority shareholders, and take into full account the views and demands of minority shareholders, answering their concerns in a timely manner, before the consideration of a specific cash dividend plan at a general meeting.

Profit distribution in the form of share dividends shall be supported by concrete and reasonable factors such as the Company's growth and the dilution of net assets per share. Distribution of dividends in the form of share dividends or in a combination of cash and shares shall be considered and passed at the general meeting of the Company by way of a special resolution.

**Article 9** Conditions, percentage and intervals of cash dividends distribution.

The following conditions shall be satisfied simultaneously before the distribution of cash dividends by the Company:

- (I) the profits available for distribution by the Company for the year or interim period (namely the remaining after-tax profits after making up for the losses and making contributions to the reserve) shall be positive;
- (II) the distribution shall not exceed the Company's accumulated profits available for distribution;
- (III) an audit report with unqualified opinion is issued by the auditors with respect to the Company's financial report for the year;
- (IV) the Company does not have significant external investment or significant cash outflow or any plan thereof (except for fund-raising and investment projects).

A significant investment plan or significant cash outflow refers to the situation in which accumulated expenses proposed for external investment, asset acquisition or equipment purchases for the next 12 months reaches or exceeds 30% of the Company's latest audited total assets, and exceeds RMB50 million.

**Article 10** Subject to the aforementioned conditions of cash dividend distribution have been fulfilled, the Board of the Company shall take into account, among other things, characteristics of the industries where the Company operates, its development stage, its own business model, profitability and whether it has any significant capital expenditure plans to determine the Company's condition in accordance with the followings, and propose differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association:

- (I) If the Company is at the mature stage of development and has no significant capital expenditure plan, the proportion of cash dividends shall be at least 80% in the profit distribution;
- (II) If the Company is at the mature stage of development and has a significant capital expenditure plan, the proportion of cash dividends shall be at least 40% in the profit distribution;
- (III) If the Company is at the growing stage and has a significant capital expenditure plan, the proportion of cash dividends shall be at least 20% in the profit distribution;
- (IV) If it is difficult to determine the Company's stage of development while it has a significant capital expenditure plan, the profit distribution may be dealt with pursuant to the requirements in the preceding paragraph.

The profit distribution in cash made by the Company each year shall not be less than 20% of the Company's profit available for distribution during the year, and the accumulated profit distribution in cash made by the Company for the past three years shall not be less than 30% of the Company's annual average profit available for distribution for the past three years.

Subject to conditions having been fulfilled and to the extent permitted by relevant regulations, the Board of the Company may propose an interim cash dividend distribution based on the Company's profitability.

Under circumstances where the audit report of the Company for the most recent year sets out a modified opinion or an unqualified opinion with a paragraph on material uncertainties related to going concern, or the gearing ratio is higher than a certain specific percentage, or the operating cash flow is lower than a certain specific level, or under other circumstances where profits may not be distributed as stipulated by laws, regulations and the Articles of Association, profit distribution may not be proceeded.

**Article 11** Adjustment mechanism for the profit distribution policy.

If the Company intends to make adjustments to the profit distribution policy in accordance with its development plan and significant investment needs, the Board shall draft the amendments after thorough demonstration with an aim to protect shareholders' interests. The Company shall take into full account the views of the minority shareholders through various channels, and the adjusted profit distribution policy shall not violate the relevant requirements of the China Securities Regulatory Commission and the stock exchange. The resolution in relation to the adjustment of profit distribution policy shall be considered by the Board of the Company, and submitted by the same to the general meeting of the Company for consideration and approval as a special resolution. Furthermore, the said general meeting shall adopt a combination of on-site and online voting, making it more convenient for investors to participate in the formulation or amendment of the profit distribution policy.

**Article 12** Supervisory and binding mechanism in profit distribution.

The implementation of the profit distribution policy and the decision-making procedures followed by the Board and management of the Company are subject to the Audit Committee of the Company.

#### **Chapter IV Implementation and Disclosure of Profit Distribution**

**Article 13** The distribution of dividends (or shares) shall be completed within two months upon passing the resolution on the profit distribution plan at the general meeting of the Company, or the formulation by the Board of the Company of specific plans based on the interim dividend conditions and upper limits approved at the annual general meeting for the following year.

**Article 14** When the Company convenes an annual general meeting to consider the annual profit distribution plan, the conditions, upper limit of proportion, and upper limit amount for the interim cash dividends of the following year may be considered and approved. The upper limit of the interim dividend for the following year considered at the annual general meeting shall not exceed the net profit attributable to the Company's shareholders during the corresponding period. The Board shall formulate a specific interim dividend plan based on the resolution of the general meeting. The Company shall strictly enforce the cash dividend policy determined in the Articles of Association as well as the specific cash dividend plan considered and approved at the general meeting of the Company. Where it is necessary to make adjustment or changes to the cash dividend policy as determined in the Articles of Association, such amendment or changes shall comply with the conditions set out in the Articles of Association, and relevant decision-making procedures shall be performed after thorough deliberation.

**Article 15** Detailed disclosure of the profit distribution plan shall be made by the Company in periodic reports, announcements and circulars (if applicable), in strict accordance with the relevant rules and the laws and regulations of the place where the shares of the Company are listed.

#### **Chapter V Supplementary Provisions**

**Article 16** Matters not covered by these policies shall be executed in accordance with relevant provisions of laws and regulations of the PRC and the place where the Company's shares are listed, the Articles of Association and other regulative documents. In the event that these policies are inconsistent with laws and regulations later issued in the PRC or the place where the Company's shares are listed and the Articles of Association as modified through legal procedures, such laws and regulations issued in the PRC or the place where the Company's shares are listed as well as the Articles of Association shall prevail. These policies shall be submitted to a general meeting of the Company for consideration and approval after amendment.

**Article 17** These policies shall be construed by the Board of the Company.

**Article 18** These policies shall come into effect upon consideration approval at a general meeting of the Company.

SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\*  
MANAGEMENT POLICIES FOR EXTERNAL INVESTMENT

## Chapter I General Provisions

**Article 1** In order to strengthen the internal control of the external investment activities of Shanghai Junshi Biosciences Co., Ltd.\* (上海君實生物醫藥科技股份有限公司) (the “**Company**”), standardize external investment activities, take precaution against external investment risks, ensure the security of external investment and increase the returns on external investment, these policies have been formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, and the Articles of Association of Shanghai Junshi Biosciences Co., Ltd.\* (the “**Articles of Association**”).

**Article 2** The external investment referred to herein refers to the act of investing disposable resources including cash, tangible assets and intangible assets into other organizations or individuals with the aim of achieving the strategy of expanding production scale and attaining long-term profits. Such activities include the establishment of new wholly-owned subsidiaries, additional investments in subsidiaries, or, among others, setting up associates or joint ventures, merger, acquisition and transfer of equities, entrusted loan, entrusted financial management or purchase of shares or bonds with other organizations.

**Article 3** All external investment activities of the Company shall comply with relevant national laws and regulations and industrial policies, be in line with the long-term development plans and development strategies of the Company, benefit the expansion of the principal business and the expansion of reproduction, advance the sustainable development of the Company, have expected returns on investment and be conducive to improving the Company’s overall economic benefits.

**Article 4** These policies shall be applicable to all external investment activities of the Company and its wholly-owned subsidiaries and substantially owned subsidiaries.

## Chapter II Investment Decision-making

**Article 5** The main decision-making bodies of the Company in terms of external investments shall be the general meeting and the board of directors (the “**Board**”).

**Article 6** External investment activities of the Company reaching one of the following standards shall be submitted to the Board for consideration and disclosed in a timely manner:

- (I) total amount of assets (book value or assessed value, whichever is higher) involved in the transactions exceeds 10% of the latest audited total assets of the Company;
- (II) the consideration exceeds 10% of the market capitalization of the Company;

- (III) the net asset of the transaction target (such as equity interest) in the most recent accounting year exceeds 10% of the market capitalization of the Company;
- (IV) the operating revenue of the most recent accounting year generated by the transaction target (such as equity interest) of the transaction exceeds 10% of the audited operating revenue of the Company in the most recent accounting year, and exceeds RMB10 million;
- (V) profits arising from the transaction exceeds 10% of the audited net profit of the Company in the most recent accounting year, and exceeds RMB1 million;
- (VI) the net profit in the most recent accounting year generated by the transaction target (such as equity interest) of the transaction exceeds 10% of the audited net profit of the Company in the most recent accounting year, and exceeds RMB1 million.

If the above indicators are negative, take its absolute value for calculation.

**Article 7** For external investment activities of the Company reaching one of the following standards, the Board shall arrange for the same to be evaluated by relevant experts and professionals and submit the same to a general meeting for approval:

- (I) total amount of assets (book value or assessed value, whichever is higher) involved in the transaction exceeds 50% of the latest audited total assets of the Company;
- (II) the consideration exceeds 50% of the market capitalization of the Company;
- (III) the net asset of the transaction target (such as equity interest) in the most recent accounting year exceeds 50% of the market capitalization of the Company;
- (IV) the operating revenue in the most recent accounting year generated by the transaction target (such as equity interest) of the transaction exceeds 50% of the audited operating revenue of the Company in the most recent accounting year, and exceeds RMB50 million;
- (V) profits arising from the transaction exceeds 50% of the audited net profit of the Company in the most recent accounting year, and exceeds RMB5 million;
- (VI) the net profit in the most recent accounting year generated by the transaction target (such as equity interest) of the transaction exceeds 50% of the audited net profit of the Company in the most recent accounting year, and exceeds RMB5 million.

If the above indicators are negative, take their absolute value for calculation.

Consideration referred to above refers to the transaction amount to be paid and liabilities and expenses to be borne. The consideration shall be the highest amount expected for a transaction arrangement involving possible future payment or receipt of consideration, not involving specific amount or where the amount is to be determined under set conditions.

Market capitalization referred to above refers to the average the closing market values in the 10 trading days prior to the transaction.

For transactions conducted in installments, the above policies shall be applied on an aggregate basis. The Company shall disclose the actual situation of the installment transaction on a timely basis.

**Article 8** Except for the matters otherwise provided by the stock exchange such as providing guarantees, providing financial assistance and wealth management entrustment, Articles 6 and 7 shall apply to transactions of the same type related to a transaction target of external investment of the Company within 12 consecutive months on an accumulative basis.

Transactions where relevant obligations have been fulfilled under Articles 6 and 7 shall no longer be included in the calculation on an accumulative basis.

**Article 9** Where the transaction target is equity and reaches the standard prescribed in Article 7, the Company shall provide the audit reports for the financial reports of the latest year and the latest period of the transaction target; where the transaction target is non-cash assets other than equity, the Company shall provide an evaluation report. The opinion issued by the accounting firm should be an unqualified opinion. The period between the closing date and the date of use of the audited financial report shall be no longer than six months, and the period between the evaluation base date and the date of use of the evaluation report shall be no longer than one year.

The abovementioned audit report and evaluation report shall be issued by securities service institutions compliant with the Securities Law.

The preceding two paragraphs shall apply to transactions that are subject to review by the general meeting of shareholders in accordance with the CSRC or Shanghai Stock Exchange requirements based on the principle of prudence, the Company's Articles of Association or other laws and regulations, as well as transactions voluntarily submitted by the Company to the general meeting of shareholders for review.

If the Company enters into a transaction that meets the criteria specified in Article 6 of this policy, and the counterparty uses non-cash assets as the consideration or to offset the Company's debt, the Company shall disclose the audit report or appraisal report of the assets involved in accordance with the first provision.

**Article 10** Prior to a general meeting or the Board making a decision regarding an external investment activity, relevant departments of the Company shall submit the matter to the strategic committee with recommendations, and subsequently provide a feasibility research report and relevant information of the proposed investment project to each level ranging from the Board to the shareholders for the purpose of decision-making.

**Article 11** External investments not reaching the standards under Article 6 herein shall be subject to approval by the chairman of the Board.

**Article 12** External investments that are related party transactions shall be conducted by the decision-making authority on related party transactions of the Company.

### **Chapter III Division of Work**

**Article 13** The department of the Company responsible for external investment management shall conduct feasibility research and evaluation for the Company's external investment projects.

- (I) Prior to establishing a project, the department shall first consider the scale and scope of the current business development of the Company and the project, industry, time and expected returns of the external investment; then it shall conduct research on and collect information of the investment project; finally, it shall analyze and discuss the collected information and propose investment opinion and submit the same to the Board for filing.
- (II) Subsequent to the establishment of a project, the department is responsible for establishing an investment project evaluation team to conduct feasibility analysis and evaluation of the established investment projects, and may concurrently engage qualified intermediaries to participate in the evaluation. The evaluation shall take into full consideration various national regulations on external investments and ensure that it is in compliance with the Company's internal rules and policies, such that all external investment activities may proceed legally.

**Article 14** The finance department of the Company shall be responsible for financial management of external investments. Subsequent to the confirmation of an external investment project, the Company's finance department shall raise funds, assist in the handling of, among others, contribution of capital, industrial and commercial registration, tax registration and opening of bank accounts, and implement stringent borrowing, approval and payment policies.

**Article 15** The department of the Company responsible for external investment management shall conduct daily management of the Company's long-term equity investment, and shall supervise external investment projects. Resolutions, contracts, agreements and external investment equity certificates shall be safekept by designated personnel with detailed archival records. Unauthorized personnel shall have no access to the equity certificates.

**Article 16** Legal personnel shall be responsible for conducting compliance review for external investment projects of the Company.

#### **Chapter IV Implementation and Control**

**Article 17** In determining external investment projects, the Company shall listen to a variety of opinion and suggestions from the experts in the evaluation team and relevant departments and personnel, and focus on the key indicators of decision-making on external investments, such as cash flow, the time value of currency and investment risks. Upon fully taking into consideration of the project investment risks and expected returns on investment, and balancing the advantages and disadvantages in all aspects, the most optimal investment plan shall be selected.

**Article 18** Upon passing a resolution on the implementation plan of an external investment project, the Company's general meeting and the Board shall determine, among others, the timing, amount, method and responsible personnel of capital contribution. Changes to the implementation plan of an external investment project shall be subject to the consideration and approval by the general meeting and the Board of the Company.

**Article 19** Upon obtaining the approval for external investment, the authorized department or personnel shall be responsible for the specific implementation of the external investment plans, enter into contracts and agreements with the investee and conduct the transfer of property. Prior to entering into the investment contract or agreement, the Company shall not make investment payments or conduct the transfer of investment assets; upon the completion of an investment, the Company shall obtain the investment certificates or other valid credentials issued by the investee.

**Article 20** For external investment conducted by the Company with tangible assets or intangible assets, such assets shall be valued by an asset valuation institution with relevant qualifications.

**Article 21** Upon the implementation of its external investment project, the Company shall send representatives to the investee company such as shareholders' representative, director, financial administrator or other senior management members, in order to perform follow-up management to the implementation progress, capital input, operation and income of the investment projects, and keep a firm grasp on the financial condition and business circumstances of the investee company. Upon identifying an abnormal condition, the representative shall report to the chairman of the Board or the general manager on a timely basis and take measures accordingly.

**Article 22** The finance department of the Company shall be responsible for enhancing control over external investment income. Interests, dividends and other gains from external investments shall all be included in the Company's financial accounting system. Concealed accounts are strictly prohibited.

**Article 23** In addition to preparing the general statements for external investments, the Company's finance department shall also prepare respective external financial breakdown statements depending on the type and in chronological order of the external investment business, regularly and irregularly reconcile relevant investment accounts with investees and ensure the accuracy of the investment business records and the security and integrity of external investments.

**Article 24** The Company's department responsible for external investment management shall enhance the management of external investment archives and ensure the security and integrity of various documents such as resolutions, contracts, agreements and external investment equity certificates.

### **Chapter V Disposal of Investment**

**Article 25** The Company shall strengthen control over disposal of assets of external investment projects; the procedures and extent of authority for approving the disposal procedures such as withdrawal, transfer and write off upon approval shall be the same as those for approving an external investment.

**Article 26** Upon the termination of an external investment project of the Company, the assets, creditors' rights and debts of the investee shall undergo full inventory inspection according to relevant national regulations on enterprise liquidation, during which attention shall be paid to behaviors such as illegal withdrawing and transfer of funds, unauthorized share of assets or unauthorized share of assets in disguised form and indiscriminate issuance of bonuses and allowances. Subsequent to the end of inspection, attention shall be paid to whether all assets and liabilities have been recovered in time and undergone accounting procedures.

**Article 27** When writing off external investment after verification, the Company shall obtain legal instruments and documentary evidence unrecoverable due to the investee going bankrupt or other reasons.

**Article 28** The Company's finance department shall carefully review the approval documents, minutes of the meetings and lists of asset recovery relevant to the disposal of external investment assets, and conduct accounting treatments for disposal of external investment assets according to regulations on a timely basis to ensure the truthfulness and legality of disposal of assets.

**Chapter VI Follow-up and Supervision**

**Article 29** Subsequent to the implementation of an external investment project of the Company, the department of the Company responsible for external investment management shall track and evaluate the investment results. Within three years from the implementation of the project, the Company's department responsible for external investment management shall provide annual written reports to the Board on the progress of the project, including but not limited to whether: the investment direction is correct, the investment amount is in place, it matches the budget, there are any changes in the shareholding, there are any changes in the investment environment policies and there are any major differences from the statement in the feasibility report; and provide opinion on disposal to the Board of the Company based on identified issues or operational anomalies.

**Chapter VII Supplementary Provisions**

**Article 30** Matters not covered by these policies shall be executed in accordance with the relevant provisions of laws and regulations of the PRC and the places where shares of the Company are listed, the Articles of Association and other normative documents. In the event that these policies are inconsistent with laws and regulations subsequently promulgated in the PRC or the places where shares of the Company are listed and the Articles of Association as modified through legal procedures, these laws and regulations of the PRC or the places where shares of the Company are listed as well as the Articles of Association shall prevail, and these policies shall be submitted to a general meeting of the Company for consideration and approval after amendment.

**Article 31** Unless otherwise specified, the terms used in these policies shall have the same meanings as those defined in the Articles of Association.

**Article 32** These policies shall be construed by the Board of the Company.

**Article 33** These policies shall come into effect upon consideration and approval at a general meeting of the Company.

SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\*  
MANAGEMENT POLICIES FOR RELATED PARTY TRANSACTIONS

## Chapter I General Provisions

**Article 1** In order to strengthen the management of related party/connected transactions (collectively referred to as “**related party transactions**”) of Shanghai Junshi Biosciences Co., Ltd.\* (上海君實生物醫藥科技股份有限公司) (the “**Company**”), protect the lawful interests of all shareholders of the Company and guarantee the compliance with the principles of fairness, impartiality and openness of the related party transactions between the Company and the related parties, these policies have been formulated in accordance with the relevant provisions of laws, regulations and regulatory documents including the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (the “**STAR Market Listing Rules**”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), and the Articles of Association of Shanghai Junshi Biosciences Co., Ltd.\* (the “**Articles of Association**”).

**Article 2** Related party transactions of the Company shall comply with the following basic principles:

- (I) principle of good faith;
- (II) principle of not prejudicing the lawful interests of the Company and the unrelated shareholders;
- (III) principle of related shareholders and directors abstaining from voting;
- (IV) related party transactions shall comply with the principles of fairness, impartiality and openness. In principle, the price or charge of related party transactions shall not deviate from the standards of independent third parties on the market. For related party transactions with a market price which is difficult to compare or a restricted pricing, the standards of costs and profits shall be specified in contracts.

Chapter II Related Party Transactions, Related Parties and  
Related Party Relationships

**Article 3** Related party transactions of the Company refer to any transaction between the Company or other entities including its subsidiaries within the scope of consolidation of statements (including the “subsidiaries” as defined under the Hong Kong Listing Rules, together with the Company, hereinafter the “**Group**”) and the related parties of the Company (including the connected persons as defined under the Hong Kong Listing Rules, same hereinafter), and the transactions of specified categories with third parties that may confer benefits on connected persons through their interests in the entities involved in the transaction.

Such transaction may be a one-off transaction or a continuing transaction. “Transaction” includes transactions of capital and revenue nature, whether or not conducted in the ordinary and usual course of business of the Group, and includes the following types of transactions:

- (I) any acquisition or disposal of assets by the Group, including a deemed disposal;
- (II) (i) the Group granting, accepting, exercising, transferring or terminating an option to acquire or dispose of assets or to subscribe for securities; or (ii) the Group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
- (III) external investment (except for the purchase of low-risk bank financial products);
- (IV) giving an indemnity or providing or receiving financial assistance. “Financial assistance” includes granting credit, lending money, or providing an indemnity against obligations under a loan, guaranteeing or providing security for a loan;
- (V) providing guarantees (including the guarantee for a controlled subsidiary, etc.);
- (VI) renting or leasing out assets;
- (VII) entering into or terminating finance leases or operating leases, or sub-leases;
- (VIII) entrusting or entrusted management of assets and business;
- (IX) entering into an agreement or arrangement to set up a joint venture in any form (such as those established in the form of a partnership or a company) or any other form of joint arrangement;
- (X) gifting or receiving gifted assets;
- (XI) restructuring debts or creditor’s rights;
- (XII) transferring and assignment of research and development projects;
- (XIII) entering into licensing agreements;
- (XIV) waiver (including waiver of the right of first refusal and preemptive right);
- (XV) acquiring or providing raw materials, semi-finished products and/or finished goods, fuels or power;
- (XVI) selling products or commodities;

(XVII) other matters possibly causing transfers of resources or obligations arising from agreements;

(XVIII) related party/connected transactions referred to in the STAR Market Listing Rules and the Hong Kong Listing Rules as amended from time to time, or other transactions recognized by the stock exchange of the places where the Company's shares are listed.

**Article 4** According to the STAR Market Listing Rules, related parties of the Company include related legal persons and related natural persons.

(I) A legal person or other organization that meets any of the following conditions is a related legal person of the Company:

1. any legal person or other organizations that directly or indirectly controls the Company;
2. any legal person or other organizations that directly holds more than 5% of the shares of the Company and their parties acting in concert;
3. any legal person or other organizations, other than the Company and its holding subsidiaries, that is directly or indirectly controlled by the legal person mentioned in item (I) and (II) of this paragraph;
4. any legal person or other organizations, other than the Company and its holding subsidiaries, that is directly or indirectly controlled by a related natural person of the Company stated herein, or any legal person or other organizations, other than the Company and its holding subsidiaries, in which the related natural person (excluding independent director) assumes the position of director or senior management;
5. any legal person or other organizations that indirectly holds more than 5% of the shares of the Company and its party acting in concert.

(II) A natural person that meets any of the following conditions is a related natural person of the Company:

1. any natural person that directly or indirectly controls the Company;
2. any natural person that directly or indirectly holds more than 5% of the shares of the Company;
3. the Company's directors or senior management;

4. close family members of the persons mentioned in item (I), (II) and (III) of this paragraph, including spouses, children over 18 years of age and their spouses, parents and parents of spouses, brothers and sisters and their spouses, brothers and sisters of spouses, and parents of children's spouses;
5. directors, supervisors, senior management, or other principals of any legal person or other organizations that directly or indirectly control the Company;

The China Securities Regulatory Commission, stock exchanges, or the Company may, based on the principle of “substance over form”, recognize other legal persons (or other organizations) or natural persons who have a special relationship with the Company and may cause or have caused the Company to make skewed distribution in their favor as related persons of the Company.

Where the Company is controlled by the same state-owned asset supervision and management agency with a legal person or other organization stated in item (1) of the second paragraph of this Article, they shall not be regarded as related parties, except where the legal representative, chairman of the Board, general manager, person in charge, or more than half of the directors of the legal person or other organization also serve as directors or senior management of the Company.

**Article 5** According to the Hong Kong Listing Rules, except for the exceptions specified, the Company's related parties shall refer to:

- (I) any substantial shareholder (i.e. persons who have the right to exercise or control the exercise of 10% or more of the voting rights at the Company's general meetings), director, supervisor or chief executive of the Company or any of its subsidiaries, and any person who served as a director of the Company or any of its subsidiaries in the last 12 months (collectively, the “**Basic Related Persons**”);

- (II) associates of any of the above Basic Related Persons, including:

1. Where the Basic Related Person is an individual
  - (1) his/her spouse; his/her (or his/her spouse's) (biological or adopted) children or stepchildren (each an “**Immediate Family Member**”) under the age of 18;
  - (2) a trustee of any trust in which he/she or his/her Immediate Family Member is a beneficiary (or, in the case of a discretionary trust, to the best of his/her knowledge, the subject of discretionary custody) (excluding employee share schemes or occupational retirement plans established for a wide range of participants, and whose total equity in such plan is less than 30%) (hereinafter referred to as the “**Trustee**”); or

- (3) a 30%-controlled company directly or indirectly held by him/her, his/her Immediate Family Members and/or Trustees (individually or jointly), or any subsidiary of the company; or
  - (4) a person who cohabits with him/her as a spouse, or his/her children, step children, parents, step parents, brothers, step brothers, sisters or step sisters (each a “**Family Member**”); or
  - (5) a company that is directly or indirectly held by Family Members (individually or jointly), or controlled by a majority by him/her together with his/her Family Members, his/her Immediate Family Members, and/or Trustees, or any subsidiary of the company; or
  - (6) Where he/she, his/her Immediate Family Members, and/or Trustees together directly or indirectly hold 30% (or other percentage that would trigger a mandatory general offer or an amount required to establish legal or management control over a business enterprise under the PRC laws) or more of the capital or assets contributions of a cooperative or contractual joint venture company (regardless of whether the joint venture company is an independent legal entity), or the contractual share of its profits or other income of the joint venture company, any joint venture partner of the joint venture company.
2. Where the Basic Related Person is a company
- (1) its subsidiary or holding company, or a fellow subsidiary of the holding company;
  - (2) the trustees, acting in their capacity as trustees of any trust of which the Company is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the “**Trustees**”);
  - (3) a 30%-controlled company directly or indirectly held, by the company, the companies referred to in paragraph (1) above and/or the Trustees (individually or collectively), or any of the subsidiaries of such 30%-controlled company;
  - (4) where the company, any of its subsidiaries, controlling companies or their fellow subsidiaries, and/or Trustees together directly or indirectly hold 30% (or other percentage that would trigger a mandatory general offer or an amount required to establish legal or management control over a business enterprise under the PRC laws) or more of the capital or assets contributions of a cooperative or contractual joint venture company (regardless of whether the joint venture company is an independent legal entity), or the contractual share of its profits or other income of the joint venture company, any joint venture partner of the joint venture company.

(III) a connected subsidiary, which is:

- (1) a non wholly-owned subsidiary of the Company where any connected person(s) at the Company level, individually or collectively, can exercise 10% or more of the voting power at the subsidiary's general meeting. This 10% excludes any indirect interest in the subsidiary which is held by the connected person(s) through the Company; or
- (2) any subsidiary of a non wholly-owned subsidiary referred to in paragraph (1) above; or

(IV) a legal person or other organizations as recognized by the relevant laws, regulations, the Hong Kong Listing Rules or the Company based on the principle of "substance over form" that they have other special or connected relationships with the Company and may lead or have led the Company to make skewed distribution in their favor.

**Article 6** A legal person or natural person that meets any of the following conditions shall be regarded as a related party of the Company:

- (I) meeting one of the conditions as described in Article 4 herein, subsequent to, or in the next twelve months of, the coming into effect of an agreement or arrangement with the Company or the related party of the Company;
- (II) having met one of the conditions as described in Article 4 herein in the last twelve months.

### **Chapter III Decision-making Powers on Related Party Transactions**

**Article 7** Decision-making powers on related party transactions:

- (I) Any related party transaction (other than the provision of guarantee) between the Company and a related natural person involving a transaction amount of less than RMB300,000, and any related party transaction (other than the provision of guarantee) between the Company and a related legal person involving a transaction amount of less than RMB3,000,000 or less than 0.1% of the latest audited total assets or market capitalization of the Company shall be subject to the approval of the general manager of the Company;
- (II) Any related party transaction (other than the provision of guarantee) between the Company and a related natural person involving a transaction amount of more than RMB300,000, and any related party transaction (other than the provision of guarantee) between the Company and a related legal person involving a transaction amount of more than 0.1% of the latest audited total assets or market capitalization of the Company and more than RMB3,000,000 shall be subject to the review of the Board after the approval by a majority of independent directors, and timely disclosure;

(III) For a transaction (other than the provision of guarantee) between the Company and a related natural person or legal person accounting for more than 1% of the total assets or market capitalization of the Company and amounting to more than RMB30,000,000, a valuation report or audit report shall be provided according to the provisions of the Listing Rules, and such transaction shall be submitted to a general meeting for consideration and approval upon review of the Board;

(IV) Notwithstanding the foregoing, a transaction that shall be approved by the Board or general meeting according to the Hong Kong Listing Rules before implementation must be approved by the Board or general meeting before implementation.

**Article 8** Any guarantee, regardless of its amount, provided by the Company for its related parties shall be disclosed in a timely manner upon review and approval by the Board, and submitted to the general meeting for consideration. When the Board review related guarantee matters, in addition to the approval by a majority of all non-related directors, it should also be reviewed and approved by more than two thirds of the non-related directors present at the Board's meeting.

Where a resolution regarding the provision of guarantees in favor of shareholders, de facto controllers and their related parties is considered at a general meeting, such shareholders, or shareholders under the control of such de facto controllers shall abstain from voting. Such resolution is subject to the approval of more than half of the voting rights held by other shareholders present at the general meeting.

Where the Company provides guarantees in favor of a controlling shareholder, de facto controllers and their related parties, such controlling shareholder, de facto controllers and their related parties shall provide counter-guarantees.

If the Company becomes a related party of the guaranteed party due to a transaction or related transaction, the Company shall perform the corresponding review procedures and information disclosure obligations for the existing related guarantees at the same time of such transaction or related transaction.

If the Board or the general meeting of shareholders does not approve the matters of related guarantees as required in the preceding paragraph, the parties of the transaction shall take effective measures such as terminating the guarantee in advance.

**Article 9** If the subject matter of the related party transaction subject to consideration and approval at a general meeting according to these policies is the equity interest of the Company, the Company shall engage an accounting firm compliant with the Securities Law to audit the financial reports of the current financial year and of the last quarter of the subject matter of the transaction. The audit opinion issued by the accounting firm should be an unqualified opinion. The cut-off date for the audited financial report shall not be more than six months from the date of use of the audit report. If the subject matter of the transaction is assets other than equity interest, the Company shall engage a property appraisal firm compliant with the Securities Law to carry out valuation. The base evaluation date of the valuation evaluation report shall not be

more than one year from the date of use of the evaluation report. In case of the subject matter of the related party transaction in the ordinary and usual course of business of the Company, audit or valuation may be exempted, including acquiring raw materials, fuels or power and selling products or commodities.

The Company shall also engage an independent financial adviser according to the STAR Market Listing Rules and the Hong Kong Listing Rules, if necessary.

If the CSRC or Shanghai Stock Exchange requires in accordance with the principle of prudence, the Company shall apply the provisions of paragraph 1 to the transactions in accordance with the Articles of Association, other laws and regulations, and the Company's voluntary submission of the transaction to the shareholders' meeting for review.

For the transactions subject to the review and approval by the Board in accordance with this Regulation, if the counterparty uses non-cash assets as the consideration or to offset the Company's debt, the Company shall disclose the audit report or appraisal report of the assets involved in accordance with the provisions of paragraph 1.

**Article 10** For related party transactions that are required to be disclosed, prior consent should be obtained by the Company from over half of all independent directors and subsequently the Board's review procedures shall be followed.

**Article 11** The Company shall provide financial assistance or entrusted wealth management through related parties in a prudent manner. If such assistance or service is necessary, calculation shall be based on the actual amount and shall be calculated in aggregate within twelve consecutive months according to the type of transaction. Where the aggregate amount reaches the standards set out in Article 7 herein, the provisions of Article 7 shall apply. If the relevant decision-making procedures under Article 7 have been performed, the transaction shall not be included in the relevant scope of aggregated calculation.

The Company shall not provide financial assistance to related parties, except where it provides financial assistance to an associated equity-participating company that is not controlled by the Company's controlling shareholders or actual controllers, and other shareholders of such equity-participating company provide financial assistance on the same terms and conditions in proportion to their capital contributions.

Where the Company provides financial assistance to an associated equity-participating company as specified in the preceding paragraph, such provision shall be approved by a majority of all non-related directors and more than two-thirds of the non-related directors present at the Board's meeting, and subsequently be submitted to the general meeting of shareholders for deliberation.

**Article 12** The Company shall comply with the provisions regarding aggregated calculation of transactions stated in the STAR Market Listing Rules and the Hong Kong Listing Rules.

**Chapter IV Review and Approval Procedures on Related Party Transactions**

**Article 13** Related directors include the following directors or directors who meet any of the following conditions:

- (I) being the counterparty of a transaction;
- (II) holding office in the counterparty, or holding office in a legal entity or other organizations which is in a position to directly or indirectly control the counterparty or which is under the direct or indirect control of the counterparty;
- (III) having direct or indirect control of the counterparty;
- (IV) being a close family member of the counterparty or its direct or indirect controller (including spouses, parents, parents of spouses, brothers and sisters and their spouses, children over 18 years of age and their spouses, brothers and sisters of spouses, parents of children's spouses);
- (V) being a close family member of a director, supervisor or senior management of the counterparty or its direct or indirect controller (including spouses, parents, parents of spouses, brothers and sisters and their spouses, children over 18 years of age and their spouses, brothers and sisters of spouses, parents of children's spouses);
- (VI) being a person whose independent commercial judgment may be influenced as determined by the relevant laws, regulations, the STAR Market Listing Rules, the Hong Kong Listing Rules or the Company based on the principle of "substance over form" for other reasons.

**Article 14** Statement of related directors.

Where a director personally or other enterprises where such director assumes offices is/are, directly or indirectly, related to an existing or proposed contract, transaction or arrangement of the Company (other than a service contract), whether or not relevant matters shall be subject to the Board's approval under normal circumstances. Such director shall disclose the nature and extent of such related relationship to the Board within ten days from the date of having knowledge or presumed to have knowledge of such related relationship, and make relevant disclosure of interest in accordance with the requirements of the laws and regulations of the places where the Company's shares are listed and the Articles of Association. If such director has notified the Board in writing before the Company's first consideration of entering into the relevant contract, transaction or arrangement, declaring that in view of the content of the notice, he/she has an interest in the contract, transaction or arrangement to be entered into by the Company, then within the scope stated in the notice, the related director shall be deemed as having made the disclosure as required in this Article.

**Article 15** The description on the resolution of the Board regarding a related party transaction shall at least include the following contents:

- (I) the main information of such transaction, including the names of the parties involved, the subject of the transaction, and pricing principles, methods, and basis.
- (II) the impact of such transaction on the financial conditions and operating results of the Company.
- (III) whether such transaction prejudices the interests of the Company and minority shareholders.

**Article 16** Subject to the laws and regulations of the places where the Company's shares are listed and the STAR Market Listing Rules and the Hong Kong Listing Rules, when the Board of the Company considers a related party transaction, the related directors shall abstain from voting and shall not exercise voting rights on behalf of other directors. A meeting of the Board may be held with the attendance of more than half of the non-related directors and any resolution passed at such meeting shall be subject to approval by more than half of the non-related directors. Where fewer than three non-related directors attend such meeting, the transaction shall be submitted to a general meeting for consideration. If a connected transaction is not exempted under the Hong Kong Listing Rules, the Company shall also comply with the relevant announcement, circular and independent shareholders' approval requirements.

**Article 17** Subject to the laws and regulations of the places where the Company's shares are listed and the STAR Market Listing Rules and the Hong Kong Listing Rules, the following shareholders shall abstain from voting when a related party transaction is considered at the general meeting:

- (I) being the counterparty;
- (II) having direct or indirect control of the counterparty;
- (III) being under direct or indirect control of the counterparty;
- (IV) being directly or indirectly controlled by the same legal person, other organizations or natural person as the counterparty;
- (V) being employed by the counterparty, or being employed by a legal entity or other organization that can directly or indirectly control the counterparty, or being employed by a legal entity or other organization that is directly or indirectly controlled by the counterparty;
- (VI) close family members of the counterparty or its direct or indirect controlling entity;

(VII) being restricted or influenced in terms of voting right due to an equity transfer agreement or other agreements that has not been fulfilled with the counterparty or its related party;

(VIII) having a material interest in the transaction;

(IX) being a legal person or natural person as determined by the relevant laws, regulations, the STAR Market Listing Rules, the Hong Kong Listing Rules or the Company based on the principle of “substance over form” that may lead or has led the Company to make skewed distribution in his/her or its favor.

**Article 18** When a general meeting votes on a related party transaction, the related shareholders shall abstain from voting and shall not exercise the voting rights on behalf of other shareholders; and the number of voting shares represented by them shall not be counted in the total number of shares validly voted.

**Article 19** The Group must enter into a written agreement for a connected transaction. The written agreement for a continuing connected transaction must contain the basis for calculating the payments to be made. The term of the agreement must be fixed and reflect normal commercial terms or better. The term of the agreement shall not exceed three years except under special circumstances where the nature of the transaction requires a longer term. In this case, the Company must appoint an independent financial adviser to explain why the agreement requires a longer term and to confirm that the term of the agreement is consistent with the normal business practice for such type of agreement. If the term of such ordinary related party transaction agreement between the Company and the related party exceeds three years, the review procedure should be performed triennially according to the requirements herein, subject to the requirements of the STAR Market Listing Rules and the Hong Kong Listing Rules in relation to continuing connected transactions.

### Chapter V Disclosure of Related Party Transactions

**Article 20** The Company shall disclose related parties, related party transactions and other relevant information in accordance with the provisions of relevant laws, regulations and regulatory documents.

**Article 21** Where a transaction (other than the provision of guarantee) between the Company and the related party meets any of the following criteria, it shall be disclosed in a timely manner:

- (I) a transaction entered into with a related natural person with a transaction amount of more than RMB300,000;
- (II) a transaction entered into with a related legal person with a transaction amount accounting for more than 0.1% of the latest audited total assets or market capitalization of the Company and more than RMB3,000,000.

**Article 22** Performing review and disclosure obligations in accordance with related transactions stipulated herein may be exempted for the following related party transactions entered into between the Company and the related parties:

- (I) either party subscribes for the shares, convertible corporate bonds or other types of derivatives, or public offered corporate bonds (including enterprise bonds) issued to unspecified persons in cash;
- (II) either party, as a member of the underwriting syndicate, underwrites the shares, convertible corporate bonds or other types of derivatives, or publicly offered corporate bonds (including enterprise bonds) issued to the unspecified persons;
- (III) either party receives dividend, bonus or reward in accordance with the resolutions passed at a general meeting of another party;
- (IV) either party participates in a public tender or auction of another party, unless it is unlikely for the public tender or auction to be conducted at a fair price;
- (V) the Company unilaterally benefits from the transaction, including receiving cash assets as a gift, being granted debt relief, accepting guarantee and financial assistance, etc.;
- (VI) the price of the related party transaction is determined in accordance with national requirements;
- (VII) the related party provides funds to the Company at an interest rate no higher than the market lending rate stipulated by the People's Bank of China, for which the Company provided no security;
- (VIII) the Company provides goods or services to directors or senior management on the same terms and conditions as those in the transactions between the Company and non-related parties;
- (IX) other transactions determined by stock exchanges and other regulatory authorities.

The above provisions are subject to the relevant requirements of the Hong Kong Listing Rules and the STAR Market Listing Rules in relation to related party transactions.

#### **Chapter VI Supplementary Provisions**

**Article 23** A related party transaction of a subsidiary controlled or held as to over 50% by the Company shall be deemed as an act of the Company, and the decision-making and disclosure standards shall be subject to the above requirements.

**Article 24** Decision-making records, resolutions and other documents in relation to related party transactions shall be kept by the secretary to the Board for no less than ten years.

**Article 25** In these policies, the terms “more than”, and “within” shall include the given figure, and the terms “over”, “less than” and “lower than” shall not include the given figure.

**Article 26** Matters not covered by these policies shall be executed in accordance with the relevant provisions of the laws and regulations of the PRC and the places where the Company’s shares are listed, the Articles of Association and other regulatory documents. In the event that these policies are inconsistent with the laws and regulations thereafter issued in the PRC or the places where the Company’s shares are listed and the Articles of Association as modified through legal procedures, provisions of such laws and regulations issued in the PRC or the places where the Company’s shares are listed as well as the Articles of Association shall prevail. These policies shall be submitted to a general meeting of the Company for consideration and approval after amendment.

**Article 27** These policies shall be construed by the Board of the Company

**Article 28** These policies shall come into effect upon consideration and approval at a general meeting of the Company.

SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\*  
MANAGEMENT POLICIES FOR EXTERNAL GUARANTEES

## Chapter I General Provisions

**Article 1** In order to protect the lawful rights and interests of investors, standardize the provision of external guarantees by Shanghai Junshi Biosciences Co., Ltd.\* (上海君實生物醫藥科技股份有限公司) (the “**Company**”), avoid risks of external guarantees effectively, and ensure safety of the Company’s assets, these policies have been formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”) and other laws, regulations and normative documents, and the Articles of Association of Shanghai Junshi Biosciences Co., Ltd.\* (the “**Articles of Association**”) while taking into account the actual circumstances of the Company.

**Article 2** External guarantees referred to herein refer to the guarantees provided by the Company to others, including guarantees provided by the Company to its subsidiaries.

**Article 3** The Company shall exercise centralized management over external guarantees. Unless otherwise approved by the board of directors (the “**Board**”) or a general meeting of the Company, no person shall have the right to enter into any contract, agreement or other similar legal document on external guarantee on behalf of the Company.

**Article 4** The directors and senior management members of the Company shall exercise caution and strict control over debt risks arising from guarantees, and shall bear joint and several liabilities for losses arising from illegal or inappropriate external guarantees.

**Article 5** External guarantees made by substantially owned subsidiaries or subsidiaries in actual control of the Company shall be deemed as acts of the Company, and these policies shall be applicable to such external guarantees made by those companies. Substantially owned subsidiaries shall inform the Company in a timely manner upon its board of directors or general meeting making a decision for the Company to perform relevant information disclosure obligations, including relevant requirements of laws and regulations of the places where shares of the Company are listed.

**Article 6** The Company shall observe the principles of legal compliance, prudence, mutual benefit and safety when providing external guarantees and strictly control the guarantee risk.

**Article 7** The Company shall take necessary measures such as counter-guarantee for risk prevention upon provision of guarantee to others; counter-guarantees shall be enforceable, and the provider of the counter-guarantee shall have actual guarantee capability.

**Chapter II Examination on External Guarantee Objects**

**Article 8** The Company may provide guarantees to an entity with an independent legal person status which meets one of the following criteria:

- (I) a mutually guaranteed entity due to business needs of the Company;
- (II) an entity with established important business relationship with the Company;
- (III) an entity with potential important business relationship with the Company;
- (IV) a substantially owned subsidiary of the Company or other entities in a control relationship with the Company.

The entities above shall also have relatively strong debt repayment capabilities and shall meet other relevant provisions hereof.

**Article 9** Although it may not meet the conditions stated in Article 8 herein, the Company may provide guarantees to a guarantee applicant that the Company believes to be necessary for developing business cooperation with and has lower risks, upon approval by the Board or review and approval of a general meeting of the Company.

**Article 10** Before making the decision to provide a guarantee to others or submitting such proposal to a general meeting for voting, the Board of the Company shall obtain the information on the debtor's credit status and shall make adequate analysis of the benefits and risks associated with such guarantee.

**Article 11** Information on the credit status of a guarantee applicant shall at least include the following:

- (I) basic information of enterprise including business license, copy of articles of association, identity certification of legal representative, relevant information revealing connected relationship or other relationship with the Company, etc.;
- (II) application for guarantee, including but not limited to the form, term and amount of such proposed guarantee;
- (III) audited financial reports for the last three years and loan repayment ability analysis;
- (IV) copy of the main contract in respect of the loan;
- (V) conditions and relevant information in relation to the guarantee applicant's provision of counter-guarantee;

(VI) statement of non-existence of potential or pending major lawsuits, arbitration or administrative penalties;

(VII) other important information.

**Article 12** The handling responsible person shall conduct investigation and verification on the operation and financial position, project status, credit status and industry prospect of the guarantee applicant based on the information provided by the guarantee applicant and report to the relevant departments for review according to the contract approval procedures. Upon approval by a competent leader or general manager, the relevant information shall be submitted to the Board or a general meeting of the Company for approval.

**Article 13** The Board or a general meeting of the Company shall review and vote on the submitted information, and shall record the relevant voting results. No guarantee shall be provided by the Company in case of any of the following circumstances or if the information provided is insufficient:

- (I) having a flow of capital investment that does not comply with national laws and regulations or national industrial policies;
- (II) having false records in or providing false information with the financial and accounting documentation of the guarantee applicant for the last three years;
- (III) having overdue loan repayments or default of interest payments on bank loans for which the Company has provided guarantee(s) to the guarantee applicant, and they remain outstanding or there are no effective remedial measures implemented when the application for this guarantee application is made;
- (IV) deterioration in operation or reputation of the guarantee applicant with no signs of improvement;
- (V) failure to provide any valid property against which counter-guarantee is to be provided;
- (VI) such other circumstances as the Board or a general meeting considers that a guarantee shall not be provided.

**Article 14** The counter-guarantee provided by the guarantee applicant or other effective risk prevention measures shall match with the guaranteed amount. No guarantee shall be provided to the guarantee applicant if the property against which the counter-guarantee is to be provided is prohibited by laws and regulations from being freely transferred or otherwise non-transferable.

**Chapter III Approval Procedure for External Guarantees**

**Article 15** The general meeting of the Company is the highest decision-making body in respect of external guarantees provided by the Company. The Board shall exercise its decision-making authority over external guarantees pursuant to its authority for approval of external guarantee as stipulated in the provisions of the Articles of Association. For any external guarantee with an amount exceeding the approval authority of the Board as stipulated in the provisions of the Articles of Association, the Board shall submit a resolution for consideration and approval and report to a general meeting for approval. The Board shall organize, manage and execute the external guarantees approved at a general meeting.

**Article 16** External guarantees subject to consideration and approval at a general meeting shall be submitted to a general meeting for consideration and approval only after the same have been considered and approved by the Board. External guarantees subject to consideration and approval at a general meeting shall include but are not limited to the following:

- (I) any guarantee provided subsequent to the total amount of external guarantees provided by the Company and its substantially owned subsidiaries exceeding 50% of the latest audited net assets of the Company;
- (II) any guarantee provided subsequent to the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeding 30% of the latest audited total assets;
- (III) total amount of external guarantees within 12 consecutive months cumulatively exceeding 30% of the latest audited total assets of the Company;
- (IV) guarantee provided for a guarantee applicant with a gearing ratio of more than 70%;
- (V) a single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;
- (VI) guarantee provided to shareholders, de facto controller and its related parties;
- (VII) other guarantees as stipulated under the provisions of the laws and regulations of the PRC or the places where shares of the Company are listed or the Articles of Association.

Any matters of external guarantee within the scope of authority of the Board shall be approved by more than half of all directors and shall be approved by two-thirds or more of the directors present at the meeting of the Board; Guarantees stated in item (III) above shall be subject to approval by shareholders representing two-thirds or more of the voting rights present at a general meeting.

Where shareholders consider a resolution at a general meeting on the provision of guarantees in favor of shareholders, de facto controllers and their related parties, such shareholders, shareholders under the control of such de facto controllers, or shareholders required to abstain from voting according to the laws and regulations of the places where shares of the Company are listed shall abstain from voting.

Guarantees provided by the Company to its wholly-owned subsidiaries or guarantees provided to its substantially owned subsidiaries where other shareholders of such substantially owned subsidiaries provide guarantees proportionately according to their beneficial interests and the interests of the listed company are not impaired may be exempted from the provisions of above items (I), (IV) and (V), unless otherwise provided in the Articles of Association. The Company shall disclose the above guarantees in its annual reports and interim reports.

**Article 17** Guarantees provided by the Company to related parties shall be based on reasonable business logic, and are subject to timely disclosure upon consideration and approval of the Board and shall be submitted to a general meeting for consideration and approval. If the Company provides guarantees to controlling shareholders, de facto controllers and related parties, such controlling shareholders, de facto controllers and its related parties shall provide counter-guarantees.

**Article 18** The Company may, if necessary, engage external professional institutions to evaluate the risks of the external guarantees as the basis of decision-making by the Board or the general meeting.

**Article 19** The Company shall enter into writing contracts in respect of external guarantees. The guarantee contracts and the counter-guarantee contracts shall include contents stipulated by the Civil Code of the People's Republic of China and other laws and regulations.

**Article 20** The guarantee contracts shall at least include the following particulars: (I) category and sum of the guaranteed principal creditor's rights; (II) term for the debtor to repay its debt; (III) form of guarantee; (IV) scope of guarantee; (V) term of guarantee; (VI) such other matters as considered necessary to be agreed upon by both parties.

**Article 21** Prior to entering into a guarantee contract, the responsible person shall comprehensively and diligently review the signatory and relevant particulars of the principal contract, the guarantee contract and counter-guarantee contract. The Company shall request the relevant party to amend any clause which may contravene laws, regulations, the Articles of Association and relevant resolutions of the Board or a general meeting of the Company and impose unreasonable obligations or unpredictable risks on the Company. If such party refuses to amend such clauses, the responsible person shall decline to provide guarantee for such party and report to the Board or a general meeting of the Company.

**Article 22** The Chairman of the Company or other legally authorized persons shall sign the guarantee contracts on behalf of the Company pursuant to the resolutions of the Board or a general meeting of the Company. No person shall be entitled to sign such guarantee contracts on behalf of the Company without approval and authorization by a general meeting or the Board of the Company. The responsible person shall not sign guarantee contract beyond his/her authority or sign or affix the Company's seal on the principal contract in the capacity of a guarantor.

**Article 23** The Company may enter into a mutual guarantee agreement with business corporations in compliance with these policies. The responsible person shall timely require the other party to provide relevant financial and accounting statements and other information revealing its debt repayment ability truthfully.

**Article 24** Upon acceptance of a counter-guarantee mortgage or a counter-guarantee pledge, the financial department and legal department of the Company shall complete the relevant legal procedures together, in particular the timely registration of such mortgage or pledge and other procedures.

**Article 25** If the guaranteed debt is due and extension is required, and the Company is required to further provide guarantee, guarantee examination and approval procedures and information disclosure obligations shall be performed again as if it is a new external guarantee.

#### **Chapter IV Management of External Guarantees**

**Article 26** External guarantees shall be handled by the financial department and assisted by legal personnel.

**Article 27** During the process of providing external guarantees, the main duties of the financial department of the Company are as follows:

- (I) to conduct credit investigations and evaluations on the guaranteed entities;
- (II) to handle the specific guarantee procedures;
- (III) to track, inspect and supervise the guaranteed entities subsequent to the provision of the external guarantees;
- (IV) to file and manage documents related to the guaranteed entities with care;
- (V) to honestly provide all information related to the external guarantees of the Company to the Company's auditors in accordance with the regulations in a timely manner;
- (VI) to handle other matters related to the guarantees.

**Article 28** During the process of providing external guarantees, the main duties of legal personnel are as follows:

- (I) to cooperate with the financial department to conduct credit investigations and evaluations on the guaranteed entities;
- (II) to draft or review all documents related to the guarantees from a legal perspective;
- (III) to handle legal disputes related to the external guarantees;
- (IV) to handle debt recovery from the guaranteed entities subsequent to the Company's assumption of the guarantee responsibility;
- (V) to handle other matters related to the guarantees.

**Article 29** The Company shall properly manage the guarantee contracts and relevant historical data, conduct timely inspections, and regularly check with relevant institutions such as banks to ensure that the archived documents are complete, accurate and valid, and pay attention to the time limit of the guarantees.

In the process of contract management, once an abnormal contract has been found that has not been approved by the Board or a general meeting, it shall be reported to the Board in a timely manner.

**Article 30** The Company shall assign special personnel to continue to pay attention to the situation of the guaranteed party, collect the latest financial information and audit reports of the guaranteed party, analyze its financial position and repayment ability regularly, pay attention to the changes in its production and operations, assets and liabilities, external guarantees and division and merger and change of legal representative, establish relevant financial files, and report to the Board on a regular basis.

If the relevant responsible person finds serious deterioration in the state of operation of the guaranteed party or occurrence of major events such as company dissolution or division, he/she shall promptly report to the Board. The Board is responsible for adopting effective measures to minimize losses.

**Article 31** If a debt under an external guarantee is due, the Company shall urge the guaranteed party to discharge its repayment obligation as scheduled. When the Company provides guarantees to others, once the guaranteed party is unable to fulfill its debt repayment obligation when the debt is due, or the guaranteed party goes bankrupt and enters into liquidation, or creditors advocate for the performance of guarantee obligations by the Company, the handling department shall timely learn about the debt repayment status of guaranteed party and initiate procedure of debt recovery by counter-guarantee, and concurrently report to the secretary to the Board who will then report to the Board immediately.

**Article 32** Upon fulfillment of the guarantee obligations for the debtor, the Company shall take effective measures to recover its debts from the debtor. The Company's handling department shall report the debt recovery status to the secretary to the Board, who shall promptly inform the Board of the same.

**Article 33** If the Company finds evidence that the guaranteed party loses or may lose the ability to fulfill its debt repayment obligation, it shall promptly take necessary measures to effectively control the risk; if the Company finds that the creditor and the debtor are on a malicious conspiracy and prejudice the interests of the Company, it shall immediately take measures such as requesting confirmation that the guarantee contract is invalid; if the guaranteed party defaults and causes economic losses, the Company shall promptly demand repayment from the guaranteed party.

**Article 34** The financial department and legal personnel shall propose corresponding measures to a competent leader for review based on other potential risks that may occur, and such competent leader shall submit the same to the general manager's office meeting, the Board depending on the circumstances.

**Article 35** If the Company acts as one of the guarantors for a debt that has been secured by two or more guarantors and it is agreed that the guarantors shall take their respective guarantee obligations in proportion, the Company shall refuse to undertake any guarantee obligation beyond and additional to the agreed proportion.

**Article 36** Subsequent to the acceptance of the debtor's bankruptcy application by the People's Court but no creditor has declared its claims, the relevant responsible person, financial department and legal department shall propose to the Company to participate in the distribution of insolvent assets and exercise its right of recourse in advance.

#### **Chapter V Disclosure of Information on External Guarantees**

**Article 37** The Company shall fulfill the information disclosure obligations of external guarantees strictly in accordance with laws, regulations, rules, normative documents, regulatory rules and the Articles of Association.

**Article 38** Any department or personnel engaged in external guarantees matters of the Company shall have the responsibility to timely report information about such external guarantees to the secretary to the Board and provide the documents and information required for information disclosure.

**Article 39** If the Company provides guarantees and the guaranteed party fails to perform its debt repayment obligation within 15 trading days after the debt is due, or the guaranteed party goes bankrupt and enters into liquidation or other situations that seriously affect its repayment ability, the Company shall get to know the debt repayment status of the guaranteed person on a timely basis.

**Article 40** The Company shall take necessary measures to minimize the number of personnel to whom such information is available before the information of the guarantees is disclosed in accordance with laws. Any person who is aware of the Company's guarantee information legally or illegally shall be subject to the inherent obligations for confidentiality until the date on which such information is disclosed in accordance with laws, failing which he/she shall assume any legal liability arising therefrom.

#### **Chapter VI Responsibilities of the Responsible Person**

**Article 41** The Company shall strictly comply with these policies in respect of the provision of guarantees. The Board of the Company shall impose corresponding penalties on the responsible person at fault in respect of the loss, scale of the risk, and the seriousness of the case.

**Article 42** Any director, general manager or other senior management member of the Company who entered into a guarantee contract beyond their authority without prior consent and without abiding by the provisions hereof shall be held accountable.

**Article 43** Any handling department officers or other responsible persons who breach the provisions of laws or these policies, neglect the risks and provide guarantees without authorization causing losses to the Company, shall assume liability for compensation.

**Article 44** If the Company's handling department officers or other responsible persons fail to fulfill their duties and cause losses to the Company, they shall be subject to economic punishment or sanctions depending on the seriousness of the case.

**Article 45** Where a guarantor is free from guarantee liability according to the provisions of laws, but the Company's handling department officers or other responsible persons act without prior authorization which results in the Company's assumption of liability and subsequent losses, they shall assume liability for compensation and shall be subject to sanctions by the Company.

#### **Chapter VII Supplementary Provisions**

**Article 46** In these policies, the terms "more than" shall include the given figure, and the terms "over" shall not include the given figure.

**Article 47** Unless otherwise specified, the terms used in these policies shall have the same meanings as those defined in the Articles of Association.

**Article 48** Matters not covered by these policies shall be executed in accordance with relevant provisions of laws, regulations and normative documents of the PRC and the place(s) where shares of the Company are listed, and the Articles of Association. In the event that these policies are inconsistent with relevant laws, regulations, normative documents and the Articles of Association, the provisions of such laws, regulations, normative documents and the Articles of Association shall prevail, and these policies shall be submitted to a general meeting of the Company for review and approval after amendment.

**Article 49** These policies shall be construed by the Board of the Company.

**Article 50** These policies shall come into effect upon consideration and approval at a general meeting of the Company.

*The following is a summary of the principal terms of the 2025 A Share Option Incentive Scheme but does not form part of, nor was it intended to be, part of the 2025 A Share Option Incentive Scheme nor should it be taken as effecting the interpretation of the 2025 A Share Option Incentive Scheme:*

## **PURPOSE AND PRINCIPLE OF THE 2025 A SHARE OPTION INCENTIVE SCHEME**

### **I. Purpose of the 2025 A Share Option Incentive Scheme**

For the purpose of further refining and enhancing the Company's long-term incentive framework, attracting and retaining outstanding talents, fully stimulating the motivation of employees of the Company (including its subsidiaries), and effecting an alignment of the interests of the shareholders, the Company and the core team members to foster their mutual attention to the long-term development of the Company, while fully safeguarding the interests of Shareholders and adhering to the principle that incentives shall be commensurate with contributions, the 2025 A Share Option Incentive Scheme has been formulated by the Company in accordance with the PRC Company Law, the PRC Securities Law, the Measures for the Administration of Equity Incentive Schemes for Listed Companies, the STAR Market Listing Rules, the Self-Regulatory Guidelines No. 4 and other relevant laws, regulations and regulatory documents as well as the Articles of Association.

### **II. Overview of Other Equity Incentive Schemes**

As at the date of announcement of the proposed 2025 A Share Option Incentive Scheme, the Company does not have any other equity incentive schemes under implementation.

## **BASIS FOR DETERMINING THE PARTICIPANTS AND SCOPE OF PARTICIPANTS**

### **I. Basis for Determining the Participants**

#### **1. *Legal Basis for Determining the Participants***

The Participants are determined in accordance with the PRC Company Law, the PRC Securities Law, the Measures for the Administration of Equity Incentive Schemes for Listed Companies, the STAR Listing Rules, the Self-Regulatory Guidelines No. 4 and other relevant laws, administrative regulations and regulatory documents as well as the Articles of Association, and the actual situation of the Company.

#### **2. *Positions held by the Participants***

The Participants for the first grant under the 2025 A Share Option Incentive Scheme shall include the Chairman of the Company and persons who are employed by the Company (including its subsidiaries) at the time of the implementation of the 2025 A Share Option Incentive Scheme as considered by the Board of Directors to be required to be incentivized (excluding (other than Mr. Xiong) Directors, Supervisors, members of the senior management). The list of persons who fall within the scope of Participants of the 2025 A Share Option Incentive Scheme shall be drawn up by the Board of Directors, and verified by the Board of Supervisors (or the supervisory body) of the Company.

## **II. Scope of Participants**

The total number of the Participants for the first grant of A Share Options under the 2025 A Share Option Incentive Scheme shall be 251 persons, representing 9.74% of the total number of employees of the Company as at 31 December 2024, who shall include the Chairman of the Company and persons considered by the Board of Directors to be required to be incentivized.

The aforesaid Participants exclude (other than Mr. Xiong) Directors, Supervisors, members of the senior management. All Participants must have an employment or labour relationship with the Company or its subsidiaries at the time of grant of A Share Options by the Company and during the appraisal period of the 2025 A Share Option Incentive Scheme.

The aforesaid Participants include Mr. Xiong, the actual controller and Chairman of the Company. The reason for which he is included him in the 2025 A Share Option Incentive Scheme that Mr. Xiong, as the actual controller of the company and concurrently serving as the chairman of the board, is a core management person of the company. He plays an indispensable and significant role in the Company's strategic planning, operation and management, business expansion, etc. The inclusion of him in the 2025 A Share Option Incentive Scheme will help promote the stability and enthusiasm of the Company's core personnel, thereby contributing to the Company's long-term development.

The aforesaid Participants include certain foreign employees. The reasons for which they are included in the 2025 A Share Option Incentive Scheme are that the Company operates in the biopharmaceutical industry, which is characterized by its fierce competition for talents. The Company devotes its effort to an international development strategy, and the overseas businesses is a crucial part of the Company's future sustainable development. Therefore, attracting and stabilizing international high-end talents is crucial for the Company's development. Participants who are foreign employees play a pivotal role in areas such as the Company's technology research and development, and business development. Equity incentives are commonly used as incentives for overseas companies, the 2025 A Share Option Incentive Scheme will further promote the construction and stability of the Company's core talent team, thereby contributing to the long-term development of the Company.

The Participants of the reserved grant shall be determined within 12 months after the 2025 A Share Option Incentive Scheme being considered and approved at a general meeting. They may include the Directors, members of the senior management and other employees as considered by the Board of Directors to be required to be incentivized, but exclude the Company's independent Directors, Supervisors, Shareholders or actual controllers who individually or collectively holding 5% or more of the Company's shares, along with their spouses, parents, and children. The Company will announce relevant information about the Participants on the designated website timely and accurately in accordance with the requirements after the Board of Directors having made such proposal, the Board of Supervisors (or the supervisory body) having expressed clear opinions, and the Company's legal counsel

having provided professional opinions and issued legal opinions. The reserved grant shall lapse if the Participants cannot be determined within the 12-month period. The basis for determining the Participants for the reserved grant shall be the same as the basis for determining the Participants for the first grant.

**III. Circumstances in Which a Person Is Prohibited From Being a Participant under the 2025 A Share Option Incentive Scheme**

1. The person has been deemed as an inappropriate candidate by the stock exchange in the most recent 12 months;
2. The person has been deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;
3. The person has been imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;
4. The person has been prohibited from acting as a director or a member of the senior management of a company under the PRC Company Law;
5. The person has been prohibited from participating in any equity incentives of a listed company under laws and regulations;
6. Any other circumstances as prescribed by the CSRC.

During the implementation process of the 2025 A Share Option Incentive Scheme, if any of the above circumstances in relation to a Participant arises, the Company shall terminate his/her right to participate in the 2025 A Share Option Incentive Scheme, and any A Share Option that has been granted to him/her shall not be exercised and shall be cancelled by the Company.

**IV. Verification of Participants**

1. Upon consideration and approval of the 2025 A Share Option Incentive Scheme by the Board of Directors, the Company shall publish the names and positions of the Participants internally through the Company's website or other channels for no less than 10 days.
2. The Board of Supervisors (or the supervisory body) shall review the relevant information of the Participants while taking sufficient consideration of the public response, and shall disclose the information regarding the review by the Board of Supervisors (or the supervisory body) of the list of Participants and its publication five days prior to the 2025 A Share Option Incentive Scheme being considered at the

general meeting. Any adjustments to the list of Participants made by the Board of Directors of the Company shall also be reviewed by the Board of Supervisors (or the supervisory body) of the Company.

## **ENTITLEMENTS TO BE GRANTED UNDER THE 2025 A SHARE OPTION INCENTIVE SCHEME**

### **I. Form of Entitlements to Be Granted under the 2025 A Share Option Incentive Scheme**

A Share Options shall be the form of incentive being adopted under the 2025 A Share Option Incentive Scheme.

### **II. Source and Type of Underlying Shares Involved in Entitlements to Be Granted under the 2025 A Share Option Incentive Scheme**

The source of underlying shares of the 2025 A Share Option Incentive Scheme shall be RMB ordinary A shares of the Company repurchased by the Company from the secondary market and/or issued to specific Participants.

### **III. The Number of Entitlements to be Granted under the 2025 A Share Option Incentive Scheme and its Proportion to the Total Shares of the Company**

The total number of the A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme shall be 26,175,871 A Share Options, representing approximately 2.55% of the total registered capital of the Company of 1,025,874,000 Shares (excluding treasury shares) as at the date of announcement of the draft 2025 A Share Option Incentive Scheme. Among which 25,376,000 A Share Options are proposed to be granted under the first grant, representing approximately 2.47% of the total registered capital of the Company (excluding treasury shares) as at the date of announcement of the draft 2025 A Share Option Incentive Scheme and 96.88% of the total number of the A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme; and 815,871 A Share Options are to be reserved, representing approximately 0.08% of the total registered capital of the Company (excluding treasury shares) and 3.12% of the total number of the A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme.

The cumulative total number of underlying shares involved under all share incentive schemes of the Company which are within their validity periods does not exceed 10.00% of the Company's total registered capital (excluding treasury shares) as at the date of announcement of the draft 2025 A Share Option Incentive Scheme. The total number of Shares to be granted to any Participant under all share incentive schemes of the Company which are within their validity periods does not exceed 1.00% of the total share capital of the Company (excluding treasury shares) as at the date of announcement of the draft 2025 A Share Option Incentive Scheme.

In the event of conversion of capital reserve into share capital, bonus issue, share split or share consolidation, rights issue, dividend distribution, and other ex-rights and ex-dividend matters of the Company during the period from the date of announcement of the draft 2025 A Share Option Incentive Scheme to the completion of exercise of the A Share Options by the Participants, the exercise price of the A Share Options and/or the number of A Share Options should be adjusted accordingly.

#### IV. List of Participants and Allocation of Entitlements to be Granted

The allocation of entitlements to be granted under the 2025 A Share Option Incentive Scheme is shown in the following table:

No.	Participant	Number of the A Share Options to be granted (‘0,000)	Percentage to the total number of the A Share Options to be granted	Percentage to the total share capital of the Company as at the date of announcement of the 2025 A Share Option Incentive Scheme
<b>I. First grant</b>				
(i)	Mr.Xiong	800.0000	30.56%	0.78%
(ii)	Persons considered by the Board to be required to be incentivized (250 persons)	1,736.000	66.32%	1.69%
	<b>Total</b>	2,536.0000	96.88%	2.47%
<b>II. Reserved grant</b>				
		81.5871	3.12%	0.08%
	<b>Total</b>	2,617.5871	100%	2.55%

*Notes:*

- The total number of Shares to be granted to any Participant under all share incentive schemes of the Company which are within their validity periods does not exceed 1% of the total share capital of the Company. The cumulative total number of underlying shares involved under all share incentive schemes of the Company which are within their validity periods does not exceed 10% of the Company's total share capital (excluding treasury shares) as at the date of announcement of the draft 2025 A Share Option Incentive Scheme.
- The Participants for the first grant under the 2025 A Share Option Incentive Scheme exclude (other than Mr. Xiong) Directors, Supervisors and members of the senior management of the Company.
- The Participants of the reserved grant shall be determined within 12 months after the 2025 A Share Option Incentive Scheme being considered and approved at a general meeting. The Company will announce relevant information about the Participants on the designated website timely and accurately in accordance with the requirements after the Board of Directors having made such proposal, the Board of Supervisors (or the supervisory body) having expressed clear opinions, and the Company's counsel having provided professional opinions and issued legal opinions.
- Any discrepancies between the total shown and the breakdowns of the amounts listed in the 2025 A Share Option Incentive Scheme are due to rounding.

**VALIDITY PERIOD, GRANT DATE, VESTING PERIOD, EXERCISE  
ARRANGEMENT AND LOCK-UP PERIOD OF THE 2025 A SHARE OPTION  
INCENTIVE SCHEME****I. Validity Period of the 2025 A Share Option Incentive Scheme**

The validity period of the 2025 A Share Option Incentive Scheme commences on the date of the first grant of A Share Options and ends on the date on which all A Share Options granted to the Participants have been exercised or cancelled. Such validity period shall not exceed 48 months.

**II. Grant Date of the 2025 A Share Option Incentive Scheme**

The grant date shall be determined by the Board of Directors after the 2025 A Share Option Incentive Scheme has been considered and approved at a general meeting. The grant date must be a trading day.

If the conditions for the grant are satisfied within 60 days after the 2025 A Share Option Incentive Scheme having been considered and approved at a general meeting, the Company shall grant the A Share Options under the first grant to the Participants, and complete the relevant procedures including registration and announcement. If the Company is unable to complete the above procedures within the 60-day period, the Company shall make a timely announcement to disclose the reason for being unable to complete the procedures and announce the termination of the 2025 A Share Option Incentive Scheme. Any A Share Options that remains not granted under the 2025 A Share Option Incentive Scheme shall lapse. The period during which no entitlements shall be granted by listed companies pursuant to relevant laws and regulations is excluded from the calculation of the 60-day period.

The grant date of reserved grant of A Share Options shall be determined by the Board of Directors after it has been considered and approved at a general meeting.

**III. Vesting Period of the 2025 A Share Option Incentive Scheme**

The vesting period for the A Share Options shall commence from the respective grant date and end on the exercise date of the A Share Options. The A Share Options granted to the Participants shall be subject to different vesting periods, with each calculated from the respective grant date. The vesting periods for the first grant of A Share Options shall be 12 months and 24 months from the date of the first grant, respectively. The vesting periods for the reserved grant of A Share Options shall be 12 months and 24 months from the date of the reserved grant, respectively. During the vesting period, the A Share Options granted to the Participants shall not be transferred, pledged for guarantees or used for repayment of debt.

**IV. Exercise Date**

Upon expiry of the vesting period under the 2025 A Share Option Incentive Scheme, the A Share Options granted to the Participants will enter the Exercise Period. Upon fulfilment of the corresponding Exercise Conditions, the A Share Options shall be exercised in accordance with the exercise arrangements of the 2025 A Share Option Incentive Scheme, subject to compliance with the relevant regulations of the CSRC, the Shanghai Stock Exchange, and the Hong Kong Stock Exchange. The exercise date must be a trading day, and shall not fall within any of the following periods:

- (i) within 15 days prior to the publication of annual and interim reports of the Company. In case of any postponed publication of such reports due to special circumstances, the period shall be 15 days prior to the original scheduled publication date to the day before the actual publication date;
- (ii) within 5 days prior to the publication of quarterly reports, results forecast or preliminary results of the Company;
- (iii) during the period from the date of occurrence of a material event which may have a considerable impact on the trading price of the shares of the Company and their derivatives, or the date of entering the decision-making process, up to the date of disclosure in accordance with the laws;
- (iv) any other period stipulated by the CSRC, the Shanghai Stock Exchange, and the Hong Kong Stock Exchange.

The above “material event” refers to a transaction or other significant event that should be disclosed by the Company under the Listing Rules. During the validity period of the 2025 A Share Option Incentive Scheme, if there is any change to the requirements regarding the above periods under the PRC Company Law, the PRC Securities Law and other relevant laws, administrative regulations, regulatory documents and the Articles of Association, the exercise of A Share Options by the Participants shall be subject to the PRC Company Law, the PRC Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association as amended.

**V. Exercise Arrangement of the 2025 A Share Option Incentive Scheme**

The Exercise Period and exercise arrangement for the First Grant of A Share Options under the 2025 A Share Option Incentive Scheme are as follows:

<b>Exercise Arrangement</b>	<b>Exercise Period</b>	<b>Proportion of exercisable A Share Options to the total number of A Share Options granted</b>
First Exercise Period	Commencing from the first trading day after the expiry of the 12 <sup>th</sup> month from the Date of the First Grant of A Share Options, and ending on the last trading day of the 24 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24 <sup>th</sup> month from the Date of the First Grant of A Share Options, and ending on the last trading day of the 36 <sup>th</sup> month from the Grant Date of the First Grant of A Share Options	50%

The Exercise Period and exercise arrangement for the reserved grant of A Share Options are as follows:

Exercise Arrangement	Exercise Period	Proportion of exercisable A Share Options to the total number of A Share Options granted
First Exercise Period	Commencing from the first trading day after the expiry of the 12 <sup>th</sup> month from the Grant Date of the Reserved Grant of A Share Options, and ending on the last trading day of the 24 <sup>th</sup> month from the Grant Date of the Reserved Grant of A Share Options	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24 <sup>th</sup> month from the Grant Date of the Reserved Grant of A Share Options, and ending on the last trading day of the 36 <sup>th</sup> month from the Grant Date of the Reserved Grant of A Share Options	50%

A Share Options for which the Exercise Conditions are not fulfilled during the above agreed period shall not be exercised or deferred to the next Exercise Period, and the relevant A Share Options of such Participants shall be cancelled by the Company in accordance with the principles stipulated in the 2025 A Share Option Incentive Scheme. After the end of each Exercise Period of the A Share Options, the A Share Options that have not been exercised by the Participants for the current period shall be terminated and cancelled by the Company.

Upon fulfilment of the Exercise Conditions for the A Share Options, the Company shall handle the matters in relation to the exercise of such A Share Options for the Participants.

**VI. Lock-up Period of the 2025 A Share Option Incentive Scheme**

Lock-up period refers to the period during which the Participants are prohibited from selling their A Shares acquired from the exercise of A Share Options granted to them. No additional lock-up period shall be imposed for the shares acquired from the exercise of A Share Options granted under the 2025 A Share Option Incentive Scheme. Where the Participant is a Director or a member of the senior management of the Company, the lock-up requirements shall be subject to the relevant provisions of the PRC Company Law, the PRC Securities Law, the Interim Measures for the Administration of Share Reduction by Shareholders of Listed Companies, the Rules for the Management of Shares Held by Directors and Senior Management of Listed Companies and Changes Therein, the Self-regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 15 – Shareholding Reduction by Shareholders, Directors, and Senior Management Officers, and the Articles of Association as follows:

- (i) Where the Participant is a director or a member of the senior management of the Company, the number of shares which may be transferred each year during his/her term of office as determined when he/she takes office shall not exceed 25% of the total number of shares of the Company held by him/her. No shares of the Company held by him/her may be transferred within six months after his/her termination of office;
- (ii) Where the Participant is a director or a member of the senior management of the Company, if he/she has sold the Company's shares held by him/her within 6 months after acquiring such shares, or if he/she has acquired the shares within 6 months after selling his/her shares, the gains obtained therefrom shall be attributed to the Company and the Board of Directors shall forfeit the gains;
- (iii) Where the Participant is a director or a member of the senior management of the Company, his/her reduction of shareholding in the Company shall also be subject to the relevant provisions of the Interim Measures for the Administration of Share Reduction by Shareholders of Listed Companies, the Rules for the Management of Shares Held by Directors and Senior Management of Listed Companies and Changes Therein, the Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 15, and the Articles of Association;
- (iv) Where the Participant is a Director or a member of the senior management of the Company, during the validity period of the 2025 A Share Option Incentive Scheme, if there are changes to the requirements regarding the transfer of the Company's shares held by the Directors and members of the senior management of the Company under the relevant laws, administrative regulations and departmental rules, the transfer of the Company's shares held by him/her shall be subject to the relevant laws, administrative regulations and departmental rules as amended at the time of transfer.

**EXERCISE PRICE AND ITS BASIS OF DETERMINATION OF A SHARE OPTIONS****I. Exercise Price of the First Grant of A Share Options**

The exercise price of the first grant of A Share Options under the 2025 A Share Option Incentive Scheme shall be RMB46.67 per A Share. A Participant who has fulfilled the conditions for the grant and Exercise Conditions may acquire 1 RMB ordinary A Share at a price of RMB46.67 for each A Share Option granted to him/her during the Exercise Period.

**II. Basis of Determination of the Exercise Price of the First Grant of A Share Options**

The exercise price of the first grant of A Share Options shall not be lower than the nominal value of the Company's A Shares and shall not be set at a price lower than the higher of:

- (i) the average trading price of the Company's shares on the trading day immediately preceding the announcement of the draft 2025 A Share Option Incentive Scheme (total trading amount of the Company's shares on the trading day immediately preceding the announcement/total trading volume of the Company's shares on the trading day immediately preceding the announcement), i.e., RMB46.67 per A Share;
- (ii) the average trading price of the Company's shares for the 120 trading days immediately preceding to the announcement of the draft 2025 A Share Option Incentive Scheme (total trading amount of the Company's shares on the 120 trading days immediately preceding the announcement/total trading volume of the Company's shares on the 120 trading days immediately preceding the announcement), i.e., RMB37.00 per A Share.

**III. Basis of Determination of the Exercise Price of the Reserved Grant of A Share Options**

The exercise price of the reserved grant of A Share Options under the 2025 A Share Option Incentive Scheme shall be the same as the exercise price of the first grant of A Share Options, i.e., RMB46.67 per A Share. The reserved grant of A Share Options is subject to consideration and approval of relevant proposals at a meeting of the Board of Directors, and disclosure of details of the grant.

**CONDITIONS OF THE GRANT AND EXERCISE CONDITIONS OF THE A SHARE  
OPTIONS****I. Conditions of the Grant of A Share Options**

The A Share Options can be granted to the Participants by the Company upon fulfillment of all of the following conditions. On the contrary, no A Share Option shall be granted to the Participants if any of the following conditions of grant is not fulfilled.

(i) There is no occurrence of any of the following in respect of the Company:

1. issuance of the auditors' report with an adverse opinion or which indicate an inability to give opinion by a certified public accountant with respect to the financial accounting report of the Company for its most recent accounting year;
2. issuance of the auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings within the last 36 months after listing;
4. prohibition from implementation of share incentives by laws and regulations; and
5. such other circumstances as determined by the CSRC.

(ii) There is no occurrence of any of the following in respect of a Participant:

1. the person has been determined by the Shanghai Stock Exchange as an ineligible person in the last 12 months;
2. the person has been determined by the CSRC or its dispatch agencies as an ineligible person in the last 12 months;
3. the person has been imposed by the CSRC or its dispatch agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material violation of laws and regulations;
4. the person is prohibited from acting as a director or a member of the senior management of a company as required by the PRC Company Law;

5. the person is prohibited from participating in share incentives of listed companies as required by laws and regulations; and
6. such other circumstances as determined by the CSRC.

## **II. Exercise Conditions of the A Share Options and Clawback Mechanism**

A Share Options of the Participants may only be exercised upon the fulfillment of the following conditions by both the Company and the Participants during the Exercise Period:

- I.** There is no occurrence of any of the following circumstances in respect of the Company:
  - (i) issuance of the auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial accounting report of the Company for its most recent accounting year;
  - (ii) issuance of the auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
  - (iii) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings within the last 36 months after listing;
  - (iv) prohibition from implementation of share incentives by laws and regulations; and
  - (v) such other circumstances as determined by the CSRC.

2. There is no occurrence of any of the following circumstances in respect of a Participant:
- (i) the person been determined by the Shanghai Stock Exchange as an ineligible person in the last 12 months;
  - (ii) the person has been determined by the CSRC or its dispatch agencies as an ineligible person in the last 12 months;
  - (iii) the person has been imposed by the CSRC or any of its dispatch agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material violation of laws and regulations;
  - (iv) the person is prohibited from acting as a director or a member of the senior management of a company as required by the PRC Company Law;
  - (v) the person is prohibited from participating in share incentives of listed companies as required by laws and regulations; and
  - (vi) such other circumstances as determined by the CSRC.

If any of the circumstances specified in paragraph (1) above occurs to the Company, the 2025 A Share Option Scheme shall be terminated, and all A Share Options granted to the Participants but not yet exercised shall not be exercised and shall be cancelled by the Company. If any of the clawback circumstances specified in paragraph (2) above occurs to any Participant, the A Share Options granted to the Participant but not yet exercised shall not be exercised and shall be cancelled by the Company.

**3. *Employment tenure requirements for the Participants to exercise their rights***

The Participants must have been employed for at least 12 months prior to the exercise of A Share Options.

**4. Performance assessment at the Company level**

The performance assessment period for the A Share Options granted under the 2025 A Share Option Incentive Scheme shall be the three fiscal years from 2025 to 2027, with annual performance assessments conducted. An assessment will be conducted every fiscal year, and fulfillment of the performance assessment targets is one of the conditions for the Participants to exercise their A Share Options in that year. The performance assessment targets for each fiscal year, Exercise Period, together with the proportion of A Share Options to be exercised are shown in the table below:

Exercise Period	Corresponding assessment year	Performance Target A Exercise proportion 100%	Performance Target B Exercise proportion 90%	Performance Target C Exercise proportion 80%
First Exercise Period	2025	Fulfillment of any of the following conditions:  1. the operating income in 2025 shall not be less than RMB2.4 billion;  2. the loss reduction ratio for net profit in 2025 shall not be less than 29% as compared with 2024	Fulfillment of any of the following conditions:  1. the operating income in 2025 shall not be less than RMB2.3 billion;  2. the loss reduction ratio for net profit in 2025 shall not be less than 27% as compared with 2024	Fulfillment of any of the following conditions:  1. the operating income in 2025 shall not be less than RMB2.2 billion;  2. the loss reduction ratio for net profit in 2025 shall not be less than 25% as compared with 2024

Exercise Period	Corresponding assessment year	Performance Target A Exercise proportion 100%	Performance Target B Exercise proportion 90%	Performance Target C Exercise proportion 80%
Second Exercise Period	2026	Fulfillment of any of the following conditions:	Fulfillment of any of the following conditions:	Fulfillment of any of the following conditions:
		1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion;	1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion;	1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion;
		2. the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024	2. the loss reduction ratio for net profit in 2026 shall not be less than 74% as compared with 2024	2. the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024

*Notes:*

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment. The same applies below.
2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to shareholders of the listed company, excluding the share-based payment expenses incurred by the Company in implementing all share incentive schemes.
3. The performance targets associated with the Exercise Conditions do not constitute the Company's performance forecast or substantive commitment to investors.

If the A Share Options under the reserved grant are granted on or before 30 September 2025 (inclusive), the annual performance assessment arrangements for the A Share Options under the reserved grant shall be consistent with those for the first grant.

If the A Share Options under the reserved grant are granted after 30 September 2025 (exclusive), the annual performance assessment requirements for the exercise of the A Share Options under the reserved grant are as shown in the table below:

Exercise Period	Corresponding assessment year	Performance Target A Exercise proportion 100%	Performance Target B Exercise proportion 90%	Performance Target C Exercise proportion 80%
First Exercise Period	2026	Fulfillment of any of the following conditions:  1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion;  2. the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024	Fulfillment of any of the following conditions:  1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion;  2. the loss reduction ratio for net profit in 2026 shall not be less than 74% as compared with 2024	Fulfillment of any of the following conditions:  1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion;  2. the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024
Second Exercise Period	2027	Fulfillment of any of the following conditions:  1. the accumulated operating income from 2025 to 2027 shall not be less than RMB9.0 billion;  2. the net profit in 2027 shall not be less than RMB0	Fulfillment of any of the following conditions:  1. the accumulated operating income from 2025 to 2027 shall not be less than RMB8.7 billion;  2. the loss reduction ratio for net profit in 2027 shall not be less than 92% as compared with 2024	Fulfillment of any of the following conditions:  1. the accumulated operating income from 2025 to 2027 shall not be less than RMB8.4 billion;  2. the loss reduction ratio for net profit in 2027 shall not be less than 90% as compared with 2024

*Notes:*

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment.
2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to shareholders of the listed company, excluding the share-based payment expenses incurred by the Company in implementing all share incentive schemes.
3. The performance targets associated with the Exercise Conditions do not constitute the Company's performance forecast or substantive commitment to investors.

During the Exercise Period, the Company shall handle the issues concerning the exercise of the A Share Options for the Participants who fulfill the Exercise Conditions. If the performance levels for the current period of the Company do not fulfill the conditions of performance assessment target C during such Exercise Period, all Participants shall not exercise the exercisable A Share Options that shall be assessed in such year, the Company shall cancel the A Share Options exercisable by the Participants for the current period.

#### **5. *Performance assessment at the individual level***

The individual assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual performance assessment of Participants are divided into five levels: "outstanding", "excellent", "meets standards", "partly meets standards" and "fails to meet standards", and the corresponding exercise availability is as follows:

Assessment Level	Outstanding, Excellent, Meets Standard	Partially Meets Standard	Does Not Meet Standard
Individual Exercise			
Availability Factor (P)	100%	50%	0%

#### **6. *Application of Assessment Results***

The actual number of A Share Options available for exercise by the Participant for the current assessment year = the number for exercise by the individual under the 2025 A Share Option Incentive Scheme for the current year × company exercise availability factor × individual exercise availability factor (P).

The A Share Options of a Participant that cannot be exercised or cannot be fully exercised for the current assessment year shall be cancelled by the Company, and shall not be deferred to subsequent years.

**III. Explanation of the scientific and rational nature of the assessment indicators**

The assessment indicators set in this 2025 A Share Option Incentive Scheme comply with relevant regulations such as the Measures for the Administration of Equity Incentive Schemes for Listed Companies and include both company-level performance assessments and individual-level performance assessments.

When formulating the performance targets for this 2025 A Share Option Incentive Scheme, the Company fully considered factors such as the macroeconomic environment, the current state of industry development, the Company's historical performance, current operating conditions, and future development plans. Based on confidence in the Company's long-term, sustainable, and stable development prospects and recognition of its intrinsic value, the Company selected operating revenue or net profit as the assessment indicators. Operating revenue and net profit, as the Company's core financial indicators, reflect the Company's confidence in its operating conditions and market expansion, and are among the key indicators for forecasting business trends. By using these as performance assessment targets, the indicators are set in a reasonable and scientific manner, are appropriately challenging, and help to motivate employees, thereby ensuring the realization of the Company's future development strategies and business objectives.

In addition to company-level performance assessments, the Company has also established a rigorous individual-level performance evaluation system, which can provide a relatively accurate and comprehensive assessment of the performance of the Participants. The Company will determine whether the Participants meet the conditions for exercising A Share Options and the specific number of exercisable A Share Options based on the results of their individual performance evaluations.

In summary, the assessment indicators set in this 2025 A Share Option Incentive Scheme are scientific and reasonable, comprehensive, integrated, and operable. They can effectively motivate and restrain the Participants, providing a solid guarantee for the realization of the Company's development strategies and business objectives.

METHODS AND PROCEDURES RELATING TO ADJUSTMENT OF THE 2025 A  
SHARE OPTION INCENTIVE SCHEME**I. Adjustment methods of the number of A Share Options**

In the event of capitalization of capital reserves, bonus issue, share subdivision, rights issue, share consolidation of the Company during the period from the date of the announcement of the 2025 A Share Option Incentive Scheme to the completion of share registration of A Share Options by the Participants, the number of the A Share Options shall be adjusted accordingly. The adjustment methods are as follows:

**(i) Capitalization of capital reserves, bonus issue, share subdivision**

$$Q = Q_0 \times (1 + n)$$

Where:  $Q_0$  represents the number of the A Share Options prior to the adjustment;  $n$  represents the ratio of increase per share resulting from capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased share(s) per share upon capitalization of capital reserves, bonus issue or share subdivision); and  $Q$  represents the number of the A Share Options after the adjustment.

**(ii) Rights issue**

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where:  $Q_0$  represents the number of the A Share Options prior to the adjustment;  $P_1$  represents the closing price of the A Share Options as at the record date;  $P_2$  represents the subscription price in respect of the rights issue;  $n$  represents the ratio of the right issue (i.e. the number of shares to be issued under the rights issue in proportion to the total share capital of the Company prior to the rights issue); and  $Q$  represents the number of the A Share Options after the adjustment.

**(iii) Share consolidation**

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of the A Share Options prior to the adjustment;  $n$  represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into  $n$  shares); and  $Q$  represents the number of the A Share Options after the adjustment.

*(iv) Dividend distribution, new issue*

In the event of distribution of dividends or issue of new shares by the Company, the number of the A Share Options will not be adjusted.

**II. Adjustment methods of the Exercise Price of A Share Options**

In the event of capitalization of capital reserves, bonus issue, share subdivision, rights issue or share consolidation or dividend distribution of the Company during the period from the date of announcement of the 2025 A Share Option Incentive Scheme to the completion of exercise of the A Share Options by the Participants, the Exercise Price of A Share Options should be adjusted accordingly. The adjustment methods are as follows:

*(i) Capitalization of capital reserves, bonus issue, share subdivision*

$$P = P_0 \div (1 + n)$$

Where:  $P_0$  represents the Exercise Price prior to the adjustment;  $n$  represents the ratio of increase per share resulting from the capitalization of capital reserves, bonus issue or share subdivision; and  $P$  represents the Exercise Price after the adjustment.

*(ii) Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where:  $P_0$  represents the Exercise Price prior to the adjustment;  $P_1$  represents the closing price of the A Share Options as at the record date;  $P_2$  represents the subscription price in respect of the rights issue;  $n$  represents the ratio of the rights issue (i.e. the number of shares to be issued under the rights issue in proportion to the total share capital of the Company prior to the rights issue); and  $P$  represents the Exercise Price after the adjustment.

*(iii) Share consolidation*

$$P = P_0 \div n$$

Where:  $P_0$  represents the Exercise Price prior to the adjustment;  $n$  represents the ratio of share consolidation; and  $P$  represents the Exercise Price after the adjustment.

*(iv) Dividend distribution*

$$P = P_0 - V$$

Where:  $P_0$  represents the Exercise Price prior to the adjustment;  $V$  represents the dividend per share; and  $P$  represents the Exercise Price after the adjustment. After the adjustment of dividend distribution,  $P$  shall still be greater than 1.

*(v) New issue*

In the event of issue of new shares by the Company, the Exercise Price of the A Share Options will not be adjusted.

**III. Procedures for adjustment of the 2025 A Share Option Incentive Scheme**

The general meetings of the Company shall authorize the Board of Directors to adjust the number and Exercise Price of the A Share Options when the aforementioned circumstances arise. The Company shall engage legal counsel to provide professional advice to the Company as to whether such adjustments are in compliance with the requirements under the Administration Measures, the Articles of Association and the 2025 A Share Option Incentive Scheme. The Board of Directors shall make an announcement and notify the Participants in a timely manner upon making adjustments to the number granted and Exercise Price of the A Share Options in accordance with the abovementioned requirements.

**ACCOUNTING TREATMENT OF THE 2025 A SHARE OPTION INCENTIVE SCHEME**

In accordance with relevant requirements of the Accounting Standards for Business Enterprises No. 11 – Share-Based Payments\* (《企業會計準則第11號–股份支付》) and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments\* (《企業會計準則第22號–金融工具確認和計量》), at each balance sheet date within the vesting period, the Company shall revise the number of the A Share Options subject to exercise according to the changes in the latest available number of persons eligible to exercise the A Share Options, fulfilment of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the A Share Options on the grant date.

**I. Accounting Treatment***(i) Grant date*

Since the A Share Options cannot be exercised on the grant date, no related accounting treatment is required. The Company will use the binomial model as the pricing model to determine the fair value of the A Share Options on the date of the first grant.

***(ii) Vesting period***

The Company shall include the services received during current period in costs or current expense on each balance sheet date during the vesting period based on the best estimate of the number of A Share Options available for exercise and the fair value of the A Share Options on the Grant Date, and recognize them under “capital reserve – other capital reserve” without recognizing subsequent changes in fair value.

***(iii) Accounting treatment subsequent to the exercise date***

No adjustment shall be made to the relevant costs and expenses, and the total owner’s equity, which have already been recognized.

***(iv) Exercise date***

If the Exercise Conditions are fulfilled on the exercise date, the A Share Options can be exercised and carried forward to the “capital reserve – other capital reserve” recognized on each balance sheet date before the exercise date; if all or part of the A Share Options are lapsed or become invalid due to failure to exercise, they shall be cancelled by the Company and treated in accordance with accounting standards and related regulations based on the specific circumstances.

***(v) Fair value of the A Share Options and its basis of determination***

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 – Share-Based Payments\* (《企業會計準則第11號–股份支付》) and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments\* (《企業會計準則第22號–金融工具確認和計量》), the Company uses the binomial model as the pricing model, and the Company uses this model to make an estimation on the fair value of the A Share Options under the first grant based on 2 September 2025 as the benchmark date (official calculation will be conducted at the time of grant). The specific parameters are selected as follows:

1. Underlying share price: RMB46.27 per share (assuming the closing price on the date of the first grant is the same as the closing price on 2 September 2025);
2. Validity periods: 1 year and 2 years, respectively (i.e., the period from Grant Date to the first exercise date of each Exercise Period);
3. Historical volatility: 39.86%, 40.80%, respectively (using the volatility rates of the comparable companies for the relevant periods, respectively);

4. Risk-free interest rates: 1.40% and 1.48% (based on the yield of Chinese government bonds on the benchmark date respectively. The Company selected the yield of Chinese government bonds closest to maturity as the risk-free rate);

## II. Estimated Impact of the Implementation of A Share Options on Operating Performance in Each Period

The Company will grant 26,175,871 A Share Options to the Participants, among which 25,360,000 A Share Options will be granted under the first grant. The fair value of the A Share Options on the Grant Date was estimated based on the closing data on the trading day prior to the publication of the draft 2025 A Share Option Incentive Scheme, and the total fair value of equity instruments for the first grant was estimated to be RMB267.9345 million. The total amount of above expenses as the incentive cost of the 2025 A Share Option Incentive Scheme will be recognized over the course of the 2025 A Share Option Incentive Scheme in exercise proportion in tranches and will be charged to operating profit or loss. In accordance with accounting standards, the actual amount shall be based on the fair value of the shares calculated on the “actual grant date”, assuming the Grant Date to be in September 2025, and all the Participants meet the Exercise Conditions stipulated in the 2025 A Share Option Incentive Scheme and exercise all their rights within each Exercise Period, the amortization of cost of the A Share Options from the years 2025 to 2027 is as follows:

*Unit: RMB0'000*

<b>Number of A Share Options under the first grant ('0,000)</b>	<b>Total expenses to be amortized</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
2,536.00	26,793.45	4,816.10	16,330.55	5,646.80

*Notes:*

1. The above cost amortization forecast does not represent the final accounting costs. The actual accounting costs are not only related to the actual Grant Date, the closing price on the Grant Date, and the number of A Share Options granted, but are also related to the actual number of A Share Options available for exercise and lapsed. Shareholders are also advised to pay attention to the potential dilutive effect.
2. The final impact of the above cost amortization forecast on the Company's operating results will be subject to the audit report issued by the accounting firm for the year.
3. Any discrepancies between the total shown and the breakdowns of the amounts listed in the above table are due to rounding.

The costs of the 2025 A Share Option Incentive Scheme shall be charged to the costs and expenses. Without considering the positive effect of the 2025 A Share Option Incentive Scheme on the Company's performance, the Company estimates that, based on current information, the amortization of costs and expenses of the 2025 A Share Option Incentive Scheme will have an

impact on the net profit each year within the validity period. Considering the positive effect of the 2025 A Share Option Incentive Scheme on the Company's operation and development, which will stimulate the enthusiasm of the key employees, improve operating efficiency and reduce operating costs, the 2025 A Share Option Incentive Scheme will have a positive effect on the Company's performance.

## **PROCEDURES FOR IMPLEMENTATION, GRANT, EXERCISE, AMENDMENT AND TERMINATION OF THE 2025 A SHARE OPTION INCENTIVE SCHEME**

### **I. Procedures for the 2025 A Share Option Incentive Scheme to Take Effect**

- (i) The Remuneration and Appraisal Committee under the Board of Directors of the Company is responsible for formulating the draft 2025 A Share Option Incentive Scheme and its summary and the Assessment Management Measures for Implementation of the 2025 A Share Option Incentive Scheme of the Company, and submit the same to the Board of Directors for consideration.
- (ii) The Board of Directors of the Company shall resolve on the 2025 A Share Option Incentive Scheme in accordance with the laws. When the Board of Directors resolves on the 2025 A Share Option Incentive Scheme, any director who is a proposed Participant or has an affiliated relationship with a Participant shall abstain from voting. After the Board of Directors approves the 2025 A Share Option Incentive Scheme and completes the required public disclosure and announcement procedures, the 2025 A Share Option Incentive Scheme shall be proposed at a general meeting for consideration. An authorization shall also sought at the general meeting for the Board of Directors to handle the grant, exercise, cancellation and other matters related to the A Share Options.
- (iii) The Board of Supervisors (or the supervisory body) shall express opinions as to whether the 2025 A Share Option Incentive Scheme is conducive to the sustainable development of the Company, and whether there are any circumstances apparently harmful to the interests of the Company and all shareholders.
- (iv) The legal advisor engaged by the Company shall issue a legal opinion on the 2025 A Share Option Incentive Scheme.
- (v) Within two trading days after the Board of Directors having reviewed and approved the draft 2025 A Share Option Incentive Scheme, the Company will make an announcement of the board resolutions, the draft and summary of the 2025 A Share Option Incentive Scheme, and the opinions of the Board of Supervisors.
- (vi) The Company shall carry out self-investigation on the trading of shares of the Company by individuals in possession of inside information within six months prior to the announcement of the 2025 A Share Option Incentive Scheme.

(vii) Before convening a general meeting, the Company shall announce the names and positions of the Participants internally via the Company's website or other channels for no less than 10 days. The Board of Supervisors (or the supervisory body) shall review the list of Participants and take sufficient consideration of the public response. The Company shall disclose the information regarding the review by the Board of Supervisors (or the supervisory body) regarding the list of Participants and the publication responses five days prior to the consideration of the 2025 A Share Option Incentive Scheme at the general meeting.

(viii) The general meeting shall vote on the content of the 2025 A Share Option Incentive Scheme as stipulated in Article 9 of the Administration Measures, and such scheme shall be approved by at least two-thirds of the voting rights held by Shareholders present at the meeting. A separate vote count shall be conducted and disclosed for Shareholders other than the Directors, Supervisors, members of the senior management of the Company, and Shareholders who individually or collectively hold 5% or more of the Company's shares.

When the general meeting of the Company resolves on the 2025 A Share Option Incentive Scheme, any Shareholder who is a Participant or has an affiliated relationship with a Participant shall abstain from voting.

(ix) The Company shall make an announcement of the resolutions of the general meeting, and shall disclose the self-investigation report on the trading of shares of the Company by individuals in possession of inside information and relevant legal opinions.

(x) After the 2025 A Share Option Incentive Scheme has been considered and approved by the general meeting of the Company, the Board of Directors will make the first grant of A Share Options to the Participants and complete the announcements, registration and other relevant procedures pursuant to the authorization granted by the shareholders within 60 days after the 2025 A Share Option Incentive Scheme having been adopted and approved at a general meeting. The Board of Directors shall handle matters including the exercise and cancellation of A Share Options in accordance with the authorization at a general meeting.

## **II. Procedures for Grant under the 2025 A Share Option Incentive Scheme**

(i) The Company shall convene a meeting of the Board of Directors to grant the A Share Options to the Participants within 60 days from the date on which the 2025 A Share Option Incentive Scheme has been adopted and approved at a general meeting.

- (ii) Before the grant of A Share Options to the Participants by the Company, the Remuneration and Appraisal Committee shall make recommendations to the Board of Directors on the fulfillment of the conditions for the grant of entitlements to the Participants, and the Board of Directors shall consider whether the Participants have satisfied the conditions for the grant of entitlements prescribed in the 2025 A Share Option Incentive Scheme and make an announcement thereafter. The Board of Supervisors (or the supervisory body) shall also express its clear opinions at the same time. The legal advisor shall issue a legal opinion as to whether the Participants have satisfied the conditions for the grant of entitlements prescribed in the 2025 A Share Option Incentive Scheme.
- (iii) The Board of Supervisors (or the supervisory body) shall verify the Grant Date and the list of Participants and issue its opinion.
- (iv) When there is any discrepancy between the Company's actual grant of entitlements to the Participants and the arrangement stipulated under the 2025 A Share Option Incentive Scheme, the Board of Supervisors (or the supervisory body) and the legal advisor shall express their clear opinions at the same time.
- (v) The Company shall enter into the agreement of grant of A Share Options with the Participants to specify their rights and obligations.
- (vi) The Company shall keep a register for management of the 2025 A Share Option Incentive Scheme with reference to the agreement of grant of A Share Options signed by the Participants, and such register shall record the names of the Participants, the number of A Share Options granted, the grant date and the serial number of the relevant agreement of grant of A Share Options.
- (vii) If the conditions for the grant are satisfied within 60 days after the 2025 A Share Option Incentive Scheme having been considered and approved at a general meeting, the Company shall grant the A Share Options under the first grant to the Participants, and complete the relevant procedures including registration and announcement. If the Company is unable to complete the above procedures within the 60-day period, the Company shall make a timely announcement to disclose the reason for being unable to complete the procedures and terminate the 2025 A Share Option Incentive Scheme. Any A Share Option that remains not granted under the 2025 A Share Option Incentive Scheme shall lapse. The period during which no entitlements shall be granted by listed companies pursuant to relevant laws and regulations is excluded from the calculation of the 60-day period.
- (viii) The recipients of the reserved grant shall be determined within 12 months after the 2025 A Share Option Incentive Scheme being considered and approved at a general meeting. The reserved grant shall lapse if the Participants cannot be determined within the 12-month period.

**III. Procedures for Exercise of A Share Options under the 2025 A Share Option Incentive Scheme**

- (i) Prior to the exercise of A Share Options, the Remuneration and Appraisal Committee shall make recommendations to the Board of Directors on the fulfillment of the conditions for the exercise of entitlements to the Participants, and the Board of Directors shall consider whether the Exercise Conditions stipulated under the 2025 A Share Option Incentive Scheme have been satisfied, and the Board of Supervisors (or the supervisory body) shall express its clear opinions. The legal advisor shall issue a legal opinion as to whether the Exercise Conditions stipulated under the 2025 A Share Option Incentive Scheme have been satisfied.
- (ii) During each Exercise Period, the A Share Options that satisfy the Exercise Conditions may be registered by the Company for their exercise. A Share Options that fail to satisfy the Exercise Conditions or are not exercised by the Participants shall be cancelled by the Company and may not be deferred. Once the A Share Options satisfy the Exercise Conditions, the Company shall announce the resolution of the Board of Directors in a timely manner, along with the opinions of the Remuneration and Appraisal Committee and the legal advisor, as well as an announcement on the relevant implementation.
- (iii) When the Company handles the matters related to the exercise of A Share Options, it shall make an application to the stock exchange. Upon confirmation by the stock exchange, the securities registration and settlement institution will handle the matters related to the exercise of A Share Options.
- (iv) The Company may, based on actual circumstances, provide the Participants with an exercise method for the A Share Options on a collective or individual basis.
- (v) After the A Share Options are exercised, if there is any change in the registered capital, the Company shall complete the registration procedures with the competent market supervision authority regarding such change.

**IV. Procedures for Amendment and Termination of the 2025 A Share Option Incentive Scheme*****(i) Procedures for amendment of the 2025 A Share Option Incentive Scheme***

- 1. If the Company proposes to amend the 2025 A Share Option Incentive Scheme before it is considered and adopted at a general meeting, the Remuneration and Appraisal Committee shall make recommendations to the Board of Directors, and such amendment is subject to consideration and approval by the Board of Directors.

2. If the Company proposes to amend the 2025 A Share Option Incentive Scheme after it has been considered and adopted at a general meeting, the Remuneration and Appraisal Committee shall make recommendations to the Board of Directors, and such amendment is subject to approval at a general meeting, and shall not include the following circumstances:
  - (1) any circumstances that would result in the acceleration of the exercise of the A Share Options;
  - (2) any circumstances that would reduce the exercise price (except where such reduction results from conversion of capital reserve into share capital, bonus issue, rights issues and other reasons).

Any such amendment approved at a general meeting will apply to existing A Share Options that have been granted under the 2025 A Share Option Incentive Scheme to the extent applicable.

3. The Company shall timely disclose the reasons for and the content of the amendments. The Board of Supervisors (or the supervisory body) shall express opinions as to whether the amendment to the 2025 A Share Option Incentive Scheme is conducive to the sustainable development of the Company, and whether there are any circumstances apparently harmful to the interests of the Company and all Shareholders. The legal advisor shall express its professional opinions as to whether the amendment to the 2025 A Share Option Incentive Scheme is in compliance with the Administration Measures and other relevant laws and regulations, and whether there are any circumstances apparently harmful to the interests of the Company and all Shareholders.

***(ii) Procedures for termination of the 2025 A Share Option Incentive Scheme***

1. If the Company proposes to terminate the 2025 A Share Option Incentive Scheme before it is considered at a general meeting, such termination is subject to consideration and approval by the Board of Directors.
2. If the Company proposes to terminate the 2025 A Share Option Incentive Scheme after it is considered and approved at a general meeting, such termination is subject to consideration and approval at a general meeting.

3. The legal advisor shall express its professional opinions as to whether the Company's termination of the 2025 A Share Option Incentive Scheme is in compliance with the Administration Measures and other relevant provisions, and whether there are any circumstances apparently harmful to the interests of the Company and all Shareholders.
4. Upon termination of the 2025 A Share Option Incentive Scheme, the Company shall make an application to the China Securities Depository and Clearing Institution to handle the cancellation procedures for the granted A Share Options in a timely manner after completing the relevant consideration procedures.

## **RIGHTS AND RESTRICTIONS ON A SHARE OPTIONS**

### **1. Voting and Dividend Rights**

A Share Options do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No Participant shall enjoy any of the rights of a Shareholder by virtue of the grant of an A Share Option unless and until the A Shares underlying a A Share Option are delivered to the Participant pursuant to the vesting and exercise of such A Share Option.

### **2. Transferability of A Share Options**

A Share Options shall be personal to the Participant to whom they are made and shall not be assignable or transferable, and no Participant may make any attempt to or take any action to sell, transfer, used as collateral, or used to repay debts before the exercise.

### **3. Rights of the A Shares**

The A Shares to be allotted and issued upon the exercise of A Share Option shall be identical to all existing issued A Shares and shall be allotted and issued subject to all the provisions of the Articles for the time being in force and will be of the same class and have equal rights with the other A Shares in issue.

### **4. No Financial Assistance**

The Company will not provide any loans, guarantee any borrowings, or offer other forms of financial assistance to a Participant in connection with acquiring any interest under the A Share Option Incentive Scheme, if such assistance would be contrary to the Company's interests.

**ARRANGEMENTS FOR THE 2025 A SHARE OPTION INCENTIVE SCHEME IN THE  
EVENT OF CHANGE AT THE LEVEL OF THE COMPANY/PARTICIPANTS****I. In the Event of any Changes at the Company Level**

- (i) In the event that any of the circumstances below occurs in respect of the Company, the 2025 A Share Option Incentive Scheme shall be terminated and the A Share Options that have been granted to the Participants under the 2025 A Share Option Incentive Scheme but have not yet been exercised shall not be exercised and shall be uniformly canceled by the Company:
  - (a) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;
  - (b) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;
  - (c) failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;
  - (d) prohibition from implementation of any equity incentives by applicable laws and regulations; or
  - (e) any other circumstances where the scheme needs to be terminated as prescribed by the CSRC.
- (ii) Should any of the following circumstances arise, the 2025 A Share Option Incentive Scheme shall not be amended accordingly:
  - 1. a change in the Company's controlling interest that not trigger a major asset restructuring;
  - 2. a merger or division of the Company without resulting in its dissolution.
- (iii) Should any of the following circumstances arise, it shall be determined at the general meeting whether the 2025 A Share Option Incentive Scheme shall be amended accordingly:
  - 1. a change in the Company's controlling interest that triggers a major asset restructuring;
  - 2. a merger or division of the Company resulting in its dissolution.

- (iv) Where the Company fails to meet the conditions for grant of A Share Options or exercise arrangements due to false records, misleading statements, or material omissions in its disclosure documents, A Share Options that have not yet been exercised shall be uniformly cancelled by the Company. Where the Participants have exercised the A Share Options that have been granted, all such Participants shall return the benefits already received. If the Participants not responsible for the aforementioned matters suffer losses due to returning benefits, they may seek compensation from the Company or the responsible party in accordance with the relevant arrangements of 2025 A Share Option Incentive Scheme.

The Board shall recover the benefits received by the Participants in accordance with the provisions of the preceding paragraph and the relevant arrangements of the 2025 A Share Option Incentive Scheme.

## **II. In the Event of Changes in the Personal Circumstances of the Participants**

### ***(i) Change in Position of the Participants***

1. If the position of the Participant changes but he/she still works in the Company or its subsidiaries, the A Share Options granted to him/her shall still be carried out in accordance with the procedures stipulated in the 2025 A Share Option Incentive Scheme. If a demotion or removal from office occurs, the options that have already been granted by the individual shall remain. The Board of Directors shall have the right to decide to adjust the options that have been granted to the individual but not yet exercised, in accordance with the corresponding quota after the demotion or removal from office. The difference between the originally granted number of stock options and the adjusted number shall be cancelled by the Company.
2. If the Participant violates the law, violates professional ethics, divulges company secrets, damages the interests or reputation of the Company due to dereliction of duty or malfeasance, material breaches of company regulations and violations of public order and morals, or causes the Company to terminate the labor relationship with the Participant due to the above reasons, the Shares Option that have been granted but have not yet been exercised shall not be attributed and shall be uniformly canceled by the Company, and all personal income tax related to the exercised portion of the Share Options must be paid in full before resignation. The Participants shall return all gains obtained from participating the 2025 A Shares Option Incentive Scheme. At the same time, in the event of severe circumstances, the Company may also recover the losses suffered by the Company in accordance with relevant laws and regulations.
3. If the Participant is a supervisor or an independent director of the Company or other person who cannot participate in the 2025 A Share Option Incentive Scheme, the A Share Options that have been exercised shall not be handled. The A Share Options that have been granted but have not yet been exercised shall not be exercised and shall be uniformly canceled by the Company.

***(ii) Resignation of the Participants (excluding Retirement, Incapacity of the Participants resulting resignation, Death)***

1. If the labor or employment contract of the Participant expires and he/she no longer renews the contract or resigns voluntarily, the A Share Options that have been granted and exercised shall not be handled. In such case, the A Share Options that have been granted but have not yet been exercised shall not be exercised and shall be uniformly canceled by the Company. Prior to resignation, the Participant must pay all applicable personal income tax on the portion of A Share Options that have been exercised.
2. If the Participant leaves the Company passively due to layoffs and other reasons and there are no behaviors such as failure to pass performance evaluation, negligence or violation of laws and disciplines, the A Share Options that have been granted and exercised shall not be handled. In such case, the A Share Options that have been granted but have not yet been exercised shall not be exercised and shall be uniformly canceled by the Company. Prior to resignation, the Participant must pay all applicable personal income tax on the portion of A Share Options that have been exercised.

***(iii) Retirement***

1. If the Participants that have retired are re-hired, the A Share Options that have been granted to them will be carried out in accordance with the procedures stipulated in the 2025 A Share Option Incentive Scheme which took effect before the retirement.
2. If the Participants reject the Company's request for continued employment, or if the Company has not made a request for continued employment, the A Share Options that have been granted and exercised shall not be handled. In such case, the A Share Options that have been granted but have not yet been exercised shall not be exercised and shall be uniformly canceled by the Company. Prior to resignation, the Participant must pay all applicable personal income tax on the portion of A Share Options that have been exercised.

***(iv) Incapacity of the Participants shall be implemented with two methods:***

1. If the Participants are incapacitated and leave the Company due to work injury, the A Share Options granted to the Participants shall be carried out in accordance with the procedures stipulated in the 2025 A Share Option Incentive Scheme which takes effect before the occurrence thereof, and the personal performance assessment results will no longer be included in the exercise conditions. Prior to resignation, the Participant must fully settle the personal income tax arising from the portion of A Share Options that has already been exercised. Thereafter, for each subsequent exercise of A Share Options, the Participant must first pay the personal income tax associated with the A Share options to be exercised for that period.

2. If the Participants leave the Company, which is not due to the incapability arising from work injury, the A Share Options that have been granted and exercised shall not be handled. In such case, the A Share Options that have been granted but have not yet been exercised shall not be exercised and shall be uniformly canceled by the Company. Prior to resignation, the Participant must pay all applicable personal income tax on the portion of A Share Options that have been exercised.

***(v) Death of the Participants shall be implemented with two methods:***

1. If the Participants pass away in the course of performing their duties, the A Share Options granted to them shall be held by the designated property heir or legal heir on their behalf, and the A Share Options granted but have not been exercised shall be carried out in accordance with the procedures stipulated in the 2025 A Share Option Incentive Scheme which takes effect before their death, and the results of their personal performance evaluation shall not be included in the exercise conditions. Before inheritance, the successor must fully pay the personal income tax arising from the portion of Share Options that have already been exercised. Thereafter, for each subsequent exercise of A Share Options, the successor must first pay the personal income tax related to the A Share Options to be exercised for that period.
2. If the Participants pass away for other reasons, the A Share Options that have been granted and exercised shall not be handled. In such case, the A Share Options that have been granted but have not yet been exercised shall not be exercised and shall be uniformly canceled by the Company.

***(vi) Change of Control of the Subsidiary where the Participants are employee***

If the Participants are employed by a subsidiary controlled by the Company, and if the Company loses control of the subsidiary and the Participants still work in the Company, the A Share Options that have been granted and exercised shall not be handled. In such case, the A Share Options that have been granted but have not yet been exercised shall not be exercised and shall be uniformly canceled by the Company.

***(vii) Changes in Eligibility of Participants***

If the Participant no longer meets the eligibility of the Participant due to any one of the following circumstances, the A Share Options that have been exercised shall not be handled; and the A Share Options that have been granted but have not yet been exercised shall not be exercised and shall be canceled by the Company:

1. the person been determined by the Shanghai Stock Exchange as an ineligible person in the last 12 months;

2. the person has been determined by the CSRC or its dispatch agencies as an ineligible person in the last 12 months;
3. the person has been imposed by the CSRC or any of its dispatch agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material violation of laws and regulations;
4. the person is prohibited from acting as a director or a member of the senior management of a company as required by the PRC Company Law;
5. the person is prohibited from participating in share incentives of listed companies as required by laws and regulations; and
6. such other circumstances as determined by the CSRC.

*(viii) Other circumstances not specified herein shall be determined by the Board of Supervisors (or a supervisory authority), and the handling methods shall be determined accordingly.*

**1. Purpose of Assessment**

The purposes of these measures are to strengthen the planned implementation of the 2025 A Share Option Incentive Scheme, quantify the specific objectives set by the 2025 A Share Option Incentive Scheme, promote the scientific, standardized and institutionalized assessment management of Participants, and ensure the realization of the various performance indicators under the 2025 A Share Option Incentive Scheme; at the same time, these measures are to guide the Participants to improve work performance and competence and evaluate employees' performance and contribution in an objective and fair manner, to provide an objective and comprehensive evaluation basis for the implementation of the 2025 A Share Option Incentive Scheme.

**2. Principles of Assessment**

- (i) Assessment and evaluation of the Participants shall be conducted in strict accordance with these measures following the principles of fairness, justice, and openness;
- (ii) The assessment indicators shall be combined with the Company's medium and long-term development strategies and annual business objectives; as well as the work performance, work competence and work attitude of the Participants.

**3. Scope of Assessment**

These measures apply to all Participants identified in the 2025 A Share Option Incentive Scheme. All Participants under the 2025 A Share Option Incentive Scheme must have an employment or labour relationship with the Company (including its subsidiaries) at the time of the Company's grant of A Share Options and during the assessment period as stipulated by the 2025 A Share Option Incentive Scheme.

**4. Assessment Body and Implementation Body**

- (i) The Remuneration and Appraisal Committee is responsible for organizing and implementing the 2025 A Share Option Incentive Scheme;
- (ii) The human resources department of the Company shall form an assessment team that is responsible for the specific assessment work and reporting to the Remuneration and Appraisal Committee;

- (iii) Under the supervision of the internal audit department of the Company, the human resources department, finance department and other relevant departments of the Company are responsible for the collection and provision of relevant assessment data, as well as the authenticity and reliability of the data;
- (iv) The Board of Directors is responsible for reviewing the assessment results.

## **5. Performance Assessment Indicators and Standards**

The exercise of the A Share Options that have been granted to the Participants will depend on the assessment results at both the company level and individual level.

- (i) Performance assessment requirements at the Company level

The assessment years for the exercise of A Share Options to be granted under the 2025 A Share Option Incentive Scheme are the three accounting years from 2025 to 2027, with performance assessments to be conducted on an annual basis. Assessments will be conducted once every accounting year, and the achievement of the performance assessment targets will be one of the Exercise Conditions for the Participants for the current year. The exercise arrangement regarding tranches and proportion corresponding to the performance assessment targets for each year are shown in the following table:

Exercise Period	Corresponding Assessment Year	Performance Target A Exercise Proportion: 100%	Performance Target B Exercise Proportion: 90%	Performance Target C Exercise Proportion: 80%
First Exercise Period	2025	Fulfillment of any of the following conditions:  1. the operating income in 2025 shall not be less than RMB2.4 billion;  2. the loss reduction ratio for net profit in 2025 shall not be less than 29% as compared with 2024	Fulfillment of any of the following conditions:  1. the operating income in 2025 shall not be less than RMB2.3 billion;  2. the loss reduction ratio for net profit in 2025 shall not be less than 27% as compared with 2024	Fulfillment of any of the following conditions:  1. the operating income in 2025 shall not be less than RMB2.2 billion;  2. the loss reduction ratio for net profit in 2025 shall not be less than 25% as compared with 2024

**APPENDIX XI****THE ASSESSMENT MANAGEMENT  
MEASURES FOR THE IMPLEMENTATION OF  
THE 2025 A SHARE OPTION INCENTIVE SCHEME**

<b>Exercise Period</b>	<b>Corresponding Assessment Year</b>	<b>Performance Target A Exercise Proportion: 100%</b>	<b>Performance Target B Exercise Proportion: 90%</b>	<b>Performance Target C Exercise Proportion: 80%</b>
Second Exercise Period	2026	Fulfillment of any of the following conditions:	Fulfillment of any of the following conditions:	Fulfillment of any of the following conditions:
		1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion;	1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion;	1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion;
		2. the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024	2. the loss reduction ratio for net profit in 2026 shall not be less than 74% as compared with 2024	2. the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024

*Notes:*

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment. The same applies below.
2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to shareholders of the listed company, excluding the share-based payment expenses incurred by the Company in implementing all share incentive schemes. The same applies below.
3. The performance targets associated with the Exercise Conditions do not constitute the Company's performance forecast or substantive commitment to investors.

If the reserved grant of A Share Options is made on or before 30 September 2025, the performance assessment arrangements for the reserved grant of A Share Options for each year will be the same as those for the first grant.

If the reserved grant of A Share Options is made after 30 September 2025, the performance assessment requirements for the exercise of A Share Options under the reserved grant for each year will be as shown in the following table:

<b>Exercise Period</b>	<b>Corresponding Assessment Year</b>	<b>Performance Target A Exercise Proportion: 100%</b>	<b>Performance Target B Exercise Proportion: 90%</b>	<b>Performance Target C Exercise Proportion: 80%</b>
First Exercise Period	2026	<p>Fulfillment of any of the following conditions:</p> <ol style="list-style-type: none"> <li>the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion;</li> <li>the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024</li> </ol>	<p>Fulfillment of any of the following conditions:</p> <ol style="list-style-type: none"> <li>the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion;</li> <li>the loss reduction ratio for net profit in 2026 shall not be less than 74% as compared with 2024</li> </ol>	<p>Fulfillment of any of the following conditions:</p> <ol style="list-style-type: none"> <li>the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion;</li> <li>the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024</li> </ol>
Second Exercise Period	2027	<p>Fulfillment of any of the following conditions:</p> <ol style="list-style-type: none"> <li>the accumulated operating income from 2025 to 2027 shall not be less than RMB9.0 billion;</li> <li>the net profit in 2027 shall not be less than RMB0</li> </ol>	<p>Fulfillment of any of the following conditions:</p> <ol style="list-style-type: none"> <li>the accumulated operating income from 2025 to 2027 shall not be less than RMB8.7 billion;</li> <li>the loss reduction ratio for net profit in 2027 shall not be less than 92% as compared with 2024</li> </ol>	<p>Fulfillment of any of the following conditions:</p> <ol style="list-style-type: none"> <li>the accumulated operating income from 2025 to 2027 shall not be less than RMB8.4 billion;</li> <li>the loss reduction ratio for net profit in 2027 shall not be less than 90% as compared with 2024</li> </ol>

*Notes:*

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment. The same applies below.
2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to shareholders of the listed company, excluding the share-based payment expenses incurred by the Company in implementing all share incentive schemes. The same applies below.
3. The performance targets associated with the Exercise Conditions do not constitute the Company's performance forecast or substantive commitment to investors.

During the Exercise Period, the Company will handle the exercise of A Share Options for Participants who have satisfied the Exercise Conditions. In the event that the performance at the Company level has not reached the performance target C within the respective exercise tranche, all A Share Options that have been granted to the Participants for the current assessment year shall be terminated and cancelled by the Company.

## (ii) Performance assessment at the individual level

The individual assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual performance assessment of Participants are divided into five levels: "outstanding", "excellent", "meets standards", "partly meets standards" and "fails to meet standards", and the corresponding exercise availability is as follows:

Assessment Level	Outstanding, Excellent, and Meets Standards	Partly Meets Standards	Fails to Meet Standards
Individual Exercise Availability Factor (P)	100%	50%	0%

## (iii) Application of assessment results

The actual number of A Share Options available for exercise by the Participant for the current assessment year = the number for exercise by the individual under the scheme for the current year × company exercise availability factor × individual exercise availability factor (P).

The A Share Options of a Participant that cannot be exercised or cannot be fully exercised for the current assessment year shall be cancelled by the Company, and shall not be deferred to subsequent years.

**6. Assessment Procedures**

The human resources department of the Company is responsible for the specific assessment work under the guidance of the Remuneration and Appraisal Committee and retaining the assessment results. On this basis, a performance assessment report shall be prepared and submitted to the Remuneration and Appraisal Committee, and the Board of Directors of the Company is responsible for reviewing the assessment results.

**7. Period and Times of Assessment**

The assessment years for the A Share Options under the 2025 A Share Option Incentive Scheme include the three accounting years from 2025 to 2027. The performance assessment at the Company level and at the individual level shall be conducted once a year.

**8. Management of Assessment Results****(i) Feedback and application of assessment results**

1. The assessment targets are entitled to know their own assessment results. The direct supervisor of the employees shall inform the assessment targets of the assessment results within five working days after the completion of the assessment.
2. If the assessment targets have objections against the assessment results, they can communicate with the human resources department to resolve. If the objections cannot be resolved through communication, the assessment objects may appeal to the Remuneration and Appraisal Committee which shall review and determine the final assessment result or level within 10 working days.
3. The assessment results shall be the basis for the exercise of A Share Options.

**(ii) Filing of assessment records**

1. After the completion of assessment, the human resources department shall retain all the records of the performance assessment. The assessment results shall be kept as confidential information.
2. In order to ensure the validity of the performance records, the performance records are not allowed to be altered. If the records are to be revised or re-recorded, it must be signed by the parties concerned.
3. The performance assessment records shall be kept for 10 years. Documents and records that exceed the storage period shall be uniformly destroyed by the Remuneration and Appraisal Committee.

**9. Supplementary Provisions**

- (i) The Board of Directors is responsible for the formulation, interpretation and revision of these measures.
- (ii) If the relevant provisions of these measures conflict with the relevant national laws, administrative regulations, regulatory documents, and the draft 2025 A Share Option Incentive Scheme, the relevant national laws, administrative regulations, regulatory documents, and the draft 2025 A Share Option Incentive Scheme shall prevail. If there are no clear provisions in these measures, the relevant national laws, administrative regulations, regulatory documents, and the 2025 A Share Option Incentive Scheme shall be implemented.
- (iii) These measures shall be subject to consideration and approval at the general meeting and become effective upon the 2025 A Share Option Incentive Scheme becoming effective.

*The following is a summary of the principal terms of the 2025 H Share Option Incentive Scheme but does not form part of, nor was it intended to be, part of the 2025 H Share Option Incentive Scheme nor should it be taken as effecting the interpretation of the 2025 H Share Option Incentive Scheme:*

## **1. PURPOSE OF THE 2025 H SHARE OPTION INCENTIVE SCHEME**

1.1 The purpose of the 2025 H Share Option Incentive Scheme are:

- (a) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to the Participants;
- (b) to align the interests of the Participants with those of the Company and Shareholders by providing such the Participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and
- (c) to encourage the Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

## **2. PARTICIPANTS AND BASIS OF DETERMINING ELIGIBILITY**

2.1 The Participants under the 2025 H Share Option Incentive Scheme include Employee Participants and its associates. The Participants as determined by the Board of Directors or the Scheme Administrator from time to time shall be eligible to participate in the 2025 H Share Option Incentive Scheme.

2.2 No person who is:

- (a) resident in a place where the grant, acceptance or exercise of an H Share Options pursuant to the 2025 H Share Option Incentive Scheme is not permitted under, or contrary to, the laws and regulations of such place; or
- (b) where, in the view of the Board of Directors or the Scheme Administrator, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such person,

shall be entitled to participate in the 2025 H Share Option Incentive Scheme and such person shall therefore not be a Participant for the purposes of the 2025 H Share Option Incentive Scheme.

2.3 The eligibility of any of the Participants to a grant of H Share Options shall be determined by the Board of Directors or the Scheme Administrator from time to time on the basis of the Board's or the Scheme Administrator's opinion as to the Participant's contribution to the development and growth of the Group. Without limiting the generality of the foregoing:

- (a) in assessing the eligibility of Employee Participants (including the Directors Participants and chief executive Participants), the Board of Directors or the Scheme Administrator will consider, among other things, educational background, professional, experience, qualification, skills, knowledge, the length of service, job position, job duties, contribution to the Group and performance evaluation results of the Employee Participant;
- (b) in assessing the eligibility of Related Entity Participants, the Board of Directors or the Scheme Administrator will consider a range of factors, such as the length of service, job position and job duties in the Related Entity, the shareholding relationship between the Group and the Related Entity and the benefits and synergies provided by the Related Entity to the Group.

### **3. SCHEME LIMITS**

#### **Scheme Mandate Limit**

3.1 The total number of H Shares which may be issued pursuant to all H Share Options to be granted under the 2025 H Share Option Incentive Scheme and other Shares which may be issued under any share options and awards to be granted under any other effective share schemes of the Company is up to 10% of the total Shares (excluding treasury shares) in issue on the Adoption Date (the "**Scheme Mandate Limit**").

3.2 H Shares which may be issued pursuant to H Share Options which have lapsed in accordance with the terms of the 2025 H Share Option Incentive Scheme Rules (or the terms of any other share schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit.

#### **Refreshing the Scheme Mandate Limit**

3.3 The Company may refresh the Scheme Mandate Limit:

- (a) from the later of three years after the Adoption Date or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit pursuant to this rule with the prior approval of Shareholders in general meeting by way of special resolution; or

- (b) at any time, with the prior approval of the Shareholders in general meeting (with the controlling shareholder (as defined under the Hong Kong Listing Rules) and their associates, or if there is no controlling shareholder, with the Directors (excluding the independence non-executive Directors) and the chief executive of the Company and their respective associates, abstaining from voting in favour of the relevant resolution at the general meeting) and subject to compliance with any additional requirements set out in the Hong Kong Listing Rules.
- 3.4 H Share Options already granted under the 2025 H Share Option Incentive Scheme and Share options under any other share schemes of the Company (including those outstanding, cancelled or lapsed in accordance with its terms or exercised) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.
- 3.5 The total number of H Shares which may be issued in respect of all H Share Options to be granted under the 2025 H Share Option Incentive Scheme and other Shares which may be issued under share options and awards to be granted under all other effective share schemes of the Company under the Scheme Mandate Limit as refreshed pursuant to paragraph 3.3 shall not exceed 10% of the total Shares in issue as at the date of the aforesaid approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting.

**Grants beyond the Scheme Mandate Limit**

- 3.6 The Company may seek separate approval of the Shareholders in general meeting to grant H Share Options beyond the Scheme Mandate Limit to the Participants specifically identified by the Company before such approval is sought and subject to compliance with the requirements as set out in the Hong Kong Listing Rules. In respect of any H Share Options to be granted in such circumstances, the date of the meeting of the Board of Directors or the Scheme Administrator proposing such grant should be taken as the Grant Date for the purpose of calculating the Exercise Price of such H Share Options.

**4. ADMINISTRATION****The Board of Directors or the Scheme Administrator**

- 4.1 The Board of Directors shall be responsible for administering the 2025 H Share Option Incentive Scheme in accordance with the 2025 H Share Option Incentive Scheme Rules.
- 4.2 The authority to administer the 2025 H Share Option Incentive Scheme may be delegated by the Board of Directors to a committee of the Board of Directors or to any other person(s) deemed appropriate at the sole discretion of the Board of Directors, including its powers to offer or grant H Share Options and to determine the terms and conditions

of such H Share Options, *provided that* nothing in this paragraph shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion rested with the Board of Directors as contemplated in paragraph 4.1.

- 4.3 Decisions of such committee duly established or person(s) duly appointed by the Board of Directors in accordance with paragraph 4.2 in relation to the operation of the 2025 H Share Option Incentive Scheme or interpretation of the 2025 H Share Option Incentive Scheme Rules shall be final and binding on all parties. In the event of any disagreement or ambiguity, the decision of the Board of Directors shall prevail.
- 4.4 The Board of Directors or the Scheme Administrator may from time to time appoint one or more administrators, who may be independent third-party contractors, to assist in the administration of the 2025 H Share Option Incentive Scheme, to whom they, at their sole discretion, may delegate such functions relating to the administration of the 2025 H Share Option Incentive Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board of Directors or the Scheme Administrator at its sole discretion from time to time.

## **5. GRANT OF H SHARE OPTIONS**

### **Grants and Types of H Share Options**

- 5.1 The Board of Directors or the Scheme Administrator may, from time to time, in its absolute discretion select any Participant to be a grantee and, subject to the 2025 H Share Option Incentive Scheme Rules, grant an Option, the nature and amount of which shall be determined by the Board of Directors or the Scheme Administrator, to such grantee during the Scheme Period of the 2025 H Share Option Incentive Scheme.

### **Additional Approvals for Grants Beyond Individual Limits**

- 5.2 Grants of H Share Options to an individual Participant shall be subject to the following additional rules:
- (a) unless approved by the Shareholders in the manner set out in paragraph 5.3, the total number of H Shares issued and to be issued upon exercise of H Share Options granted and to be granted under the 2025 H Share Option Incentive Scheme and all options and awards granted and to be granted under any other share scheme(s) of the Company to each Participant (including both exercised and outstanding H Share Options but excluding any options and awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to and including the date of the latest grant shall not exceed 1% of the total number of total Shares in issue (excluding treasury shares);

- (b) any further grant of H Share Options to a Participant which would exceed the above limit shall be subject to separate approval of the Shareholders in general meeting with the relevant Participant and their associates abstaining from voting. A circular shall be sent to the Shareholders disclosing the information required to be disclosed under the Hong Kong Listing Rules. The number and terms of the H Share Options to be granted to such Participant shall be fixed before the Shareholders' approval is sought;
  - (c) for any H Share Options to be granted in such circumstances, the date of the Board of Directors meeting for proposing such further grant shall be the Grant Date for the purpose of calculating the Exercise Price.
- 5.3 Grants of H Share Options to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the following additional rules:
- (a) such grant shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of H Share Options);
  - (b) grants to any Director or senior manager of the Company, which are made on terms with a vesting period less than 12 months or without a performance target or without a clawback mechanism (each of which, a “**Unique Term**”), shall be reviewed by the Remuneration and Appraisal Committee as to why the Unique Term is appropriate and how the grant nevertheless aligns with the purpose of the 2025 H Share Option Incentive Scheme.
- 5.4 In addition where any grant of H Share Options to an independent non-executive Director or substantial shareholder of the Company (or any of their respective associates) would result in the number of H Shares issued and to be issued upon exercise of all H Share Options already granted and all options and awards granted under all share scheme(s) of the Company (excluding options or awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares (excluding treasury shares) in issue, such further grant of H Share Options must be approved by the Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Hong Kong Listing Rules.

**Restrictions on Grants**

5.5 Notwithstanding the provision in paragraph 5.1, no H Share Option shall be granted to any Participant under the following circumstances:

- (a) if any member of the Group is required under applicable laws to issue a prospectus or other offer documents in respect of such grant or the 2025 H Share Option Incentive Scheme;
- (b) where such grant or dealing in the H Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any applicable laws in any jurisdiction from time to time;
- (c) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in accordance with applicable laws, a H Share Option may be made conditional upon such approval being obtained;
- (d) in circumstances which would result in a breach of the Scheme Mandate Limit, *provided that* to the extent permissible in accordance with applicable laws, an Option may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained; or
- (e) where such Option is granted to, or for the benefit of, a connected person of the Company and, under the Hong Kong Listing Rules, requires the specific approval(s) (including approval of Shareholders), until such approval(s) is/are obtained, provided that to the extent permissible in accordance with applicable laws, an Option may be made conditional upon such specific approval(s) being obtained.

5.6 Additionally, no H Share Option shall be granted to any Participant during the following time periods:

- (a) in circumstances prohibited by the Hong Kong Listing Rules or at a time when the relevant Participant would be prohibited from dealing in the Shares by the Hong Kong Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Hong Kong Listing Rules) or by any applicable rules, regulations or law;
- (b) where the Company is in possession of any unpublished inside information (as defined in the SFO in relation to the Company, until (and including) the trading day after such inside information has been announced by the Company in accordance with the requirements of the Hong Kong Listing Rules and the SFO;

- (c) during the periods commencing 30 days immediately before the earlier of (i) the date of the board meeting (as such date is first notified to the Hong Kong Stock Exchange under the Hong Kong Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules); and (ii) the deadline for the Company to announce such results, and ending on (and including) the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement;
- (d) in the event that the Participant is a Director (other than an independent non-executive Director), Supervisor or the chief executive of the Company) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company, during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company, or, if shorter, the period from the end of the relevant financial period up to the publication date of the results.

5.7 The grant of H Share Options shall be conditional upon the Listing Committee of the Hong Kong Stock Exchange granting approval to the listing of, and permission to deal in, such H Shares which may fall to be allotted and issued pursuant to the exercise of any H Share Options and the satisfaction of any other conditions as may be considered necessary or appropriate by the Board of Directors or the Scheme Administrator.

## **6. GRANT LETTER**

6.1 The Company shall, in respect of Grant of H Share Options, on the Grant Date issue a Grant Letter to the grantee in such form as the Board of Directors or the Scheme Administrator may from time to time determine setting out the terms and conditions of the Option, which may include the number of H Shares in respect of which the Option relates, the Grant Price (if any), the Exercise Price, the Exercise Period, the vesting criteria and conditions, the date by which the grant must be accepted, the Vesting Date, any minimum performance targets that must be achieved and any such other details as the Scheme Administrator may consider necessary, and requiring the grantee to undertake to hold the Option on the terms of the Grant Letter and be bound by the provisions of the 2025 H Share Option Incentive Scheme.

**7. ACCEPTANCE AND EXERCISE PRICE****Acceptance**

- 7.1 The Board of Directors or the Scheme Administrator may determine in their absolute discretion the Grant Price (if any), the method of payment and the period within which any such payments must be made, and such amounts (if any) and periods shall be set out in the Grant Letter. For the avoidance of doubt, the Board of Directors or the Scheme Administrator may, in its sole and absolute discretion, determine that no amount is payable on acceptance of a Grant of H Share Option.
- 7.2 Unless otherwise specified in the Grant Letter, the grantee shall have 10 Business Days from the Grant Date to accept the Grant. A grantee may accept the Grant by (i) giving written notice of their acceptance to the Board of Directors or the Scheme Administrator, together with remittance in favour of the Company of the Grant Price (if any); or (ii) by any other manner prescribed by the Company from time to time as specified in the Grant Letter. An Option may be accepted in whole or in part *provided that* it must be accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that an Option or part thereof is not accepted within the time and in the manner indicated in this Rule, the portion not accepted shall be deemed to have been irrevocably declined and shall automatically lapse.
- 7.3 By accepting the Grant, a grantee shall be deemed to be bound by the terms of these 2025 H Share Option Incentive Scheme Rules and the terms of the Grant Letter.

**Exercise Price**

- 7.4 The Exercise Price in respect of such H Share Options shall be such price determined by the Board of Directors or the Scheme Administrator in its absolute discretion and notified to the Participant in the Grant Letter, *provided that* the Exercise Price shall in any event be no less than the highest of:
- (a) the closing price of the H Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date, which must be a Business Day;
  - (b) the average closing price of the H Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Grant Date; and

**8. VESTING OF H SHARE OPTIONS**

- 8.1 The Board of Directors or the Scheme Administrator may, in respect of each Option and subject to applicable laws, determine such vesting criteria and conditions or periods for vesting of the Option in its sole and absolute discretion. The relevant Vesting Date of any Option shall be set out in the Grant Letter.
- 8.2 If a Vesting Date is not a Business Day, such Vesting Date shall, subject to any trading halt or suspension of dealings in the Shares on the Stock Exchange, be deemed to be the next Business Day immediately thereafter.
- 8.3 The Vesting Date in respect of any Option over H Shares shall be not less than 12 months from the Grant Date, *provided that* for Employee Participants, the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances:
- (a) grants of “make whole” H Share Options to new Employee Participants to replace options and/or awards such Employee Participants forfeited when leaving their previous employers;
  - (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
  - (c) grants of H Share Options which are subject to the fulfilment of performance targets (as opposed to time-based conditions) pursuant to paragraph 9;
  - (d) grants of H Share Options the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Option would have been granted if not for such administrative or compliance requirements;
  - (e) grants of H Share Options with a mixed vesting schedule such that the H Share Options vest evenly over a period of 12 months; or
  - (f) grants of H Share Options with a total vesting period of more than 12 months, such as where the H Share Options may vest by several batches with the first batch to vest within 12 months of the Grant Date and the last batch to vest at least 12 months after the Grant Date.

- 8.4 Within a reasonable period (as determined by the Board of Directors or the Scheme Administrator) after (i) the relevant vesting conditions have been satisfied in accordance with the 2025 H Share Option Incentive Scheme Rules and the relevant Grant Letter subject to the Board's or the Scheme Administrator's determination of satisfaction; or (ii) in the case where the vesting of H Share Options is not subject to any vesting conditions, the Vesting Date as specified in the relevant Grant Letter, the Company shall send to the relevant grantee a vesting notice (the "**Vesting Notice**").

## 9. PERFORMANCE TARGETS

- 9.1 The Board of Directors or the Scheme Administrator may, in respect of each Option and subject to applicable laws, determine such performance targets, criteria or conditions for vesting of H Share Options in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the Grant Letter. For the avoidance of doubt, a H Share Option shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Grant Letter.
- 9.2 The Board of Directors or the Scheme Administrator shall specify in the Grant Letter the person(s) of the Company that will assess how and whether such targets, criteria or conditions are satisfied.
- 9.3 Where performance targets, criteria or conditions are to be specified in the relevant Grant Letter, the Board of Directors or the Scheme Administrator may determine such performance targets, criteria or conditions based on, among others criteria, the following considerations:

Grantee	Considerations
(i) Director and member of the senior management of the Company	Business or financial milestones or performance results, transaction milestones, the grantee's historical, current or anticipated contribution to the Group (including with respect to their experience, expertise, insight, management and oversight, or direction, etc.), as considered appropriate by the Board of Directors or the Scheme Administrator.
(ii) Employee Participant (except a Director or member of the senior management of the Company)	If the performance appraisal within a specified period (such as in the previous year) reached a level to be further specified in the Grant Letter, as determined by the Board of Directors or the Scheme Administrator.

Grantee	Considerations
(iii) Related Entity Participant	Contributes, or is likely to contribute, to the long-term development of the Group, with reference to achieving specified targets, among other criteria, financial or business performance, minimum service period, or business collaboration milestones, as determined by the Board of Directors or the Scheme Administrator.

## 10. EXERCISE PERIOD

- 10.1 The Exercise Period for any grant of H Share Options shall be such period determined by the Board of Directors or the Scheme Administrator in its absolute discretion and notified to the Participant in the Grant Letter, *provided that* the Exercise Period shall not be longer than 10 years from the Grant Date. A H Share Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the Grant Date.

## 11. EXERCISE AND SETTLEMENT OF H SHARE OPTIONS

### Exercise of an Option

- 11.1 A H Share Option may be exercised in whole or in part on or after the applicable Vesting Date by the grantee giving notice in writing to the Company in such form as the Board of Directors or the Scheme Administrator may from time to time determine, stating that the H Share Option is thereby exercised and the number of H Shares in respect of which it is exercised. Such notice must be accompanied by a remittance for the Exercise Price multiplied by the number of H Shares in respect of which the notice is given.
- 11.2 Additionally, the grantee shall execute and deliver all such forms and instruments and provide such instructions as, and in the manner requested, by the Board of Directors or the Scheme Administrator or any designated third party.

### Settlement of a H Share Option

- 11.3 Subject to paragraph 11.4, within 20 Business Days after receipt of the notice and the remittance, the Company shall arrange for the H Shares to be satisfied in the following methods, or any combination of the following methods, as determined by the Board of Directors or the Scheme Administrator in its sole discretion:

- (a) allot, and instruct the relevant share registrar to issue, the H Shares to the grantee (or the grantee's personal representative(s)) credited as fully paid and issue to the grantee (or the grantee's personal representative(s)) a share certificate in respect of the H Shares so allotted and issued;
  - (b) arrange for the H Shares to be transferred to the grantee (or the grantee's personal representative(s)) credited as fully paid and issue to the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative(s)) a share certificate in respect of the H Shares so transferred;
  - (c) pay to the grantee (or the grantee's personal representative(s)) by remittance to the bank account designated and provided by the grantee to the Board of Directors or the Scheme Administrator, the proceeds from the Board of Directors or the Scheme Administrator (whether or not through a trustee or other third party) arranging to sell the relevant H Shares on-market through the facilities of the Hong Kong Stock Exchange at prevailing market prices (the "**Actual Selling Price**"); or
  - (d) arrange for H Shares to be issued or designated as vested shares held for the economic benefit of the grantee (or the grantee's personal representative(s)), following which, the grantee (or the grantee's personal representative(s)) shall be entitled to future dividends paid or payable on the H Shares and the grantee (or the grantee's personal representative(s)) will have a one-time option to request the Company to cause payment to the grantee (or the grantee's personal representative(s)) by remittance to the bank account designated and provided by the grantee to the Board of Directors or the Scheme Administrator, the difference in the prevailing market prices of the H Shares between the Vesting Date and the date that the grantee notifies the Board of Directors or the Scheme Administrator of exercising the one-time option.
- 11.4 Where the Board of Directors or the Scheme Administrator in its sole discretion determines that it is not practicable for the grantee to receive H Shares or for the Company (whether or not through a trustee or other third party) to settle the H Share Option due to applicable legal or regulatory restrictions (including under the Hong Kong Listing Rules), the settlement of the H Share Option shall be postponed and shall take place within 20 Business Days from the date that the Board of Directors or the Scheme Administrator subsequently determines it will be practicable to proceed with the settlement of the H Share Option.
- 11.5 The H Shares to be allotted and issued, or treasury shares to be transferred out of treasury upon the exercise of H Share Option shall be identical to all existing issued H Shares and shall be allotted and issued, or transferred out of treasury subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid H Shares in issue on the date the name of the grantee (of the grantee's personal representative(s)) is registered on the register of members of the Company or, if that date

falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, *save that* the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

### **Costs**

- 11.6 Any direct costs and expenses arising on the vesting and issue of the H Shares to or for the benefit of a grantee as contemplated by paragraph 11.3 shall be borne by the Company.
- 11.7 Any duty or other direct costs and expenses arising on the sale of the H Shares and payment of the Actual Selling Price as contemplated by paragraph 11.3(c) shall be borne by the grantee and deducted by the Board of Directors or the Scheme Administrator from the amount payable to the grantee pursuant to paragraph 11.3(c).

## **12. RESTRICTIONS ON H SHARE OPTIONS**

### **Voting and Dividend Rights**

- 12.1 H Share Options do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of a H Share Option unless and until the H Shares underlying a H Share Option are delivered to the grantee pursuant to the vesting and exercise of such H Share Option.

### **Transferability of H Share Options**

- 12.2 H Share Options shall be personal to the grantee to whom they are made and shall not be assignable or transferable, and no grantee may make any attempt to or take any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any person over or in relation to any H Share Options or interests or benefits pursuant to the H Share Options, except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Hong Kong Stock Exchange for such transfer in compliance with the requirements of the Hong Kong Listing Rules and provided that any such transferee shall be bound by the 2025 H Share Option Incentive Scheme Rules and all applicable Grant Letters as if the transferee were the grantee.
- 12.3 Any breach of paragraph 12.2 shall entitle cause the applicable outstanding H Share Option to lapse. For this purpose, a determination by the Board of Directors to the effect that a breach of paragraph 12.2 has occurred shall be final and conclusive.

**Other Restrictions on H Share Options or H Shares**

- 12.4 The Board of Directors or the Scheme Administrator may, in its sole discretion, grant any H Share Option with additional restrictions attached to the H Share Option or H Shares as further set out in the Grant Letter, including contractually restricting the voting or transferability of the H Shares after vesting of the H Share Option.

**13. TAXATION**

- 13.1 All taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the grantee's participation in the 2025 H Share Option Incentive Scheme or in relation to the H Shares or Actual Selling Price (the "**Taxes**") received by a grantee shall be borne by such grantee and neither the Company nor any designated third party shall be liable for any Taxes. Each grantee by its acceptance of any grant of H Share Options agrees to and will indemnify each member of the Group, the trustee(s) and any designated third party against any liability they may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Company (or designated third party) may, notwithstanding anything else in the 2025 H Share Option Incentive Scheme Rules (but subject to applicable law):
- (a) reduce or withhold such number of the H Shares delivered upon exercise of any H Share Option or the Actual Selling Price to be paid to the grantee as may be necessary to settle any Taxes (the number of H Shares that may be reduced or withheld shall be limited to the number of H Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Board of Directors or the Scheme Administrator (or the trustee or designated third party) is sufficient to cover any such liability);
  - (b) sell, on the grantee's behalf, such number of Shares to which the grantee becomes entitled and retain the proceeds and/or pay them to the relevant authorities or government agency;
  - (c) deduct or withhold, without notice to the grantee, the amount of any such liability from any payment to the grantee made under the 2025 H Share Option Incentive Scheme or from any payments due from a member of the Group to the grantee, including from the salary payable to the grantee by any member of the Group; and/or

- (d) require the grantee to remit to any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.
- 13.2 The Company shall not be obliged to issue any H Shares or pay any Actual Selling Price to a grantee unless and until the grantee satisfies the Company (in the opinion of the Board of Directors or the Scheme Administrator) that such grantee's obligations for Taxes under this Rule have been met.
- 13.3 Where the Company has a tax withholding obligation in respect of any of the Taxes or is permitted by applicable laws to withhold Taxes on behalf of the grantee, the grantee may choose to satisfy such obligation to pay Taxes by one or more of the following ways:
  - (a) by remitting to the Company (or any member of the Group as designated by the Board of Directors or the Scheme Administrator) the corresponding amount of Taxes in the form of cash or a certified or bank cashier's check; and/or
  - (b) by authorizing the Company to deduct or withhold the corresponding amount of Taxes from the Actual Selling Price payable to the grantee; and/or
  - (c) by taking any combination of the actions set out in (a) and/or (b) above; and/or
  - (d) by making such alternative arrangements as mutually agreed by the Company and the grantee for the payment of such amount of Taxes.
- 13.4 If the grantee fails to satisfy any of his/her obligation to pay Taxes under paragraph 13.1 or fails to notify the Company of the chosen payment method as referred to in paragraph 13.3 within the period specified by the Board of Directors or the Scheme Administrator (as the case may be), to give effect to paragraphs 13.1 and 13.3, the Company may, notwithstanding anything else in these paragraphs (but subject to applicable laws):
  - (a) deduct or withhold, without notice to the grantee, the amount of any outstanding Taxes and/or any such liability from the Actual Selling Price payable to the grantee or from any payments due from any member of the Group to the grantee, including from the salary payable to the grantee by any member of the Group; and/or
  - (b) take any other action permitted under applicable laws as the Board of Directors or the Scheme Administrator deems fit,as necessary to cover any outstanding Taxes payable by the grantee and/or any liability the Company may have to pay or account for or has paid or accounted for such Taxes.

**14. CANCELLATION OF H SHARE OPTIONS**

- 14.1 Any H Share Option granted but not exercised may be cancelled by the Board of Directors or the Scheme Administrator at any time with the prior consent of the grantee.
- 14.2 The Board of Directors or the Scheme Administrator may in its sole discretion determine to buy out H Share Option from a grantee at a price, and on such terms as, deemed fair and communicated to the grantee, following which, the purchased H Share Option shall be cancelled.
- 14.3 Issuance of new H Share Options to the same grantee whose H Share Options have been cancelled pursuant to paragraph 14.1 may only be made if there are unissued H Share Options available under the Scheme Mandate Limit (excluding the H Share Options of the relevant grantee cancelled pursuant to paragraph 14.1) and in compliance with the terms of the 2025 H Share Option Incentive Scheme.

**15. LAPSE OF H SHARE OPTIONS**

- 15.1 Without prejudice to the authority of the Board of Directors or the Scheme Administrator to provide additional situations when a H Share Option shall lapse in the terms of any Grant Letter, a H Share Option shall lapse automatically (to the extent not already vested and exercised) on the earliest of:
- (a) the expiry of any applicable Exercise Period;
  - (b) the date on which the Board of Directors makes a determination under paragraph 16;
  - (c) the expiry of any of the periods for accepting the H Share Option as referred to in paragraph 7.2;
  - (d) the expiry of any of the periods for exercising the H Share Option as referred to in paragraph 10.1;
  - (e) the non-fulfillment of any vesting condition or criteria as determined by the Board of Directors or the Scheme Administrator and set out in the relevant Grant Letter on or before the Vesting Dates stated therein;
  - (f) the date on which the grantee commits a breach of paragraph 12.2; and
  - (g) the date on which the grantee gives written notice to the Board of Directors or the Scheme Administrator that such H Share Option is forfeited by the grantee.

The Board of Directors or the Scheme Administrator shall have the power to decide whether a H Share Option shall lapse and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any grantee for the lapse of any H Share Option under this paragraph 15.

## **16. CLAWBACK**

### **16.1 In the event that:**

- (a) a grantee ceases to be a Participant by reason of: (i) termination of the grantee's employment or contractual engagement with the Group for cause or without notice; (ii) termination of the grantee's employment or contractual engagement with the Group as a result of the grantee having been charged, penalised or convicted or an offence involving the grantee's integrity or honesty;
- (b) in the reasonable opinion of the Board of Directors or the Scheme Administrator, a grantee has committed a serious breach of an internal policy or code of any member of the Group or agreement with any member of the Group, including the breach of a non-compete obligation imposed on the grantee by the Group, and such breach is considered material;
- (c) in the reasonable opinion of the Board of Directors or the Scheme Administrator, a grantee has engaged in serious misconduct or breaches the terms of the 2025 H Share Option Incentive Scheme in any material respect;
- (d) in the reasonable opinion of the Board of Directors or the Scheme Administrator, a H Share Option to the grantee will no longer be appropriate and aligned with the purpose of the 2025 H Share Option Incentive Scheme; and
- (e) where the Company is required to exercise a clawback in accordance with the applicable laws (including without limitation the Hong Kong Listing Rules) and/or pursuant to a request from any regulatory authority (including without limitation the Hong Kong Stock Exchange);

then the Board of Directors may make a determination at its absolute discretion that: (A) any H Share Options granted but not yet exercised shall immediately lapse, regardless of whether such H Share Options have vested or not, and (B) with respect to any H Shares delivered, or Actual Selling Price paid, to the grantee pursuant to any H Share Options granted under the 2025 H Share Option Incentive Scheme, the grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of H Shares, (2) an amount in cash equal to the market value of such H Shares or the Actual Selling Price, or (3) a combination of (1) and (2).

**17. RETIREMENT AND OTHER EVENTS****17.1 Retirement:**

- (a) If a grantee ceases to be a Participant by reason of the grantee's retirement: (i) any outstanding H Share Options not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Grant Letter, or such other period as the Board of Directors or the Scheme Administrator may determine at its sole discretion; and (ii) any vested H Share Option may be exercised within the Exercise Period, failing which the H Share Option shall lapse.
- (b) A grantee shall be taken to have retired on the date that the grantee retires upon or after reaching the age of retirement specified in the grantee's service agreement or pursuant to any retirement policy of the relevant member of the Group applicable to the grantee from time to time or, in case there is no such terms of retirement applicable to the grantee, with the approval of the Board of Directors or the board of the applicable member of the Group.

**17.2 Death or permanent incapacity:** If a grantee ceases to be a Participant by reason of (i) death of the grantee; or (ii) the termination of the grantee's employment or contractual engagement with any member of the Group by reason of the grantee's permanent physical or mental disablement, any vested H Share Option may be exercised within the Exercise Period by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the H Share Option, the vested H Share Option may be exercised within that period by the persons charged with the duty of representing the grantee under the relevant laws in Hong Kong. If the vested H Share Option is not exercised within the time mentioned above, the H Share Option shall lapse.

**17.3 Bankruptcy:** If a grantee is declared bankrupt or becomes insolvent or is wound-up or makes any arrangements or composition with the grantee's creditors generally, the grantee shall cease to be a Participant under the 2025 H Share Incentive Scheme and any H Share Options not yet vested and any outstanding H Share Options not yet exercised shall be immediately forfeited and shall lapse, unless the Board of Directors or the Scheme Administrator determines otherwise at its absolute discretion. A resolution of the Board of Directors or the Scheme Administrator to the effect that a grantee or a Participant has or has not ceased to be a Participant for purposes of this paragraph 17.3 shall be conclusive.

**17.4 Other reasons:** unless otherwise determined by the Board of Directors or the Scheme Administrator: (i) if a grantee ceases to be a Participant, or where the grantee's employment or contractual engagement with the Group is terminated, for reasons other than those set out in paragraph 16 or the preceding provisions of this paragraph 17; or (ii) where the grantee's employment or contractual engagement with the Group has been suspended, or the grantee's position within or in relation to the Group has been vacated,

for more than six months, a grantee may exercise any vested H Share Options within six months of such cessation or within the Exercise Period, whichever is the shorter, or such other period as the Board of Directors or the Scheme Administrator may decide in its sole discretion. If a H Share Option is not exercised within the time mentioned above, the H Share Option shall lapse.

## **18. ALTERATIONS IN SHARE CAPITAL OR CORPORATE TRANSACTIONS**

### **Alternations in Share Capital**

18.1 In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company after the Adoption Date, the Board of Directors or the Scheme Administrator shall make such corresponding adjustments, if any, as the Board of Directors or the Scheme Administrator in its discretion may deem appropriate to reflect such change with respect to:

- (a) the number of H Shares comprising the Scheme Mandate Limit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;
- (b) the number of H Shares comprised in each H Share Option to the extent any H Share Option has not been exercised, the Exercise Price of any Option,

or any combination thereof, as the Auditors or a financial advisor engaged by the Company for such purpose have certified in writing that such adjustments satisfy the relevant requirements of the Hong Kong Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular grantee, provided always that: (i) any such adjustments should give each grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that grantee was previously entitled prior to such adjustments; and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. The capacity of the Auditors or financial advisor (as the case may be) in this paragraph 18 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the grantees.

### **Corporate Transactions**

18.2 If there is an event of change in control of the Company as the result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Board of Directors or the Scheme Administrator shall at its sole discretion

determine whether the Vesting Dates of any H Share Options will be accelerated and/or the vesting conditions or criteria of any H Share Options will be amended or waived, and notify the grantees accordingly.

- 18.3 For the purpose of paragraph 18.2, “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

## **19. AMENDMENT OF THE 2025 H SHARE OPTION INCENTIVE SCHEME OR H SHARE OPTIONS**

- 19.1 Subject to the provisions of this paragraph 19, the Board of Directors or the Scheme Administrator may amend any of the provisions of the 2025 H Share Option Incentive Scheme or any H Share Options granted under the 2025 H Share Option Incentive Scheme at any time and in any respect, provided that the terms of the 2025 H Share Option Incentive Scheme or H Share Options so altered must comply with the relevant requirements of Chapter 17 of the Hong Kong Listing Rules.

- 19.2 Subject to paragraph 19.5, the consent of the relevant grantee is required for any change to the provisions of the 2025 H Share Option Incentive Scheme or any H Share Options granted under the 2025 H Share Option Incentive Scheme to the extent that such amendment or alteration has a material adverse effect on any subsisting rights of that grantee at that date in respect of H Share Options already granted to that grantee and to the extent that such H Share Options have not vested or lapsed or been forfeited, *provided that* no such consent shall be required if the Board of Directors or the Scheme Administrator determines in its sole discretion that such amendment or alteration either:

- (a) is necessary or advisable in order for the Company, the 2025 H Share Option Incentive Scheme or the H Share Option to satisfy any applicable law or Hong Kong Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or
- (b) is not reasonably likely to diminish materially the benefits provided under such H Share Option, or that any such diminishment has been adequately compensated.

- 19.3 The approval of the Shareholders in general meeting is required for:

- (a) any amendment or alteration to the terms of the 2025 H Share Option Incentive Scheme which are of a material nature or to those provisions of the 2025 H Share Option Incentive Scheme which relate to the matters set out in Rule 17.03 of the Hong Kong Listing Rules to the extent that such alteration or amendment operates to the advantage of the Participants; and

- (b) any change to the authority of the Board of Directors or the Scheme Administrator, including under this paragraph 19, to alter the terms of the 2025 H Share Option Incentive Scheme shall be subject to the approval of the Shareholders in general meeting.

19.4 Any amendment or alteration to the terms of any H Share Option the grant of which was subject to the approval of a particular body (such as the Board of Directors or any committee thereof, the Independent Non-executive Directors, or the Shareholders in general meeting) shall be subject to approval by that same body, *except where* the relevant alteration takes effect automatically under existing terms of the 2025 H Share Option Incentive Scheme.

## **20. METHODS AND PROCEDURES RELATING TO ADJUSTMENT OF THE 2025 H SHARE OPTION INCENTIVE SCHEME**

### **20.1 Adjustment methods of the number of H Share Options**

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company during the period from the acceptance date by the participants to the date the participants exercise of the H Share Options, the number of H Shares comprised in each H Share Option to the extent any H Share Option shall be adjusted accordingly. The adjustment methods are as follows:

- (i) Capitalization of capital reserves, bonus issue, share subdivision

$$Q=Q_0 \times (1+n)$$

Where:  $Q_0$  represents the number of the H Share Options prior to the adjustment;  $n$  represents the ratio of increase per share resulting from capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased share(s) per share upon capitalization of capital reserves, bonus issue or share subdivision); and  $Q$  represents the number of the H Share Options after the adjustment.

## (ii) Rights issue

$$Q=Q_0 \times P_1 \times (1+n) \div (P_1 + P_2 \times n)$$

Where:  $Q_0$  represents the number of the H Share Options prior to the adjustment;  $P_1$  represents the closing price of the H Share Options as at the registration date;  $P_2$  represents the subscription price in respect of the rights issue;  $n$  represents the ratio of the right issue (i.e. the number of shares to be issued under the rights issue in proportion to the total share capital of the Company prior to the rights issue); and  $Q$  represents the number of the H Share Options after the adjustment.

## (iii) Share consolidation

$$Q=Q_0 \times n$$

Where:  $Q_0$  represents the number of the H Share Options prior to the adjustment;  $n$  represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into  $n$  shares); and  $Q$  represents the number of the H Share Options after the adjustment.

**20.2. Adjustment methods of the Exercise Price**

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company during the period from the acceptance date by the participants to the date the participants exercise of the H Share Options, the Exercise Price of H Shares comprised in each H Share Option to the extent any H Share Option shall be adjusted accordingly. The adjustment methods are as follows:

## (i) Capitalization of capital reserves, bonus issue, share subdivision

$$P=P_0 \div (1+n)$$

Where:  $P_0$  represents the Exercise Price of H Share Options prior to the adjustment;  $n$  represents the ratio of increase per share resulting from the capitalization of capital reserves, bonus issue or share subdivision; and  $P$  represents the Exercise Price of H Share Options after the adjustment.

## (ii) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where:  $P_0$  represents the Exercise Price of H Share Options prior to the adjustment;  $P_1$  represents the closing price of the H Share Options as at the record date;  $P_2$  represents the subscription price in respect of the rights issue;  $n$  represents the ratio of the rights issue (i.e. the number of shares to be issued under the rights issue in proportion to the total share capital of the Company prior to the rights issue); and  $P$  represents the Exercise Price of H Share Options after the adjustment.

## (iii) Share consolidation

$$P = P_0 \div n$$

Where:  $P_0$  represents the Exercise Price of H Share Options prior to the adjustment;  $n$  represents the ratio of share consolidation; and  $P$  represents Exercise Price of H Share Options after the adjustment.

**21. SCHEME LIFE AND TERMINATION**

21.1 Subject to paragraph 21.2, the 2025 H Share Option Incentive Scheme shall be valid and effective for the Scheme Period of the 2025 H Share Option Incentive Scheme.

21.2 The 2025 H Share Option Incentive Scheme shall terminate on the earlier of:

- (a) the expiry of the Scheme Period of the 2025 H Share Option Incentive Scheme; and
- (b) such date of early termination as determined by the Board of Directors,

following which no further H Share Options will be offered or granted under the 2025 H Share Option Incentive Scheme, *provided that* notwithstanding such termination, the 2025 H Share Option Incentive Scheme and the 2025 H Share Option Incentive Scheme Rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any H Share Options granted prior to the termination of the 2025 H Share Option Incentive Scheme and such termination shall not affect any subsisting rights already granted to any grantee hereunder.

21.3 H Share Options complying with the provisions of Chapter 17 of the Hong Kong Listing Rules which are granted during the Scheme Period of the 2025 H Share Option Incentive Scheme and remaining unexercised and unexpired immediately prior to the termination of the operation of the 2025 H Share Option Incentive Scheme in accordance with paragraph 21.2 shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the 2025 H Share Option Incentive Scheme.

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## NOTICE OF EGM

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**SHANGHAI JUNSHI BIOSCIENCES CO., LTD.\***

**上海君實生物醫藥科技股份有限公司**

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

**(Stock code: 1877)**

### NOTICE OF EGM

**NOTICE IS HEREBY GIVEN** that the 2025 first extraordinary general meeting (the “**EGM**”) of Shanghai Junshi Biosciences Co., Ltd.\* (the “**Company**”) will be held at 15th Floor, Building 7, No. 6, Lane 100, Pingjiaqiao Road, Pudong New Area, Shanghai, the People's Republic of China on Friday, 26 September 2025 at 2:40 p.m., for the following purposes:

#### **ORDINARY RESOLUTIONS<sup>(9)</sup>**

1. The proposal in relation to the election of Independent Non-executive Director;
2. The proposal in relation to the amendments to Certain Internal Management Policies;

#### **SPECIAL RESOLUTIONS<sup>(9)</sup>**

3. The proposal in relation to change in registered capital, abolishment of the Board of Supervisors, and amendments to the Articles of Association and its appendices;
4. The proposal in relation to the 2025 A Share Option Incentive Scheme of the Company (Draft) and its summary, and the proposed grant of A Share Options to a Director and substantial shareholder;
5. The proposal in relation to the Assessment Management Measures for the Implementation of the 2025 A Share Option Incentive Scheme of the Company;
6. The proposal in relation to the authorization granted by the general meeting to the Board of Directors to handle matters in relation to the 2025 A Share Option Incentive Scheme of the Company;

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## NOTICE OF EGM

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7. The proposal in relation to the 2025 H Share Option Incentive Scheme of the Company; and
8. The proposal in relation to the authorization granted by the general meeting to the Board of Directors and/or the Scheme Administrator to handle matters in relation to the 2025 H Share Option Incentive Scheme of the Company.

By Order of the Board  
**Shanghai Junshi Biosciences Co., Ltd.\***  
**Mr. Xiong Jun**  
*Chairman*

Shanghai, the PRC, 5 September 2025

*Notes:*

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), any vote of shareholders at a general meeting will be taken by poll. As such, each of the resolutions set out in the notice of EGM will be voted by poll. Results of the poll will be published on the Company’s website at [www.junshipharma.com](http://www.junshipharma.com) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) after the EGM in accordance with the Listing Rules.
2. The register of members of H shares of the Company will be closed from Monday, 22 September 2025 to Friday, 26 September 2025, both days inclusive, during which period no transfer of H shares of the Company will be registered, in order to determine the entitlements of the shareholders of the Company to attend and vote at the EGM. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be Friday, 26 September 2025. In order to be eligible to attend and vote at the EGM, all transfers of H shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H shares) before 4:30 p.m. on Friday, 19 September 2025, being the last share registration date.
3. A shareholder entitled to attend and vote at the meeting may appoint one or more persons as his/her proxy(ies) to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company but must attend the meeting in person to represent the member.
4. The instrument appointing a proxy must be in writing and signed by the appointing shareholder or his duly authorized attorney in writing. Where the appointing shareholder is a legal entity, such instrument must be either under its common seal or duly signed by its legal representative, director(s) or duly authorized attorney(s).
5. Shareholders who intend to attend the meeting by proxy should complete the proxy form. For holders of H shares, the proxy form should be returned to the Company’s H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in person or by post as soon as possible not less than 24 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the meeting and any adjournment thereof and voting in person. In such event, the form of proxy shall be deemed to be revoked.
6. The EGM is expected to last for less than half a day. Shareholders (in person or by proxy) who attend the EGM should bear their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall present their identification documents.

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## NOTICE OF EGM

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7. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. Unless otherwise stated, capitalized terms used herein shall have the same meanings as that defined in the circular of the Company dated 5 September 2025 (“**Circular**”). References to times and dates in this notice are to Hong Kong local times and dates.
9. Further details of the resolutions have been included in the Circular.
10. This notice of EGM is despatched to the holders of H shares only. The notice of EGM to the holders of A Shares is separately published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn/>).

*As at the date of this notice, the Board of Directors of the Company comprises Mr. Xiong Jun, Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang and Dr. Li Xin as executive Directors; Mr. Tang Yi as a non-executive Director; and Mr. Zhang Chun, Dr. Feng Xiaoyuan, Dr. Yang Yue, Mr. Li Zhongxian and Ms. Lu Kun as independent non-executive Directors.*

\* *For identification purpose only*