## SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

This Appendix contains a summary of certain principal provisions of the articles of association of the Company (the "Articles") which will become effective on the date of **[REDACTED]** of the H Shares on the **[REDACTED]**. The purpose of this Appendix is to provide prospective **[REDACTED]** with an overview of the Articles and may not contain all information that may be important to prospective **[REDACTED]**.

## GENERAL PROVISIONS

The Company is a joint stock limited company incorporated in accordance with the Company Law and other relevant regulations and requirements.

Shareholders of the Company are liable to the Company to the extent of the shares they subscribe for. The Company is liable for its debts to the extent of all its assets.

With effect from the date on which the Articles take effect, the Articles shall be a legally binding document governing the Company's organisation and conduct, the rights and obligations between the Company and its shareholders, and between shareholders inter se, and shall be legally binding on the Company, its shareholders, directors and senior management. Pursuant to the Articles, shareholders may bring actions against other shareholders, against directors and senior management, and against the Company; and the Company may bring actions against shareholders, directors and senior management.

## OBJECTIVES AND SCOPE OF BUSINESS

The objectives of the Company are: to observe the laws of the People's Republic of China and relevant regulations; to apply internationally advanced technologies and equipment; and to research, develop, manufacture and sell high-quality medical devices and related products, with a view to generating good economic and social returns.

Upon registration in accordance with the law, the business scope of the Company is as follows: Licensed activities: manufacture of Class III medical devices; operation of Class III medical devices; manufacture of Class II medical devices. (Where activities are subject to approval by law, they may only be conducted after obtaining approval from the relevant authorities, and the specific scope of business activities shall be subject to the relevant approval documents or permits.) General activities: technical services, technical development, technical consultancy, technical exchange, technology transfer and technology promotion; sales of Class II medical devices; import and export of goods; import and export agency; leasing services (excluding licensed leasing services); and leasing of machinery and equipment. (Save for activities which are subject to approval by law, all activities may be carried out by the Company in accordance with its business licence.) (Investment in sectors where foreign investment is prohibited under the Foreign Investment Negative List is not permitted.)

## SHARES

### Issue of Shares

The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall carry the same rights. Shares of the same class issued on the same occasion shall carry the same conditions and price. Subscribers shall pay the same price per share.

Shares with par value issued by the Company shall have their par value denominated in Renminbi. Shares issued and listed on the Shanghai Stock Exchange shall be referred to as "A Shares"; shares **[REDACTED]** and **[REDACTED]** on the **[REDACTED]** shall be referred to as "H Shares".

### Increase, Reduction and Repurchase of Shares

Subject to the needs of the Company's operations and development, the Company may, in accordance with applicable laws, regulations and securities regulatory rules of the place of listing, and upon a resolution of the shareholders' meeting, increase its capital by any of the following means:

(1) public issue of shares;

(2) issue of shares to specific persons;

(3) issue of bonus shares to existing shareholders;

(4) capitalisation of reserves;

(5) such other means as permitted by law, administrative regulations or securities regulatory authorities of the place of listing.

The Company may reduce its registered capital in accordance with the procedures prescribed by the Company Law and other relevant regulations and the Articles.

The Company shall not repurchase its own shares save in the following circumstances:

(1) reduction of the Company's registered capital;

(2) merger with another company that holds shares in the Company;

(3) where shareholders dissent from a resolution of the shareholders' meeting regarding a merger or division of the Company and demand that the Company repurchase their shares;

(4) use of shares for employee share ownership schemes or equity incentives;

(5) use of shares to convert convertible corporate bonds issued by the Company;

(6) repurchase as necessary to maintain the Company's value and shareholders' interests.

(7) such other circumstances as prescribed by laws, administrative regulations and securities regulatory rules of the place of listing.

The circumstances referred to in item (6) above must satisfy one of the following conditions:

(1) the closing price of the Company's shares falls below the net asset value per share for the most recent period;

(2) the cumulative decline in the closing price of the Company's shares reaches 20% within 20 consecutive trading days;

(3) the closing price of the Company's shares falls below 50% of the highest closing price in the preceding 12 months;

(4) such other conditions as prescribed by the securities regulatory authorities of the place of listing.

The Company may repurchase its own shares by way of open market transactions or any other means recognised by applicable laws, administrative regulations and the securities regulatory authorities and stock exchange of the place of listing.

Where the Company repurchases its own shares pursuant to items (4) to (6) above, such repurchase must be conducted by way of open market transactions.

The Company shall fulfil its disclosure obligations in accordance with the securities regulatory rules of the place of listing upon repurchasing its own shares.

A repurchase pursuant to items (1) and (2) above shall be approved by a resolution of the shareholders' meeting. A repurchase pursuant to items (4), (5) and (6) above may, subject to the Articles or authorisation by the shareholders' meeting, and in compliance with applicable securities regulatory rules of the place of listing, be approved by a resolution of the board of directors passed by not less than two-thirds of all directors in attendance.

Following a repurchase of shares, and subject to applicable securities regulatory rules of the place of listing: shares repurchased pursuant to item (1) shall be cancelled within 10 days from the date of repurchase; shares repurchased pursuant to items (2) and (4) shall be transferred or cancelled within six months; shares repurchased pursuant to items (4), (5) and (6) shall not in aggregate exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.

Notwithstanding the above, where applicable laws, regulations, other provisions of the Articles or the laws or securities regulatory authorities of the place of listing otherwise provide in respect of matters relating to share repurchases, the Company shall comply with such provisions. **[REDACTED]** of H Shares shall be conducted in compliance with the **[REDACTED]** and other applicable laws, regulations and regulatory requirements of the place of **[REDACTED]** of the H Shares.

**Transfer of Shares**

Shares of the Company shall be transferred in accordance with the law.

The Company shall not accept its own shares as the subject matter of a pledge.

Shares issued by the Company prior to the public offering of A Shares shall not be transferred within one year from the date on which the A Shares are listed and traded on a stock exchange. Transfers of shares by shareholders shall be governed by any applicable requirements under law, administrative regulations or requirements of the CSRC.

Directors and senior management of the Company shall report to the Company the shares of the Company held by them and any changes thereto. During the term of office as determined at the time of appointment, the annual transfer of shares by such persons shall not exceed 25% of the total shares of the Company held by them. Their shares shall not be transferred within one year from the date on which the Company's shares are listed and traded. Such persons shall not transfer their shares within six months following their departure from office. Where a director or senior management member resigns before the expiry of their term, they shall continue to comply with the applicable restrictions on the percentage of shares that may be reduced during the term and for six months following the expiry of the term, as required by the Company Law and securities regulatory rules of the place of listing.

Where applicable securities regulatory rules of the place of listing otherwise impose restrictions on transfers of shares, such rules shall prevail.

Where a shareholder holding 5% or more of the shares of the Company, or a director or senior management member, sells shares (or other securities of an equity nature) in the Company within six months of purchasing them, or repurchases shares within six months of selling them, any profit arising therefrom shall belong to the Company and the board of directors shall recover such profit. This does not apply where a securities company comes to hold 5% or more of the shares as a result of purchasing unsold shares following underwriting, or in such other circumstances as prescribed by the securities regulatory authorities of the place of listing.

## SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

### General Provisions Regarding Shareholders

The Company shall establish a register of shareholders based on the credentials provided by the securities registration and clearing institution of the place of listing. The register of shareholders shall be conclusive evidence of shareholders' holdings of shares in the Company. Shareholders shall enjoy rights and assume obligations in respect of the shares they hold; shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall have the following rights:

(1) to receive dividends and other forms of profit distribution in proportion to the shares held;

(2) to request, convene, preside over, attend or appoint a proxy to attend shareholders' meetings and to exercise the relevant voting rights, in accordance with the law;

(3) to supervise the Company's operations and to make proposals or enquiries;

(4) to transfer, donate or pledge their shares in accordance with applicable laws, administrative regulations, securities regulatory rules of the place of listing and the Articles;

(5) to inspect and obtain copies of the Articles, the register of shareholders, minutes of shareholders' meetings, resolutions of the board of directors, and financial accounting reports; shareholders who individually or collectively hold 3% or more of the shares of the Company for a continuous period of not less than 180 days may inspect the Company's accounting books and accounting records;

(6) upon the termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to the shares held;

(7) where a shareholder dissents from a resolution of the shareholders' meeting regarding a merger or division of the Company, to demand that the Company repurchase their shares;

Shareholders shall have the right to apply to a people's court for a declaration of invalidity where the content of a resolution of the shareholders' meeting or the board of directors violates laws or administrative regulations.

Shareholders shall have the right to apply to a people's court to revoke a resolution within 60 days from the date on which it is passed, where the convening procedures or voting methods for a shareholders' meeting or board meeting violate laws, administrative regulations or the Articles, or where the content of the resolution violates the Articles. This does not apply where the deficiency in the convening procedures or voting methods is minor and has no material effect on the resolution.

Where disputes arise between the board of directors, shareholders or other relevant parties as to the validity of a shareholders' meeting resolution, the relevant parties shall promptly bring proceedings before a people's court. Prior to any judgment or ruling by the court setting aside such resolution, the relevant parties shall comply with the resolution. The Company, its directors and senior management shall duly perform their duties to ensure the normal operation of the Company.

Upon a judgment or ruling being made by the people's court, the Company shall fulfil its information disclosure obligations in accordance with applicable laws, administrative regulations and requirements of the securities regulatory authorities and stock exchange of the place of listing, and shall provide a full explanation of the impact. The Company shall actively cooperate in implementing the judgment or ruling upon it taking effect, and shall promptly address and fulfil its information disclosure obligations in respect of any corrections to prior matters.

A resolution of the shareholders' meeting or the board of directors shall not be validly constituted in any of the following circumstances:

(1) no shareholders' meeting or board meeting was convened to pass the resolution;

(2) no vote was taken on the matter at the shareholders' meeting or board meeting;

(3) the number of persons in attendance or the number of voting shares held by them did not reach the quorum required by the Company Law or the Articles;

(4) the number of votes cast in favour did not reach the threshold required by the Company Law or the Articles.

Where a director or senior management member violates laws, administrative regulations, securities regulatory rules of the place of listing or the Articles and thereby causes damage to shareholders' interests, shareholders may bring proceedings before a people's court.

Shareholders of the Company shall assume the following obligations:

(1) to comply with laws, administrative regulations, securities regulatory rules of the place of listing and the Articles;

(2) to pay the subscription price for shares in accordance with the number of shares subscribed for and the mode of capital contribution;

(3) save as permitted by law or regulation, not to withdraw their capital contributions;

(4) not to abuse shareholders' rights to the detriment of the Company or other shareholders; and not to abuse the independent legal person status of the Company or the principle of limited liability to the detriment of the Company's creditors;

(5) other obligations required under laws, administrative regulations, securities regulatory rules of the place of listing and the Articles.

Where a shareholder abuses shareholders' rights and causes loss to the Company or other shareholders, the shareholder shall be liable for compensation in accordance with the law. Where a shareholder abuses the independent legal person status of the Company and the principle of limited liability to evade debts and thereby seriously damages the interests of the Company's creditors, such shareholder shall be jointly and severally liable for the debts of the Company.

**Controlling Shareholders and De Facto Controllers**

The controlling shareholders and de facto controllers of the Company shall comply with the following requirements:

(1) exercise shareholders' rights in accordance with the law; not to abuse their controlling position or related-party relationships to the detriment of the legitimate rights and interests of the Company or other shareholders;

(2) strictly honour all public undertakings and commitments made; not to alter or waive any such undertakings or commitments without authorisation;

(3) strictly fulfil information disclosure obligations in accordance with applicable regulations; proactively cooperate with the Company in its information disclosure work; and promptly notify the Company of any material events that have occurred or are expected to occur;

(4) not to misappropriate the Company's funds in any manner;

(5) not to compel, direct or require the Company or any relevant person to provide guarantees in violation of laws or regulations;

(6) not to use material non-public information of the Company for personal gain; not to leak material non-public information relating to the Company in any manner; and not to engage in insider dealing, short swing trading, market manipulation or other illegal or irregular conduct;

(7) not to prejudice the legitimate rights and interests of the Company and other shareholders through non-arm's length related party transactions, profit distributions, asset restructurings, external investments or any other means;

(8) to safeguard the integrity of the Company's assets and to ensure the independence of its personnel, finances, institutions and business; not to affect the independence of the Company in any manner;

(9) to comply with other requirements under laws, administrative regulations, regulations of the securities regulatory authorities of the place of listing, business rules of the **[REDACTED]** and the Articles. Where the controlling shareholder or de facto controller

does not hold the position of director of the Company but actually manages the Company's affairs, the provisions of the Articles regarding the duties of loyalty and diligence of directors shall apply. Where the controlling shareholder or de facto controller instructs directors or senior management to engage in conduct that is detrimental to the interests of the Company or shareholders, such controlling shareholder or de facto controller shall be jointly and severally liable together with such directors or senior management.

Where a controlling shareholder or de facto controller pledges the Company's shares that it holds or controls, it shall maintain the stability of the Company's control and its production and operations.

Where a controlling shareholder or de facto controller transfers its shares in the Company, it shall comply with the applicable restrictions on share transfers and commitments in relation to restrictions on share transfers under laws, administrative regulations and requirements of the securities regulatory authorities and stock exchange of the place of listing.

**General Provisions for Shareholders' meetings**

The shareholders' meeting comprises all shareholders. The shareholders' meeting is the governing body of the Company and shall exercise the following powers in accordance with the law:

(1) to elect and replace directors (other than employee representative directors) and to determine matters relating to the remuneration of directors;

(2) to consider and approve reports of the board of directors;

(3) to consider and approve the Company's profit distribution plans and plans for making up losses;

(4) to pass resolutions on increases or reductions in the Company's registered capital;

(5) to pass resolutions on the issuance of debentures by the Company;

(6) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;

(7) to amend the Articles;

(8) to pass resolutions on the appointment or removal of accounting firms engaged to perform audits of the Company;

(9) to consider and approve guarantee matters as provided in the Articles;

(10) to consider matters involving the purchase or sale of material assets by the Company within one year that exceed 30% of the Company's total audited assets for the most recent period;

(11) to consider transactions (other than the provision of guarantees or financial assistance) that meet any one of the following thresholds:

1. the total assets involved in the transaction (where both book value and appraised value exist, the higher value shall apply) represent 50% or more of the total audited assets of the listed company for the most recent period;

2. the transaction consideration represents 50% or more of the market capitalisation of the listed company;

3. the net asset value of the transaction subject matter (e.g., equity) for the most recent financial year represents 50% or more of the market capitalisation of the listed company;

4. the revenue attributable to the transaction subject matter (e.g., equity) for the most recent financial year represents 50% or more of the audited revenue of the listed company for the most recent financial year, and exceeds RMB50 million;

5. the profit generated by the transaction represents 50% or more of the audited net profit of the listed company for the most recent financial year, and exceeds RMB5 million;

6. the net profit attributable to the transaction subject matter (e.g., equity) for the most recent financial year represents 50% or more of the audited net profit of the listed company for the most recent financial year, and exceeds RMB5 million.

The transactions referred to above include the purchase or sale of assets (excluding the purchase of raw materials, fuel and power and the sale of products or goods and other transactions in the ordinary course of business); external investment (excluding the purchase of low-risk bank wealth management products); assignment or acquisition of research and development projects; entry into licence agreements; leasing in or out of assets; entrusting or accepting entrusted management of assets and businesses; making or receiving donations of assets; debt and liability restructuring; waiver of rights (including pre-emptive rights and priority subscription rights); and other transactions prescribed by laws, regulations and the rules of the stock exchange of the place of listing.

(12) to consider financial assistance transactions (including interest-bearing or interest-free loans, entrusted loans and the like) that meet any one of the following thresholds:

1. the amount of a single financial assistance transaction exceeds 10% of the audited net assets of the listed company for the most recent period;

2. the latest financial statements of the recipient show that its debt-to-assets ratio exceeds 70%;

3. the cumulative amount of financial assistance provided in the most recent 12 months exceeds 10% of the audited net assets of the Company for the most recent period;

4. such other circumstances as prescribed by the stock exchange of the place of listing or the Articles.

The above requirements shall not apply where the recipient is a controlling subsidiary within the Company's consolidated financial statements and none of the other shareholders of such controlling subsidiary is the controlling shareholder, de facto controller or their associates.

(13) to consider transactions (other than the provision of guarantees) between the Company and connected persons where the transaction amount exceeds 1% of the audited total assets or market capitalisation of the listed company for the most recent period and exceeds RMB30 million;

(14) to consider and approve proposals to change the use of proceeds raised;

(15) to consider equity incentive schemes and employee share ownership schemes;

(16) at the annual general meeting, to authorise the board of directors to determine the issuance of shares to specific persons in a total financing amount not exceeding RMB300 million and not exceeding 20% of the net assets as at the end of the preceding year, with such authorisation expiring on the date of the following annual general meeting;

(17) to authorise the board of directors to determine, within a period of three years, the issuance of shares not exceeding 50% of the then issued share capital, provided that issuances in consideration of non-monetary assets shall require a resolution of the shareholders' meeting;

(18) to authorise the board of directors to pass resolutions on the issuance of debentures; where the shareholders' meeting or the Articles authorise the board of directors to determine the issuance of new shares, the relevant resolution of the board of directors shall be passed by not less than two-thirds of all directors;

(19) to consider other matters that are required under laws, administrative regulations, departmental rules, securities regulatory rules of the place of listing or the Articles to be determined by the shareholders' meeting. Subject to a resolution of the shareholders' meeting, or authorisation by the Articles or the shareholders' meeting to the board of directors, new shares and convertible bonds may be issued; the relevant implementation shall be in compliance with applicable laws, administrative regulations and requirements of the CSRC and the stock exchange of the place of listing.

Save as otherwise provided by applicable laws, administrative regulations, securities regulatory authorities or stock exchanges of the place of listing, the above powers of the shareholders' meeting shall not be delegated to the board of directors or any other body or individual.

The following external guarantee transactions by the Company shall be subject to approval by the shareholders' meeting.

(1) any guarantee provided after the aggregate amount of external guarantees by the Company and its controlling subsidiaries exceeds 50% of the Company's audited net assets for the most recent period;

(2) any guarantee provided after the aggregate amount of external guarantees by the Company and its controlling subsidiaries exceeds 30% of the Company's audited total assets for the most recent period;

(3) any guarantee under which the cumulative amount of guarantees provided by the Company to any one person within a 12-month period exceeds 30% of the Company's audited total assets for the most recent period;

(4) any guarantee for a party whose debt-to-assets ratio exceeds 70%;

(5) any single guarantee exceeding 10% of the Company's audited net assets for the most recent period;

(6) any guarantee for a shareholder, de facto controller or their associates;

(7) other guarantees as required by securities regulatory rules of the place of listing and the Articles.

For guarantee matters within the authority of the board of directors, such matters shall be approved by more than half of all directors and by not less than two-thirds of the directors in attendance at the board meeting. Guarantees under item (3) above shall be approved by not less than two-thirds of the voting rights held by shareholders in attendance at the shareholders' meeting.

Where the shareholders' meeting or the board of directors provides external guarantees in breach of the authority, approval thresholds and deliberation procedures prescribed by laws, regulations and the Articles, the Company shall have the right to hold the relevant responsible persons accountable, including by way of warnings, public criticism, fines, demotion or removal from office.

Shareholders' meetings shall be divided into annual general meetings and extraordinary general meetings. Annual general meetings shall be held once each year, within six months following the end of each financial year.

Extraordinary general meetings shall be convened within two months upon the occurrence of any of the following:

(1) the number of directors falls below the minimum required by the Company Law or to less than two-thirds of the number specified in the Articles;

(2) the Company's unrecouped losses reach one-third of its total paid-up share capital;

(3) a request is made by shareholders individually or collectively holding 10% or more of the shares of the Company (including preference shares with restored voting rights);

(4) the board of directors considers it necessary;

(5) a proposal is made by the audit committee;

(6) a proposal is made by more than half of the independent directors;

(7) such other circumstances as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place of listing or the Articles.

**Convening of Shareholders' meetings**

The board of directors shall convene shareholders' meetings within the prescribed time limits.

Independent directors, with the consent of more than half of all independent directors, may propose to the board of directors to convene an extraordinary general meeting.

Where the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice of the meeting within five days following the adoption of the relevant board resolution. Where the board of directors disagrees, it shall provide reasons and make an announcement.

Where the audit committee proposes to the board of directors to convene an extraordinary general meeting, such proposal shall be submitted to the board of directors in writing.

Where shareholders individually or collectively holding 10% or more of the shares of the Company (including preference shares with restored voting rights) request the board of directors to convene an extraordinary general meeting, such request shall be submitted to the board of directors in writing.

Where the board of directors disagrees with the convening of an extraordinary general meeting, or fails to respond within ten days of receipt of a request, shareholders individually or collectively holding 10% or more of the shares of the Company (including preference shares with restored voting rights) may propose to the audit committee to convene an extraordinary general meeting, and such proposal shall be submitted to the audit committee in writing.

Where the audit committee agrees to convene an extraordinary general meeting, it shall issue a notice of the meeting within five days of receipt of the request. Any changes to the original request in the notice shall be agreed to by the relevant shareholders.

Where the audit committee fails to issue a notice within the prescribed time limit, it shall be deemed to have not convened or presided over the shareholders' meeting. Shareholders who individually or collectively hold 10% or more of the shares of the Company (including preference shares with restored voting rights) for a continuous period of not less than 90 days may convene and preside over the meeting themselves.

Where the audit committee or shareholders decide to convene a shareholders' meeting themselves, they shall notify the board of directors in writing, and file with the Shanghai Stock Exchange simultaneously.

**Proposals and Notice for Shareholders' Meetings**

In respect of a shareholders' meeting, the board of directors, the audit committee and shareholders individually or collectively holding 1% or more of the shares of the Company (including preference shares with restored voting rights) shall be entitled to submit proposals to the Company.

Proposals not listed in the notice of shareholders' meeting or not in compliance with the Articles shall not be voted on or resolved at the shareholders' meeting.

The convener shall notify all shareholders in writing (including by way of announcement) not less than 21 days before an annual general meeting and not less than 15 days before an extraordinary general meeting.

The notice of a shareholders' meeting shall contain the following:

(1) the time, venue and duration of the meeting;

(2) the matters and proposals to be considered at the meeting;

(3) a prominent statement to the effect that all holders of ordinary shares (including holders of preference shares with restored voting rights) and holders of shares with special voting rights are entitled to attend the shareholders' meeting, and that a shareholder may appoint a proxy (who need not be a shareholder of the Company) to attend and vote on his behalf;

(4) the record date for determining eligibility to attend the shareholders' meeting;

(5) the name and contact details of the standing meeting liaison person;

(6) the time and procedures for voting by electronic means or other means.

The notice and supplemental notice of a shareholders' meeting shall fully and completely disclose all specific details of all proposals.

Where a shareholders' meeting proposes to consider the election of directors, the notice shall fully disclose detailed information in relation to each director candidate, including at a minimum:

(1) personal particulars including educational background, work experience and concurrent positions held;

(2) whether any connected relationship exists with the Company or its controlling shareholders and de facto controllers;

(3) the number of shares in the Company held;

(4) whether the candidate has been subject to any sanctions by the CSRC or other relevant authorities or censure by the stock exchange of the place of listing;

(5) such other information as required by securities regulatory rules of the place of listing.

Save where cumulative voting is adopted for the election of directors, each director candidate shall be proposed as a separate agenda item.

Once notice of a shareholders' meeting has been issued, the meeting shall not be postponed or cancelled without justification, and proposals listed in the notice shall not be withdrawn. Where postponement or cancellation is unavoidable, the convener shall make an announcement and provide reasons at least two working days before the originally scheduled date.

Where securities regulatory rules of the place of listing impose special requirements on the procedures for postponement or cancellation of shareholders' meetings, such rules shall prevail to the extent they do not conflict with domestic regulatory requirements.

**Holding of Shareholders' Meetings**

All holders of ordinary shares (including holders of preference shares with restored voting rights) and holders of shares with special voting rights, or their proxies, registered as at the record date pursuant to securities regulatory rules of the place of listing shall be entitled to attend and, subject to applicable laws, regulations, securities regulatory rules of the place of listing and the Articles, to speak and exercise their voting rights at the shareholders' meeting (unless individual shareholders are required under securities regulatory rules of the place of listing to abstain from voting on particular matters).

Shareholders may attend shareholders' meetings in person or appoint a proxy (who need not be a shareholder of the Company) to attend, speak and vote on their behalf.

Shareholders' meetings shall be chaired by the chairman of the board of directors. Where the chairman is unable or fails to perform his duties, a director shall be nominated by more than half of the directors to chair the meeting.

Shareholders' meetings convened by the audit committee shall be chaired by the convenor of the audit committee. Where the convenor of the audit committee is unable or fails to perform his duties, a member of the audit committee shall be jointly nominated by more than half of the members of the audit committee to chair the meeting.

Shareholders' meetings convened by shareholders shall be chaired by the convener or its designated representative.

Where the chairman violates the rules of procedure such that the shareholders' meeting is unable to proceed, another person may be nominated to chair the meeting and the meeting may continue, upon the approval of shareholders holding more than half of the voting rights represented in person at the meeting.

The Company shall formulate rules of procedure for shareholders' meetings setting out in detail the convening, conduct and voting procedures of shareholders' meetings, including notice, registration, consideration of proposals, voting, counting of votes, announcement of results, passing of resolutions, keeping of minutes and signing thereof, and announcements, as well as the principles governing authorisations of the board of directors by the shareholders' meeting, the content of which shall be specific and clearly defined.

The chairman shall announce, prior to voting, the number of shareholders and proxies in attendance and the total number of voting shares represented, which shall be based on the meeting registration.

Minutes shall be maintained for each shareholders' meeting, which shall be the responsibility of the board secretary. The minutes shall contain the following:

(1) the time, venue, agenda and name of the convener of the meeting;

(2) the names of the chairman and the directors and senior management in attendance;

(3) the number of shareholders and proxies in attendance, the total number of voting shares held by them and the percentage represented to the total shares of the Company;

(4) the deliberation of each proposal, key points of speeches made and the results of voting;

(5) questions or suggestions raised by shareholders and the corresponding responses or explanations;

(6) the names of the legal counsel, vote counters and scrutineers;

(7) other matters that are required to be included in the minutes under the Articles.

The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, the company secretary, the convener or its representative, and the chairman shall sign the minutes. The minutes shall be kept together with the signature register of shareholders attending in person, proxies, records of votes cast electronically or by other means and relevant valid materials for a minimum period of ten years.

The convener shall ensure that shareholders' meetings are held continuously until final resolutions are passed. Where a shareholders' meeting is interrupted or unable to pass resolutions due to force majeure or other special circumstances, the necessary measures shall be taken to resume the meeting as soon as possible or to terminate the meeting, and a prompt announcement shall be made. The convener shall also report to the local office of the CSRC where the Company is located and the stock exchange of the place of listing.

**Voting and Resolutions of Shareholders' Meetings**

Resolutions of the shareholders' meeting shall be classified as ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by more than half of the voting rights held by shareholders (including proxies) in attendance at the shareholders' meeting.

A special resolution shall be passed by not less than two-thirds of the voting rights held by shareholders (including proxies) in attendance at the shareholders' meeting.

The following matters shall be approved by ordinary resolution of the shareholders' meeting:

(1) the work report of the board of directors;

(2) the profit distribution plans and plans for making up losses proposed by the board of directors;

(3) the appointment, removal and remuneration and payment methods of members of the board of directors;

(4) the annual report of the Company;

(5) other matters that are not required to be approved by special resolution under laws, administrative regulations, securities regulatory rules of the place of listing or the Articles.

The following matters shall be approved by special resolution of the shareholders' meeting:

(1) increase or reduction of the Company's registered capital;

(2) the division, spin-off, merger, dissolution and liquidation of the Company;

(3) amendment of the Articles;

(4) the purchase or sale of material assets or provision of guarantees to others by the Company within one year that exceed 30% of the Company's audited total assets for the most recent period;

(5) equity incentive schemes;

(6) the voluntary withdrawal of the Company's shares from trading on the Shanghai Stock Exchange or the **[REDACTED]**, with no intention of seeking re-admission to trading on the Shanghai Stock Exchange or the **[REDACTED]**;

(7) the voluntary withdrawal of the Company's shares from trading on the Shanghai Stock Exchange or the **[REDACTED]**, with a view to seeking admission to trading or transfer on another exchange;

(8) other matters required under laws, administrative regulations, securities regulatory rules of the place of listing or the Articles, or as determined by ordinary resolution of the shareholders' meeting to have a material impact on the Company, to be approved by special resolution.

In respect of resolutions under items (6) and (7) above, in addition to being approved by not less than two-thirds of the valid voting rights held by shareholders in attendance, such resolutions shall also be approved by not less than two-thirds of the valid voting rights held by shareholders in attendance other than the following:

(1) directors and senior management of the Company;

(2) shareholders individually or collectively holding 5% or more of the shares of the listed company.

Shareholders (including proxies) shall exercise voting rights in proportion to the number of shares carrying voting rights they represent, with each share carrying one vote.

Where, on a poll, the securities registration and settlement institution acts as the nominee holder of shares under the Mainland-Hong Kong Stock Connect mechanism, or where a shareholder is a recognised clearing house (or its agent) within the meaning of the relevant ordinances of Hong Kong as amended from time to time and is entitled to cast two or more votes, such shareholder shall not be required to cast all such votes in the same manner, whether as votes in favour, votes against or abstentions.

When shareholders' meetings consider material matters affecting the interests of minority investors, voting by minority investors shall be counted separately. The results of such separate vote count shall be disclosed promptly.

Shares of the Company held by the Company itself shall carry no voting rights and shall not be counted in the total number of voting shares represented at the shareholders' meeting. Pursuant to applicable laws, regulations and the **[REDACTED]**, votes cast by any shareholder who is required to abstain from voting, or any shareholder who is restricted to voting in favour of (or against) a resolution, in contravention of such requirement or restriction, shall not be counted in the total number of voting shares.

Where a shareholder purchases shares carrying voting rights in the Company in violation of the first or second paragraph of Article 63 of the Securities Law, the shares acquired in excess of the prescribed percentage shall not carry voting rights for a period of 36 months from the date of purchase, and shall not be counted in the total number of voting shares at shareholders' meetings.

The board of directors of the Company, independent directors and shareholders individually or collectively holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or requirements of the securities regulatory authorities of the place of listing, may solicit shareholders' voting rights publicly. Any such solicitation shall involve full disclosure to the persons solicited of specific voting intentions and other relevant information. It is prohibited to solicit shareholders' voting rights through paid or disguised paid means. Save as required by law, the Company shall not impose a minimum shareholding threshold for the solicitation of voting rights.

When a shareholders' meeting considers matters involving connected transactions, connected shareholders shall not participate in the vote, and the voting shares represented by such shareholders shall not be counted in the total number of valid votes. The announcement of the resolution shall fully disclose the voting results of non-connected shareholders.

The procedures for recusal and voting of connected shareholders at shareholders' meetings shall be as follows:

(1) where a matter under consideration is connected with a particular shareholder, that connected shareholder shall fully disclose to the board of directors its connected relationship prior to the shareholders' meeting;

(2) when considering a connected transaction, the chairman shall announce the connected relationship between the relevant shareholder and the transaction; the chairman shall expressly require the connected shareholder to recuse itself, whereupon the non-connected shareholders shall deliberate and vote on the connected transaction;

(3) a resolution on a connected transaction shall be passed by more than half of the voting shares held by non-connected shareholders; provided that where the connected transaction constitutes a matter requiring a special resolution under the Articles, the resolution must be passed by not less than two-thirds of the voting shares held by non-connected shareholders in attendance;

(4) where a connected shareholder fails to follow the above procedures for disclosure of connected information or recusal in respect of a connected transaction, any resolution relating to that connected matter shall be void and shall be subject to a fresh vote.

Candidates for non-employee representative directors shall be put to shareholders for approval as a proposal.

Save for cumulative voting, the shareholders' meeting shall vote on all proposals individually, in the chronological order in which they are submitted. Save where a shareholders' meeting is unable to proceed or pass resolutions due to force majeure or other special circumstances, no proposal shall be shelved or left unvoted.

Proposals shall not be amended at a shareholders' meeting; any change shall be deemed a new proposal and may not be voted on at the same meeting.

Voting at shareholders' meetings shall be by poll.

Shareholders in attendance at the shareholders' meeting shall express one of the following positions on each proposal put to a vote: for, against or abstain; save where the securities registration and clearing institution as nominal holder of shares under the Stock Connect scheme, or a recognised clearing house (or its agent) as defined under applicable Hong Kong legislation, reports in accordance with the instructions of the actual holders.

Resolutions of shareholders' meetings shall be announced promptly. Announcements shall set out the number of shareholders and proxies in attendance, the total number of voting shares held by them and the percentage they represent to the total voting shares of the Company, the method of voting, the results of voting on each proposal and the details of each resolution passed.

Where a shareholders' meeting passes a resolution on the election of directors, the newly appointed directors shall take office immediately upon the conclusion of the meeting.

Where a shareholders' meeting passes a resolution on the distribution of cash dividends, issue of bonus shares or capitalisation of capital reserves, the Company shall implement the relevant scheme within two months of the conclusion of the meeting.

Where applicable laws, regulations or securities regulatory rules of the place of listing prevent implementation within two months, the implementation date may be adjusted accordingly.

## DIRECTORS AND BOARD OF DIRECTORS

### Directors

The Company's directors may include executive directors, non-executive directors and independent directors. Non-executive directors are directors who do not hold executive management positions in the Company. Independent directors are persons who satisfy the requirements of the Articles, and the term shall have the same meaning as "independent non-executive director" under the **[REDACTED]**. Directors of the Company shall be natural persons. A person shall not serve as a director of the Company in any of the following circumstances:

(1) they have no or limited civil capacity;

(2) they have been convicted of corruption, bribery, misappropriation of property, embezzlement or disruption of socialist market order, or have been deprived of their political rights for a criminal offence, and five years have not elapsed since the completion of the sentence, or where a suspended sentence was imposed, two years have not elapsed since the expiry of the probationary period;

(3) they served as a director or factory or company manager of a company or enterprise that went into bankruptcy and liquidation, and bore personal liability for such bankruptcy, and three years have not elapsed since the completion of such bankruptcy and liquidation;

(4) they served as the legal representative of a company or enterprise whose business licence was revoked or which was ordered to close down for violation of the law, and bore personal responsibility therefor, and three years have not elapsed since such revocation or order;

(5) they have incurred a relatively large personal debt that is overdue and have been listed as a dishonest person subject to enforcement by a people's court;

(6) they have been subject to a market access ban by the CSRC and the ban period has not expired;

(7) they have been publicly identified by the stock exchange of the place of listing as unsuitable to serve as a director or senior management member of a listed company, and the relevant period has not expired;

(8) such other circumstances as prescribed by laws, administrative regulations, departmental rules or securities regulatory rules of the place of listing.

Any election, appointment or engagement of directors in violation of the above shall be void. Where a director becomes subject to any of the above circumstances during his term of office, the Company shall relieve him of his duties and require him to cease performing them.

The board of directors of the Company shall include employee representative directors.

Directors shall be elected or replaced by the shareholders' meeting and may be removed by ordinary resolution of the shareholders' meeting before the expiry of their term. Directors shall serve a term of three years, and may be re-elected for consecutive terms in accordance with securities regulatory rules of the place of listing.

A director's term of office commences on the date of his appointment and ends upon the expiry of the current board's term of office. Where directors are not replaced upon the expiry of their term, the outgoing directors shall continue to perform their duties in accordance with applicable laws, administrative regulations, departmental rules, securities regulatory rules of the place of listing and the Articles until newly elected directors take office.

Directors appointed by the board of directors to fill a casual vacancy or as an addition to the board shall serve from the date of their appointment until the conclusion of the next shareholders' meeting at which their successor is elected (but not later than the first annual general meeting following their appointment), and shall be eligible for re-election at that time.

Directors may concurrently hold positions as senior management, provided that the aggregate number of directors who concurrently serve as senior management together with employee representative directors shall not exceed half of the total number of directors.

The Company shall have employee directors. Employee representative directors on the board of directors shall be elected by the employees of the Company through the employees' representative meetings, employees' meetings or other democratic means, and shall not be subject to approval by the shareholders' meeting.

Directors shall comply with applicable laws, administrative regulations, securities regulatory rules of the place of listing and the Articles. Directors owe a duty of loyalty to the Company and shall take measures to avoid conflicts between their personal interests and those of the Company; they shall not use their powers to seek improper personal gains.

Where a director fails to attend two consecutive board meetings in person and does not appoint another director to attend on his behalf, it shall be deemed that the director is unable to perform his duties, and the board of directors shall recommend to the shareholders' meeting that the director be replaced.

A director may resign before the expiry of his term by submitting a written resignation to the Company. The resignation shall take effect upon the Company's receipt of the resignation letter, and the Company shall disclose the relevant details within two trading days. Where a director's resignation would cause the number of board members to fall below the statutory minimum, the number of independent directors to fall below the minimum required by laws, regulations, securities regulatory rules of the place of listing or the Articles, or the proportion of independent directors on the board of directors or its special committees not to meet the required minimum, or where there would be no member with accounting expertise among the independent directors, the outgoing director shall continue to perform his duties in accordance with applicable laws, administrative regulations, departmental rules, securities regulatory rules of the place of listing and the Articles until a replacement director takes office.

The shareholders' meeting may pass a resolution to remove a director; the employees' representative meetings, employees' meetings or other democratic means may pass a resolution to remove an employee director. Removal shall take effect on the date the relevant resolution is passed.

**Board of Directors**

The Company shall have a board of directors which shall be accountable to the shareholders' meeting. The board of directors shall consist of nine directors, including executive directors, non-executive directors and independent directors, with three independent directors and one employee director. The board of directors shall have one chairman, who shall be elected from among the directors by a majority of all directors.

The board of directors shall exercise the following powers:

(1) to convene shareholders' meetings and to report to the shareholders' meeting;

(2) to implement resolutions of the shareholders' meeting;

(3) to determine the Company's business plans and investment proposals;

(4) to formulate the Company's profit distribution plans and plans for making up losses;

(5) to formulate plans for increases or reductions in the Company's registered capital and for the issuance of debentures or other securities and listing;

(6) to draft proposals for major acquisitions by the Company, repurchases of the Company's shares, and mergers, divisions, dissolution and change of corporate form;

(7) within the scope of authorisation by the shareholders' meeting, to determine the Company's external investments, acquisitions and disposals of assets, mortgage of assets, provision of external guarantees, wealth management, related party transactions, external donations and other matters;

(8) to determine the establishment of the Company's internal management structure;

(9) to determine the appointment or removal of the general manager, company secretary and other senior management members, and their remuneration and rewards and penalties; upon nomination by the general manager, to determine the appointment or removal of deputy general managers, chief financial officer and other senior management members, and their remuneration and rewards and penalties;

(10) to formulate the Company's basic management systems;

(11) to formulate proposed amendments to the Articles;

(12) to manage the Company's information disclosure matters;

(13) to recommend to the shareholders' meeting the appointment or replacement of the accounting firm engaged to perform audits for the Company;

(14) to receive the work report of the general manager and to review the general manager's work;

(15) other powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place of listing or the Articles. Matters outside the scope of authorisation by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

The board of directors shall provide an explanation to the shareholders' meeting regarding any non-standard audit opinion issued by the certified public accountant on the Company's financial report.

The board of directors shall establish authorisation thresholds for foreign investments, acquisitions and disposals of assets, mortgage of assets, provision of external guarantees, wealth management, related party transactions and external donations, and shall put in place rigorous review and decision-making procedures; major investment projects shall be subject to expert evaluation and shall be reported to the shareholders' meeting for approval.

(1) Transactions of the Company (other than the provision of guarantees or financial assistance) that meet any of the following thresholds shall be submitted for timely consideration by the board of directors:

1. the total assets involved in the transaction (where both book value and appraised value exist, the higher value shall apply) represent 10% or more of the audited total assets of the listed company for the most recent period;

2. the transaction amount represents 10% or more of the market capitalisation of the listed company;

3. the net asset value of the transaction subject company (e.g., equity) for the most recent financial year represents 10% or more of the market capitalisation of the listed company;

4. the revenue attributable to the transaction subject company (e.g., equity) for the most recent financial year represents 10% or more of the Company's audited revenue for the most recent financial year, and exceeds RMB10 million;

5. the profit generated by the transaction represents 10% or more of the Company's audited net profit for the most recent financial year, and exceeds RMB1 million;

6. the net profit attributable to the transaction subject (e.g., equity) for the most recent financial year represents 10% or more of the Company's audited net profit for the most recent financial year, and exceeds RMB1 million.

The foregoing transactions include the purchase or sale of assets (excluding purchases of raw materials, fuel and power, and sales of products or commodities and other transactions in the ordinary course of business); external investments (excluding purchases of low-risk bank wealth management products); transfer or acquisition of research and development projects; entry into licence agreements; leasing in or leasing out of assets; entrustment or acceptance of entrustment for management of assets and businesses; donation or receipt of donated assets; restructuring of creditor's rights and indebtedness; waiver of rights (including waiver of rights of first refusal, pre-emptive rights and the like); and other transactional matters as prescribed by applicable laws and regulations.

(2) Transactions in the ordinary course of business of the Company that meet any of the following thresholds shall be submitted for timely consideration by the board of directors:

1. the transaction amount represents 50% or more of the Company's audited total assets for the most recent period, and the absolute amount exceeds RMB100 million;

2. the transaction amount represents 50% or more of the Company's audited revenue or cost of sales for the most recent financial year, and exceeds RMB100 million;

3. the estimated total profit generated by the transaction represents 50% or more of the Company's audited net profit for the most recent financial year, and exceeds RMB5 million;

4. other transactions that may have a material effect on the Company's assets, liabilities, equity or operating results.

(3) Transactions between the Company and connected persons (other than the provision of guarantees) that meet any of the following thresholds shall be submitted for timely consideration by the board of directors:

1. transactions with connected natural persons where the transaction amount is RMB300,000 or more;

2. transactions with connected legal persons where the transaction amount represents 0.1% or more of the Company's audited total assets or market capitalisation for the most recent period, and exceeds RMB3 million.

(4) Where the Company provides external guarantees that do not meet the threshold requiring approval by the shareholders' meeting under the Articles, such guarantees shall be considered by the board of directors. For guarantee matters within the authority of the board of directors, such matters shall be approved by more than half of all directors and by not less than two-thirds of the directors in attendance at the board meeting.

(5) "Financial assistance" transactions of the Company shall, in addition to being approved by more than half of all directors, also require approval by not less than two-thirds of the directors in attendance at the board meeting, and shall be promptly disclosed.

Financial assistance matters that fall into any of the following categories shall, after being approved by the board of directors, also be submitted to the shareholders' meeting for consideration:

(1) the amount of a single financial assistance transaction exceeds 10% of the Company's audited net assets for the most recent period;

(2) the latest financial statements of the recipient show that its debt-to-assets ratio exceeds 70%;

(3) the cumulative amount of financial assistance provided in the most recent 12 months exceeds 10% of the Company's audited net assets for the most recent period;

(4) such other circumstances as prescribed by the stock exchange of the place of listing or the Articles.

The above requirements shall not apply where the recipient is a controlling subsidiary within the Company's consolidated financial statements and none of the other shareholders of such controlling subsidiary is the controlling shareholder, de facto controller or their associates.

Where figures used in the above calculations are negative, the absolute value shall be used. The transaction amount refers to the amount of consideration paid and the debts and expenses assumed. Where a transaction involves contingent consideration, amounts not yet determined or amounts subject to specified conditions, the estimated maximum amount shall be used as the transaction amount.

The Company shall also comply with any additional requirements under the securities regulatory rules of the place of listing.

The chairman of the board of directors shall exercise the following powers:

(1) to preside over shareholders' meetings and to convene and preside over meetings of the board of directors;

(2) to supervise and inspect the implementation of resolutions of the board of directors;

(3) to exercise the statutory powers of the legal representative, including:

1. to sign applications for registration of changes in the legal representative, relevant resolutions or decisions made in accordance with the law;

2. to sign capital contribution certificates;

3. to sign paper-form share certificates and paper-form debentures;

4. other powers prescribed by laws, regulations and the Articles.

(4) other powers granted by the board of directors.

The above does not apply to matters that are required under the Company Law and other applicable laws and regulations and securities regulatory rules of the place of listing to be approved by the board of directors or the shareholders' meeting.

Where the chairman is unable or fails to perform his duties, a director shall be jointly nominated by more than half of the directors to perform his duties.

The board of directors shall hold at least four meetings each year. Meetings shall be convened by the chairman, with written notice given to all directors not less than 14 days before the meeting.

An extraordinary meeting of the board of directors may be proposed by shareholders representing not less than one-tenth of the voting rights, not less than one-third of the directors, or the audit committee. The chairman shall convene and chair a board meeting within 10 days of receipt of the proposal.

A board meeting shall only be held when more than half of all directors are in attendance. Board resolutions shall be passed by a majority of all directors, unless otherwise required by law, administrative regulations or the Articles.

Voting on board resolutions shall be on a one-person-one-vote basis.

Where a director has a connected relationship with the enterprise or individual concerned in a matter to be resolved at a board meeting, the director shall promptly report such relationship to the board of directors in writing. Such connected director shall not vote on the resolution and shall not proxy the votes of other directors. The meeting shall be quorate when more than half of the non-connected directors are in attendance, and resolutions shall be passed by a majority of non-connected directors. Where fewer than three non-connected directors are in attendance at the board meeting, the matter shall be referred to the shareholders' meeting for consideration. Where any laws, regulations and securities regulatory rules of the place of listing impose additional restrictions on directors' participation and voting in board meetings, such rules shall prevail to the extent they do not conflict with domestic regulatory requirements.

Board meetings shall be attended by directors in person. A director who is unable to attend for any reason may appoint another director in writing to attend on his behalf. Where a director is absent from a board meeting and has not appointed a proxy, the director shall be deemed to have waived his right to vote at that meeting.

The board of directors shall keep written minutes of matters resolved at its meetings. Directors in attendance, the company secretary and the recorder shall sign the minutes. Directors shall be entitled to request that their remarks at the meeting be recorded in the minutes.

Board meeting minutes shall be kept as part of the Company's records for a minimum period of ten years.

**Independent Directors**

Independent directors shall, in accordance with applicable laws, administrative regulations, requirements of the securities regulatory authorities and stock exchange of the place of listing and the Articles, diligently perform their duties. They shall play a role in decision-making, oversight and professional advice within the board of directors, and shall uphold the overall interests of the Company and protect the legitimate rights and interests of minority shareholders. The number of independent directors shall not be less than three and shall constitute not less than one-third of the total number of board members.

As members of the board of directors, independent directors owe duties of loyalty and diligence to the Company and all shareholders, and shall diligently perform the following duties:

(1) to participate in decision-making by the board of directors and express clear opinions on matters under consideration;

(2) to supervise potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, and to protect the legitimate rights and interests of minority shareholders;

(3) to provide professional and objective advice on the Company's operations and development, and to help raise the standard of decision-making by the board of directors;

(4) such other duties as required by laws, administrative regulations, CSRC regulations, securities regulatory rules of the place of listing and the Articles.

Independent directors shall have the following special powers:

(1) to independently engage intermediaries to conduct audits, consultations or verifications on specific matters of the Company;

(2) to propose to the board of directors to convene an extraordinary general meeting;

(3) to propose the convening of board meetings;

(4) to publicly solicit shareholders' voting rights in accordance with the law;

(5) to express independent opinions on matters that may prejudice the interests of the Company or minority shareholders;

(6) such other powers as conferred by laws, administrative regulations, CSRC regulations, securities regulatory rules of the place of listing and the Articles.

The exercise of the powers in items (1) to (3) of the preceding paragraph shall be subject to the approval of more than half of all independent directors.

The Company shall promptly disclose the exercise by independent directors of the powers listed in the first paragraph above. Where such powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

The following matters shall be submitted to the board of directors for consideration after obtaining the prior approval of more than half of all independent directors:

(1) connected transactions subject to disclosure requirements;

(2) proposals for the amendment or waiver of undertakings by the Company or related parties;

(3) decisions made by the board of directors of a target company and measures taken in response to an acquisition;

(4) such other matters as required by laws, administrative regulations, CSRC regulations, securities regulatory rules of the place of listing and the Articles.

The Company shall establish a mechanism for special meetings attended exclusively by independent directors. Prior to consideration by the board of directors of related party transactions and other matters, such matters shall be pre-approved at a special meeting of independent directors.

The Company shall hold special meetings of independent directors on a regular or ad hoc basis. The relevant matters referred to in the foregoing provisions of the Articles shall be reviewed at special meetings of independent directors.

Minutes shall be prepared for special meetings of independent directors in accordance with applicable requirements, and the opinions of independent directors shall be recorded therein. Independent directors shall sign to confirm the minutes.

**Special Committees of the Board of Directors**

The Company's board of directors shall establish an audit committee which shall exercise the powers of the supervisory committee as prescribed by the Company Law, as well as other powers as required by laws, administrative regulations, departmental rules, the CSRC, **[REDACTED]** and the Articles.

The audit committee shall have three members, all of whom shall be non-executive directors who do not hold senior management positions in the Company, including two independent directors, at least one of whom shall possess appropriate professional qualifications or expertise in accounting or related financial management, meeting the qualifications required by the stock exchange of the place of listing for accounting professionals on audit committees. The audit committee shall be convened by an independent director who has accounting expertise, and employee representative board members may serve as members of the audit committee.

The principal duties and powers of the audit committee include:

(1) to supervise and evaluate the work of external auditors;

(2) to supervise and evaluate the work of internal auditors;

(3) to review the Company's financial information and its disclosure, including:

1. any changes to accounting policies and practices;
2. significant matters involving judgement;
3. significant adjustments arising from the audit;
4. the going concern assumption and any qualifications;
5. compliance with accounting standards; and
6. compliance with the **[REDACTED]** and legal requirements relating to financial reporting.

The members of the audit committee shall liaise with the board of directors and senior management. The audit committee shall meet with the Company's auditors at least twice a year. The audit committee shall consider any significant or unusual items reflected or required to be reflected in such reports and accounts, and shall give due consideration to any matters raised by the Company's accounting and financial reporting staff, the compliance officer or auditors;

(4) to supervise and evaluate the Company's financial reporting system and risk management and internal control systems, including primarily:

1. to review the Company's financial controls, and (unless there is a separate risk committee of the board of directors or the board itself deals with the matter) the Company's risk management and internal control systems;

2. to discuss risk management and internal control systems with management to ensure that management has duly performed its responsibilities in establishing an effective system; the discussion shall include whether the resources, staff qualifications and experience, and training programmes and budgets in respect of the Company's accounting and financial reporting functions are adequate;

3. on its own initiative or upon the board's commission, to investigate significant findings in respect of risk management and internal control matters and management's responses thereto;

4. where the Company has an internal audit function, to ensure that the work of the internal and external auditors is coordinated; to ensure that the internal audit function has adequate resources and appropriate standing within the Company; and to review and monitor its effectiveness;

5. to review the Group's financial and accounting policies and practices;

6. to review the management letter issued by the external auditors, any significant queries raised by the auditors to management in respect of accounting records, financial accounts or control systems, and management's responses thereto;

7. to ensure that the board responds in a timely manner to the matters raised in the management letter issued by the external auditors;

8. to report to the board on matters relevant to the Corporate Governance Code under the **[REDACTED]**; and

9. to consider other matters as defined by the board;

(5) to exercise the powers of the supervisory committee as prescribed by the Company Law;

(6) to be responsible for other matters as required by laws and regulations, requirements of the stock exchange of the place of listing, the Articles of Association and authorisation by the board of directors.

The audit committee shall meet at least once each quarter. An extraordinary meeting may be convened upon proposal by two or more members or when the convenor considers it necessary. A meeting of the audit committee shall be quorate when more than two-thirds of the members are in attendance.

Resolutions of the audit committee shall be passed by a majority of its members. Voting on audit committee resolutions shall be on a one-person-one-vote basis.

The Company's board of directors shall establish special committees for strategy, nomination, remuneration and assessment, which shall perform their duties in accordance with the Articles and the authorisation of the board of directors. Proposals from the special committees shall be submitted to the board of directors for consideration and resolution. The working procedures of the special committees shall be formulated by the board of directors.

The strategy committee shall have three members, including one independent director.

The nomination committee shall have three members, including two independent directors, and shall include at least one director of a different gender. The nomination committee shall be convened by an independent director.

The remuneration and appraisal committee shall have three members, including two independent directors, and shall be convened by an independent director.

## SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or removed by the board of directors. The Company shall have deputy general managers, who shall be appointed or removed by the board of directors.

The general manager shall serve a term of three years and may be re-appointed for consecutive terms. The general manager shall be accountable to the board of directors and shall exercise the following powers:

(1) to preside over the production, operations and management of the Company, organise the implementation of resolutions of the board of directors, and report to the board of directors;

(2) to organise the implementation of the Company's annual operational plans and investment proposals;

(3) to draft proposals for the establishment of the Company's internal management structure;

(4) to formulate the Company's basic management systems;

(5) to formulate the Company's specific rules and regulations;

(6) to propose to the board of directors the appointment or removal of the deputy general managers and chief financial officer of the Company;

(7) to appoint or remove responsible management personnel other than those required to be appointed or removed by the board of directors;

(8) other powers conferred by the Articles or the board of directors. The general manager shall attend board meetings.

Deputy general managers shall assist the general manager and, under the direction of the general manager, shall be responsible for the management functions assigned to them, and shall be accountable to the general manager. Within their respective areas of responsibility, deputy general managers shall sign relevant business documents.

The Company shall have a company secretary who shall be responsible for the preparation of shareholders' meetings and board meetings, document custody, management of shareholder information, and handling of information disclosure matters.

The company secretary shall comply with applicable laws, administrative regulations, departmental rules, securities regulatory rules of the place of listing and relevant provisions of the Articles.

Senior management of the Company shall faithfully perform their duties and shall uphold the best interests of the Company and all shareholders. Where senior management causes loss to the interests of the Company and public shareholders through failure to faithfully perform their duties or breach of their duty of good faith, they shall be liable for compensation in accordance with the law.

## FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT

### Financial and Accounting Systems

The Company shall prepare and disclose annual reports to the local CSRC office and the Shanghai Stock Exchange within four months of the end of each financial year, interim reports within two months of the end of the first six months of each financial year, and quarterly reports within one month of the end of the first three months and first nine months of each financial year.

The annual reports, interim reports and quarterly reports referred to above shall be prepared in accordance with applicable laws, administrative regulations and requirements of the securities regulatory authorities and stock exchange of the place of listing.

The Company shall not maintain any additional set of accounting records other than those required by law. The Company's funds shall not be deposited in any account held in the name of any individual.

When distributing after-tax profits for the year, the Company shall set aside 10% of such profits for the statutory reserve fund. The Company need not make further allocations to the statutory reserve fund once its balance exceeds 50% of the Company's registered capital.

Where the Company's statutory reserve fund is insufficient to cover prior years' losses, such losses shall first be made up from the current year's profits before the allocation to the statutory reserve fund referred to in the preceding paragraph.

After allocating to the statutory reserve fund from after-tax profits, the Company may, upon a resolution of the shareholders' meeting, also allocate to a discretionary reserve fund from after-tax profits.

After making up losses and allocating to reserve funds, the remaining after-tax profits shall be distributed to shareholders in proportion to their shareholdings, unless the Articles provide otherwise.

Where the shareholders' meeting distributes profits to shareholders in violation of the Company Law, shareholders shall return any profits distributed in violation of such provision to the Company. Shareholders and responsible directors and senior management who cause loss to the Company thereby shall be liable for compensation.

Shares held by the Company in itself shall not participate in profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for H shareholders. The receiving agents shall, on behalf of the relevant H shareholders, collect and hold dividends and other amounts payable by the Company in respect of H Shares, pending payment to such H shareholders. Receiving agents appointed by the Company shall comply with the requirements of applicable laws, regulations and securities regulatory rules of the place of listing.

The Company's reserve funds shall be used to make up the Company's losses, to expand its business operations or to be converted into increases in the Company's capital.

When making up losses from reserve funds, the discretionary reserve fund and statutory reserve fund shall be used first; if still insufficient, the capital reserve fund may be used in accordance with applicable regulations.

Upon conversion of the statutory reserve fund into registered capital, the remaining balance of such reserve fund shall not be less than 25% of the Company's registered capital before such conversion.

Following a resolution of the shareholders' meeting on a profit distribution plan, or following the formulation by the board of directors of a specific plan pursuant to conditions and caps approved at the annual general meeting for interim dividend distributions in the following year, the Company shall complete the distribution of dividends (or shares) within two months. Where applicable laws, regulations or securities regulatory rules of the place of listing prevent implementation within two months, the implementation date may be adjusted accordingly.

**Internal Audit**

The Company shall implement an internal audit system with clearly defined leadership structure, duties and responsibilities, staffing, budgetary arrangements, application of audit results and accountability mechanisms for internal audit work.

The internal audit function shall be accountable to the board of directors.

In the course of supervising and reviewing the Company's business activities, risk management, internal controls and financial information, the internal audit function shall accept supervision and guidance from the audit committee. Where the internal audit function identifies significant issues or clues, it shall report directly to the audit committee immediately.

The specific organisation and implementation of the Company's internal control assessment shall be the responsibility of the internal audit function. Based on the assessment report issued by the internal audit function and reviewed by the audit committee, as well as relevant materials, the Company shall prepare an annual internal control assessment report.

**Appointment of Accounting Firms**

The Company shall engage accounting firms that meet the requirements of the Securities Law and securities regulatory rules of the place of listing to perform accounting statement audits, net asset verification and other related consultancy services. The term of engagement shall be one year, renewable.

The appointment and removal of accounting firms shall be determined by the shareholders' meeting. The board of directors shall not appoint an accounting firm prior to the decision of the shareholders' meeting.

The audit fees of accounting firms shall be determined by the shareholders' meeting.

## NOTICES AND ANNOUNCEMENTS

**Notices**

Subject to applicable laws, administrative regulations and securities regulatory rules of the place of listing, notices from the Company shall be issued in the following forms:

(1) personal delivery;

(2) by post;

(3) by way of announcement;

(4) other forms as provided in the Articles.

Notices of shareholders' meetings shall be issued by way of announcement.

Notices of board meetings shall be issued by personal delivery, post, facsimile or email, save as otherwise provided in the Articles in respect of extraordinary board meetings convened on account of urgent matters.

**Announcements**

The publications designated by the CSRC and the website of the Shanghai Stock Exchange shall be the media for publishing announcements in respect of the A Shares and other information required to be disclosed by the Company. Announcements in respect of the H Shares and other information required to be disclosed by the Company shall be published on the Company's website, **[REDACTED]** and such other websites as prescribed by the **[REDACTED]** from time to time, in accordance with the relevant requirements of the **[REDACTED]**.

## MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

**Merger, Division, Increase and Reduction of Capital**

The Company may be merged by absorption or by way of formation of a new company.

Where the Company merges with a company in which it holds 90% or more of the shares, the company being absorbed shall not be required to pass a shareholders' resolution, provided that its other shareholders shall be notified and shall be entitled to request the Company to acquire their equity or shares at a fair price.

Where the consideration payable by the Company for a merger does not exceed 10% of the Company's net assets, a shareholders' resolution shall not be required, unless otherwise provided by securities regulatory rules of the place of listing or the Articles.

Where a merger does not require a shareholders' resolution pursuant to the two preceding paragraphs, it shall be approved by a resolution of the board of directors.

The Company shall prepare a balance sheet and an inventory of assets prior to any reduction of its registered capital.

The Company shall notify creditors within ten days of the date of the shareholders' resolution approving the reduction of registered capital, and shall publish an announcement in an information disclosure medium or through the National Enterprise Credit Information Publicity System within 30 days. Creditors shall, within 30 days of receipt of the notice or, where no notice was received, within 45 days of the date of the announcement, be entitled to require the Company to repay its debts or provide corresponding security. Where securities regulatory rules of the place of listing impose additional requirements, the relevant parties shall also comply with such requirements.

A reduction of registered capital shall be made in proportion to shareholders' capital contributions or shares, unless otherwise provided by law or the Articles.

Where, after making up losses in accordance with the Articles, the Company still has losses, it may reduce its registered capital to make up such losses. Where registered capital is reduced to make up losses, the Company shall not distribute to shareholders and shall not waive shareholders' obligation to pay up capital contributions or share subscription monies.

A reduction of registered capital pursuant to the preceding paragraph shall be announced in a newspaper or through the National Enterprise Credit Information Publicity System within 30 days of the date of the shareholders' resolution. Where securities regulatory rules of the place of listing impose additional requirements, the relevant parties shall also comply with such requirements.

Following a reduction of registered capital pursuant to the two preceding paragraphs, the Company shall not distribute profits until the cumulative balance of the statutory reserve fund and discretionary reserve fund reaches 50% of the Company's registered capital.

Where registered capital is reduced in violation of the Company Law and other applicable regulations, shareholders shall return the funds received and any reduction of capital contributions shall be restored to the original amount. Shareholders and responsible directors and senior management who cause loss to the Company thereby shall be liable for compensation.

Shareholders shall not have pre-emptive rights when the Company issues new shares to increase its registered capital, unless otherwise provided in the Articles or resolved by the shareholders' meeting.

Where changes in registered particulars occur upon a merger or division, the Company shall apply for registration of such changes with the company registration authority in accordance with the law. Where the Company is dissolved, the Company shall apply for deregistration in accordance with the law. Where a new company is established, such company shall apply for registration in accordance with the law.

Where the Company increases or reduces its registered capital, it shall apply for registration of such changes with the company registration authority in accordance with the law.

**Dissolution and Liquidation**

The Company shall be dissolved upon the occurrence of any of the following:

(1) a resolution of the shareholders' meeting to dissolve;

(2) dissolution required by a merger or division;

(3) revocation of its business licence, an order to close down or being dissolved pursuant to the law;

(4) where the Company encounters serious difficulties in its operation and management, its continued existence would cause material loss to shareholders' interests, and the difficulty cannot be resolved by other means, shareholders holding 10% or more of the total voting rights of all shareholders may petition a people's court to dissolve the Company;

(5) other grounds for dissolution as provided in the Articles.

Where any of the foregoing grounds for dissolution arise, the Company shall publish such grounds through the National Enterprise Credit Information Publicity System within ten days.

Where the grounds in items (1) and (2) above have arisen and the Company's assets have not yet been distributed to shareholders, the Company may survive by amending the Articles.

Any amendment to the Articles or shareholders' resolution pursuant to the preceding paragraph shall be approved by not less than two-thirds of the voting rights held by shareholders in attendance at the shareholders' meeting.

Where the Company is dissolved on the grounds set out in items (1), (2), (4) and (5) above, it shall be wound up. Directors shall be obliged to act as liquidators and shall establish a liquidation committee within 15 days from the occurrence of the grounds for dissolution.

The liquidation committee shall comprise the directors, unless otherwise provided in the Articles or resolved by the shareholders' meeting.

Where a liquidator fails to perform its liquidation obligations in a timely manner and thereby causes loss to the Company or its creditors, it shall be liable for compensation. Where no liquidation committee is established in a timely manner or no liquidation is conducted after establishment, an interested party may apply to a people's court to appoint relevant persons to form a liquidation committee to conduct the liquidation.

During the course of liquidation, the liquidation committee shall exercise the following powers:

(1) to take stock of the Company's assets and prepare a balance sheet and an inventory of assets respectively;

(2) to notify and make announcements to creditors;

(3) to handle the Company's outstanding business relating to the liquidation;

(4) to pay overdue taxes and taxes arising during the liquidation process;

(5) to settle claims and debts;

(6) to distribute the remaining assets following repayment of debts;

(7) to represent the Company in civil litigation proceedings.

Members of the liquidation committee shall owe duties of loyalty and diligence when performing their liquidation responsibilities.

Where the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be conducted in accordance with relevant enterprise bankruptcy laws.

## AMENDMENT OF ARTICLES

The Articles shall be amended in any of the following circumstances:

(1) where, after the Company Law or other applicable laws, administrative regulations or securities regulatory rules of the place of listing are amended, any provision of the Articles conflicts with such amended laws, administrative regulations or securities regulatory rules;

(2) where changes in the Company's circumstances are inconsistent with the particulars recorded in the Articles;

(3) where the shareholders' meeting resolves to amend the Articles.

Where amendments to the Articles approved by the shareholders' meeting are subject to approval by the competent authority, such amendments shall be submitted to the competent authority for approval. Where the amendments involve matters relating to the Company's registered particulars, registration of changes shall be effected in accordance with the law.

Amendments to the Articles that are required to be disclosed under applicable laws, regulations and securities regulatory rules of the place of listing shall be announced as required.

## SUPPLEMENTAL

In the Articles, references to "more", "within", "below" and similar expressions include the relevant number or threshold; references to "exceed", "beyond", "less than", "more than" and "over" exclude the relevant number or threshold.

The Articles shall be interpreted by the board of directors of the Company.

Where the State has specific provisions regarding preference shares, such provisions shall prevail.

The Articles shall become effective and be implemented with effect from the date on which the overseas **[REDACTED]** shares (H Shares) of the Company are **[REDACTED]** on the **[REDACTED]** of **[REDACTED]**, following approval by the shareholders' meeting.