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

If you have sold or transferred all your shares in RemeGen Co., Ltd.\* (榮昌生物製藥(煙台)股份有限公司), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**RemeGen Co., Ltd.\***

**榮昌生物製藥(煙台)股份有限公司**

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

**(Stock Code: 9995)**

- (1) PROPOSED ADOPTION OF THE 2023 A SHARE INCENTIVE SCHEME**
- (2) PROPOSED ADOPTION OF THE ASSESSMENT MANAGEMENT MEASURES**
- (3) PROPOSED ISSUE AND GRANT OF NEW A SHARES UNDER  
THE 2023 A SHARE INCENTIVE SCHEME**
- (4) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS  
PERTAINING TO THE 2023 A SHARE INCENTIVE SCHEME**
- (5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (6) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**
- (7) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**
- (8) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**
- (9) PROPOSED AMENDMENTS TO THE TERMS OF REFERENCE  
FOR THE INDEPENDENT DIRECTORS**
- (10) PROPOSED CHANGE OF CERTAIN SUB-PROJECTS UNDER THE A SHARE  
OFFERING PROCEEDS-FUNDED PROJECTS  
AND  
NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING  
NOTICE OF 2023 FIRST CLASS MEETING OF H SHAREHOLDERS**

Notices convening the EGM and the H Share Class Meeting of RemeGen Co., Ltd. (榮昌生物製藥(煙台)股份有限公司) to be held at 2:00 p.m. and 2:40 p.m. or immediately after the conclusion of the EGM and the 2023 first class meeting of A Shareholders of the Company, respectively, on Thursday, December 28, 2023 at Room 6134, Phase III Building of the Company, 58 Middle Beijing Road, Yantai Development Zone, Yantai Area of Shandong Pilot Free Trade Zone, PRC are set out in this circular. Forms of proxy for use at the EGM and the H Share Class Meeting are also enclosed. Such forms of proxy are also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) the Company ([www.remegen.com](http://www.remegen.com)).

Shareholders who intend to appoint a proxy to attend the EGM and/or the H Share Class Meeting shall complete and return the enclosed form(s) of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM and the H Share Class Meeting or any adjournment thereof (as the case may be). Completion and return of the form(s) of proxy will not preclude Shareholders from attending and voting in person at the EGM and/or the H Share Class Meeting if they so wish.

\* For identification purpose only

December 12, 2023

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## DEFINITIONS

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

“2022 A Share Incentive Scheme”	the 2022 Restricted A Share Incentive Scheme of the Company
“2023 A Share Incentive Scheme” or “Incentive Scheme”	the 2023 Restricted A Share Incentive Scheme of the Company
“Articles of Association”	the articles of association of the Company currently in force (as amended from time to time)
“Assessment Management Measures”	the Assessment Management Measures for the 2023 Restricted A Share Incentive Scheme of RemeGen Co., Ltd.* (榮昌生物製藥(煙台)股份有限公司2023年A股限制性股票激勵計劃實施考核管理辦法)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Attribution”	the act of registering the Restricted Shares by the Company to the account of an Participant after the Attribution Conditions having been satisfied by the Participant
“Attribution Conditions”	the Attribution Conditions as stipulated under the 2023 A Share Incentive Scheme which must be satisfied by a Participant in order to obtain the Restricted Shares
“Attribution Date”	the date on which the registration of the granted Restricted Shares is completed after the Attribution Conditions having been satisfied by a Participant, which must be a trading day
“A Share(s)”	the domestic RMB ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of A Share(s)
“A Share Class Meeting”	the 2023 first class meeting of A Shareholders to be held on Thursday, December 28, 2023 immediately after the conclusion of the EGM, or any adjournment thereof
“A Share Offering”	the initial public offering of A Shares of the Company on March 31, 2022

## DEFINITIONS

“Board”	the board of Directors
“Class Meetings”	the A Share Class Meeting and the H Share Class Meeting
“Company”	RemeGen Co., Ltd.* (榮昌生物製藥(煙台)股份有限公司), a company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Stock Exchange (stock code: 9995) and the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688331), respectively
“Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“Connected Participant(s)”	Participant(s) who is a connected person of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed under the Listing Rules and unless the context otherwise requires, refers to Mr. Wang Weidong (王威東), Dr. Fang Jianmin (房健民), Mr. Lin Jian (林健), Dr. Wang Liqiang (王荔強), Mr. Wang Xudong (王旭東), Mr. Deng Yong (鄧勇), Mr. Xiong Xiaobin (熊曉濱), Mr. Wen Qingkai (溫慶凱), Ms. Yang Minhua (楊敏華), Mr. Wei Jianliang (魏建良), Yantai Rongda Venture Capital Center (Limited Partnership) (煙台榮達創業投資中心(有限合夥)), RongChang Holding Group LTD. and I-NOVA Limited, and each of them, a Controlling Shareholder
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“de facto controller”	has the meaning ascribed to it under the Company Law
“EGM”	the 2023 second extraordinary general meeting of the Company to be held at 2:00 p.m. on Thursday, December 28, 2023, or any adjournment thereof

## DEFINITIONS

“First H Share Award and Trust Scheme”	the First H Share Award and Trust Scheme in its present or any amended form as adopted by the Company on March 23, 2021, with a maximum scheme limit of 7,347,550 H Shares, the details of which are set out in the Company’s announcement dated February 3, 2021 and the circular dated March 5, 2021
“First Grant”	the proposed first grant of not more than 1,432,450 Restricted Shares, representing approximately 80.34% of the total number of Restricted Shares under the 2023 A Share Incentive Scheme
“Grant Date”	the date on which the Company grants the Restricted Shares to the Participants, which must be a trading day
“Grant Price”	the price of each Restricted Share granted to the Participants
“Group”	the Company and its subsidiaries
“Guidelines for Self-discipline”	the Guidelines for Self-discipline Supervision of Companies Listed on the STAR Market No. 4 — Disclosure of Information on Share Incentives (科創板上市公司自律監管指南第4號 — 股權激勵信息披露)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“H Share(s)”	share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“H Share Class Meeting”	the 2023 first class meeting of H Shareholders to be held on Thursday, December 28, 2023 at 2:40 p.m. or immediately after the conclusion of the EGM and A Share Class Meeting, or any adjournment thereof
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the relevant resolutions to be considered and, if thought fit, approved at the EGM and the Class Meetings

## DEFINITIONS

“Latest Practicable Date”	December 7, 2023, being the latest practicable date prior to the printing of this circular of ascertaining certain information
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Measures”	the Management Measures for Share Incentive Scheme Adopted by Listed Companies (上市公司股權激勵管理辦法)
“Management Measures for Independent Directors”	Measures for the Management of Independent Directors of Listed Companies (上市公司獨立董事管理辦法)
“Participant(s)” or “Incentive Participant(s)”	the participant(s) of the 2023 A Share Incentive Scheme, including, certain Directors, senior management, core technical personnel of the Company and other employees that the Board considers necessary to be incentivised to receive the Restricted Shares, excluding Supervisors and independent non-executive Directors
“PRC” or “China”	the People’s Republic of China
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Reserved Grant”	the reserved grant of not more than 350,612 Restricted Shares, representing approximately 19.66% of the total number of Restricted Shares under the 2023 A Share Incentive Scheme
“Restricted Share(s)”	the A Share(s) to be obtained in tranches and registered by the Participants who meet the conditions for grant under the 2023 A Share Incentive Scheme after meeting the corresponding Attribution Conditions
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures for the Board of Directors”	the rules of procedures for the board of directors of the Company (as amended from time to time)
“Rules of Procedures for the Meeting of Shareholders”	the rules of procedures for the meeting of shareholders of the Company (as amended from time to time)
“Rules of Procedures for the Supervisory Committee”	the rules of procedures for the supervisory committee of the Company (as amended from time to time)

## DEFINITIONS

“R&D”	research and development
“Second H Share Award and Trust Scheme”	the Second H Share Award and Trust Scheme in its present or any amended form as adopted by the Company on July 14, 2023, with a maximum scheme limit of 27,213,150 H Shares, the details of which are set out in the Company’s announcement dated June 15, 2023 and the circular dated June 28, 2023
“Securities Law”	the Securities Law of the People’s Republic of China (中華人民共和國證券法)
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“STAR Market Listing Rules”	the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Terms of Reference for the Independent Directors”	the terms of reference for the independent directors of the Company (as amended from time to time)
“%”	percent

\* For identification purposes only

LETTER FROM THE BOARD



**RemeGen Co., Ltd.\***

**榮昌生物製藥(煙台)股份有限公司**

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

**(Stock Code: 9995)**

*Executive Directors:*

Mr. Wang Weidong (*Chairman*)

Dr. Fang Jianmin

Dr. He Ruyi

Mr. Lin Jian

*Registered office, Headquarters and*

*Principal Place of Business in the PRC:*

58 Middle Beijing Road

Yantai Development Zone

Yantai Area of Shandong Pilot Free Trade Zone  
PRC

*Non-executive Directors:*

Dr. Wang Liqiang

Dr. Su Xiaodi

*Principal place of business in Hong Kong:*

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

*Independent Non-executive Directors:*

Mr. Hao Xianjing

Dr. Ma Lan

Mr. Chen Yunjin

Wanchai

Hong Kong

December 12, 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE 2023 A SHARE INCENTIVE SCHEME**
- (2) PROPOSED ADOPTION OF THE ASSESSMENT MANAGEMENT MEASURES**
- (3) PROPOSED ISSUE AND GRANT OF NEW A SHARES UNDER  
THE 2023 A SHARE INCENTIVE SCHEME**
- (4) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS  
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- (5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (6) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES  
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- (7) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**
- (8) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**
- (9) PROPOSED AMENDMENTS TO THE TERMS OF REFERENCE  
FOR THE INDEPENDENT DIRECTORS**
- (10) PROPOSED CHANGE OF CERTAIN SUB-PROJECTS UNDER THE A SHARE  
OFFERING PROCEEDS-FUNDED PROJECTS**



## LETTER FROM THE BOARD

### **I. INTRODUCTION**

References are made to (i) the announcement of the Company dated November 17, 2023 in relation to, among others, (1) the proposed adoption of the 2023 A Share Incentive Scheme; (2) the proposed adoption of the Assessment Management Measures; (3) the proposed issue and grant of new A Shares under the 2023 A Share Incentive Scheme; and (4) the proposed authorization to the Board to handle matters pertaining to the 2023 A Share Incentive Scheme; and (ii) the announcement of the Company dated December 7, 2023, in relation to the proposed amendments to the Articles of Association.

### **II. PROPOSED ADOPTION OF THE 2023 A SHARE INCENTIVE SCHEME**

To achieve and realize the purpose of the 2023 A Share Incentive Scheme as set out in the paragraph “(i) Purpose of the 2023 A Share Incentive Scheme” below, the Board passed the resolution on November 17, 2023 on the proposed adoption of the 2023 A Share Incentive Scheme. A special resolution will be proposed at the EGM and the Class Meetings to consider, and if thought fit, approve the adoption of the draft 2023 A Share Incentive Scheme.

The full text of the 2023 A Share Incentive Scheme is set out in Appendix I to this circular. The 2023 A Share Incentive Scheme was prepared in Chinese. In the event of any discrepancy between the English translation and the Chinese version of the 2023 A Share Incentive Scheme, the Chinese version shall prevail.

The principal terms of the 2023 A Share Incentive Scheme are summarized as follows:

#### **(i) Purpose of the 2023 A Share Incentive Scheme**

The purpose of the Incentive Scheme is to improve the Company’s long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of the Company’s employees, effectively bond the interests of the Shareholders, the Company and the core teams together, and enable all parties to jointly pay attention to the long-term development of the Company.

#### **(ii) Form and Source of the Restricted Shares to be Granted**

The incentive instruments adopted in the Incentive Scheme are the Restricted Shares (Type II Restricted Shares). Regardless of the interests, the source of all Restricted Shares under the Incentive Scheme is the A Shares to be issued to the Participants by the Company.

## LETTER FROM THE BOARD

### (iii) Number of the Restricted Shares to be Granted

The number of Restricted Shares to be granted to the Participants under the Incentive Scheme is 1,783,062 Shares, representing approximately 0.3276% of the total shares of the Company of 544,263,003 Shares as at the Latest Practicable Date. More specifically:

- (a) **First Grant:** 1,432,450 Restricted Shares will be granted in the First Grant, representing approximately 0.2632% of the total shares of the Company of 544,263,003 Shares as at the Latest Practicable Date, and approximately 80.34% of the total Restricted Shares available under the Incentive Scheme; and
- (b) **Reserved Grant:** 350,612 Restricted Shares will be reserved, representing approximately 0.0644% of the total shares of the Company of 544,263,003 Shares as at the Latest Practicable Date, and approximately 19.66% of the total Restricted Shares available under the Incentive Scheme.

As at the Latest Practicable Date, save for the First H Share Award and Trust Scheme and the Second H Share Award and Trust Scheme (which involve no issue of new shares or granting of options for any new securities of the Company) and the 2022 A Share Incentive Scheme (which involves issue of new shares of the Company), the Company has not adopted any other share schemes.

The total number of underlying Shares involved in the 2022 A Share Incentive Scheme is 3,580,000 Shares. When the 2022 A Share Incentive Scheme was adopted, the scheme mandate limit approved by the Shareholders was 3,580,000 Shares (being approximately 0.66% of the Shares in issue). On December 28, 2022, the Company made the first grant of 2,869,450 restricted shares, and on November 3, 2023, the Company made the reserved grant of 710,550 restricted shares, under the 2022 A Share Incentive Scheme. As such, all the award shares under the 2022 A Share Incentive Scheme, being 3,580,000 award shares, have been fully granted as of the Latest Practicable Date. Therefore, the existing scheme mandate limit has been fully utilized. Reference is made to the announcement of the Company dated November 17, 2023, which mentioned that the scheme mandate limit needs to be refreshed in connection with the proposed adoption of the 2023 A Share Incentive Scheme. Pursuant to Rule 17.03C(1)(b) of the Listing Rules, the scheme mandate limit may be refreshed every three years with shareholders' approval or within a three-year period with shareholders' approval but with the controlling shareholders and their associates abstaining from voting. The Board would like to clarify that, as all the award shares (being 3,580,000 award shares) under the 2022 A Share Incentive Scheme have been fully granted and will not be re-granted to the grantees after lapse, and the Restricted Shares granted under the 2023 A Share Incentive Scheme will also not be re-granted after lapse, the adoption of the 2023 A Share

## LETTER FROM THE BOARD

Incentive Scheme will be regarded as adoption of a new share scheme instead of a refreshment of the scheme mandate limit. Therefore, there is no need to refresh the scheme mandate limit pursuant to Rule 17.03C(1)(b) of the Listing Rules.

The total number of underlying Shares involved in the 2022 A Share Incentive Scheme and the 2023 A Share Incentive Scheme will be 5,363,062 Shares, representing approximately 0.9854% of the total shares of the Company of 544,263,003 Shares and therefore does not exceed 10% of the total Shares of the Company (i.e. 54,426,300 Shares) as at the Latest Practicable Date. As at the Latest Practicable Date, the total number of underlying Shares involved in all share schemes of the Company does not exceed 20% of the total shares of the Company. The number of Shares to be granted to any Participant under all share schemes of the Company does not exceed 1% of the total Shares of the Company as at the Latest Practicable Date.

### **(iv) Participants of the 2023 A Share Incentive Scheme**

#### ***(A) Basis for determining the Participants***

##### *(a) Legal basis for determining the Participants*

The Participants are determined after taking into account the actual circumstances of the Company and in accordance with the Company Law, the Securities Law, the Management Measures, the STAR Market Listing Rules, the Guidelines for Self-discipline, the Listing Rules and the other relevant laws, regulations and regulatory documents, as well as the relevant provisions of the Articles of Association.

##### *(b) Functional basis for determining the Participants*

The Participants include certain Directors, senior management, and other employees (excluding independent non-executive Directors and Supervisors) who the Board considers necessary to be incentivized. The list of the Participants eligible for the Incentive Scheme shall be prepared by the Remuneration and Appraisal Committee and verified and determined by the Supervisory Committee.

#### ***(B) Scope of the Participants***

- (a) The total number of Participants proposed for the First Grant under the Incentive Scheme is 24, representing approximately 0.72% of the total number of 3,332 employees of the Company as at December 31, 2022, including (1) certain senior management employed with the Group as at the Latest Practicable Date; and (2) other employees who the Board considers necessary to be incentivized.

## LETTER FROM THE BOARD

- (b) Among the Participants, the Directors must be elected at the general meeting of the Company and the senior management must be appointed by the Board. Unless otherwise provided under the Incentive Scheme, all Participants must have employment or labour relationship with the Company when the Company grants the Restricted Shares and during the validity period of the Incentive Scheme. If the circumstances of the Participants change before the actual grant of the Restricted Shares by the Board, the Board may make appropriate adjustments to the actual Participants.
- (c) The Participants for the Reserved Grant shall be determined within 12 months from the date on which the Incentive Scheme is considered and approved at the EGM and the Class Meetings. Upon the proposal by the Board, the opinions of the independent non-executive Directors and the Supervisory Committee, the professional opinions of the lawyers and the issuance of legal opinions, the Company shall disclose the relevant information of the Participants on the designated website in a timely and accurate manner as required. If the Participants are not determined for more than 12 months, the reserved interests shall lapse. The basis for determining the Participants for the Reserved Grant shall be determined with reference to the basis of the First Grant.

### ***(C) Persons who are prohibited to participate in the 2023 A Share Incentive Scheme***

The Participants shall exclude Supervisors and independent non-executive Directors. Each of the Participants shall have satisfied the provisions in Article 8 of the Management Measures, namely not subject to any following circumstances:

- (1) being identified as an inappropriate candidate by the Shanghai Stock Exchange in the most recent 12 months;
- (2) being identified as an inappropriate candidate by the CSRC or its delegated institutions in the most recent 12 months;
- (3) subject to administrative penalties or market ban measures by the CSRC or its delegated institutions due to material non-compliance with laws and regulations in the most recent 12 months;
- (4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
- (5) being prohibited from participation in share schemes of listed companies by laws and regulations; or

## LETTER FROM THE BOARD

(6) other circumstances as determined by the CSRC.

### ***(D) Allocation of Restricted Shares to be granted***

The allocation of the Restricted Shares to be granted under the 2023 A Share Incentive Scheme is set out in the table below:

No.	Name	Nationality	Position(s)	Number of Restricted Shares to be granted <i>(0'000 shares)</i>	Percentage to the total number of Restricted Shares to be granted	Percentage to the total shares of the Company as at the Latest Practicable Date
<b>I. Senior Management</b>						
1	Wen Qingkai (溫慶凱)	Chinese	Board secretary	7.9450	4.46%	0.0146%
<b>II. Other Participants</b>						
	Other de facto controllers and their spouses, parents, children, shareholders individually or jointly holding 5% or more of the Company's Shares (1 person)			10.0000	5.61%	0.0184%
	Foreign employee (1 person)			93.3000	52.33%	0.1714%
	Other employees considered by the Board to be incentivised (21 persons)			32.0000	17.95%	0.0588%
<b>Total of the First Grant (24 persons)</b>				143.2450	80.34%	0.2632%
<b>III. Reserved Grant</b>				35.0612	19.66%	0.0644%
<b>Total</b>				<b>178.3062</b>	<b>100.00%</b>	<b>0.3276%</b>

*Notes:*

- The number of Shares granted to any one of the above Participants through all effective share schemes of the Company does not exceed 1% of the total shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, the total number of underlying Shares under all the Company's effective share schemes does not exceed 20% of the total shares of the Company as at the Latest Practicable Date. If a Participant voluntarily renounces the grant for personal reasons, the Board shall adjust the number of grant accordingly and the Participant may reduce the amount of Restricted Shares subscribed due to insufficient funds when subscribing for Restricted Shares.
- Any difference in the total amount and the sum of the breakdowns in the above table is due to rounding.

## LETTER FROM THE BOARD

### (v) Grant Price and Basis of Determination of the Grant Price

#### (A) Grant Price of the Restricted Shares

The Grant Price of the Restricted Shares (including the Reserved Grant) shall be RMB49.77 per A Share, which means that the Participants can purchase the A Shares issued by the Company to the Participants at the price of RMB49.77 per A Share upon satisfaction of the Attribution Conditions.

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company in the period from the Latest Practicable Date to the completion of the Attribution of Restricted Shares to the Participants, the Grant Price or the number of Restricted Shares to be granted/attribution shall be adjusted in accordance with the relevant rules of the Incentive Scheme accordingly.

#### (B) Basis for determining the Grant Price

The Grant Price (including the Reserved Grant) was determined to be RMB49.77 per A Share, which represents:

- (1) approximately 78% of the average trading price of the A Shares on the trading day preceding the date of announcement of the Incentive Scheme being RMB63.67 per A Share;
- (2) approximately 77% of the average trading price of the A Shares for the 20 trading days preceding the date of announcement of the Incentive Scheme being RMB64.65 per A Share;
- (3) approximately 80% of the average trading price of the A Shares for the 60 trading days preceding the date of announcement of the Incentive Scheme being RMB62.20 per A Share;
- (4) approximately 79% of the average trading price of the A Shares for the 120 trading days preceding the date of announcement of the Incentive Scheme being RMB62.79 per A Share.

### (vi) Validity Period, Grant Date, Attribution Arrangements and Lock-up Period

#### (A) Validity period of the 2023 A Share Incentive Scheme

The 2023 A Share Incentive Scheme shall become effective upon the date of the First Grant and shall be valid until the date on which all Restricted Shares granted to the Participants have been attributed or lapsed, such period shall not exceed 84 months.

## LETTER FROM THE BOARD

### *(B) Grant Date of the Restricted Shares*

The Grant Date shall be determined by the Board after the Incentive Scheme is considered and approved at the EGM and the Class Meetings. The Company shall, within 60 days after the approval at the EGM and the Class Meetings, convene a Board meeting to make grants to the Participants under the First Grant in accordance with the relevant requirements, and complete the announcement(s) and other relevant procedures. If the Company fails to complete the above work within the 60-day period, it shall disclose the reasons for such failure and terminate the implementation of the Incentive Scheme, and the Restricted Shares that have not been granted shall lapse. According to the requirements of the Management Measures, the period during which a listed company shall not make grants is not counted within the 60 days.

The Reserved Grant shall be made within 12 months after the Incentive Scheme is considered and approved at the EGM and the Class Meetings. If the Participants for the Reserved Grant are not determined within the 12-month period, the Reserved Grant shall lapse.

The Grant Date must be a trading day and no grants shall be made during the following periods:

- (a) The Company shall not grant the relevant interests after inside information has come to its knowledge until (and including) the trading day after the announcement of the relevant information. In particular, no such interest shall be granted within one month immediately before the earlier of:
  - (1) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving any annual, half-year, quarterly or any other interim results of the Company (whether or not required under the Listing Rules); and
  - (2) the deadline by which the Company is required to announce its year or half-year results, or the deadline for announcing quarterly or any other interim results under the Listing Rules (whether or not required under the Listing Rules).

The relevant restrictions end on the date of the announcement of the results. No interest may be granted for the period during which the announcement of the results is delayed.

- (b) Other periods as prescribed by the Shanghai Stock Exchange or the Stock Exchange.

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### *(C) Attribution arrangements under 2023 A Share Incentive Scheme*

- (a) The Restricted Shares granted under the Incentive Scheme may be attributed in tranches as per the agreed proportions upon the Participants satisfying the corresponding Attribution Conditions. The Attribution Date must be a trading day, and the period during which Attribution is not permitted under the STAR Market Listing Rules or the Listing Rules is not included. The Restricted Shares granted to the Participants shall not be attributed in the following periods:
- (1) Within sixty (60) days and thirty (30) days prior to the announcement of the annual reports and of the semi-annual reports, respectively, and on the date of the announcement for the Company, or in the event of postponement in publishing the periodic reports for special reasons, thirty (30) days prior to the original announcement date and ending the day prior to the announcement date;
  - (2) Ten (10) days prior to the release of the Company's quarterly reports, results forecast or preliminary report;
  - (3) From the date of a major event which may have a material impact on the trading price of the Company's securities and derivatives or during the process of decision making until the date of legal disclosure of the same;
  - (4) Other periods stipulated by the Shanghai Stock Exchange or the Stock Exchange.

If the relevant regulations of the relevant stock exchanges regarding the attribution period change during the validity period of the Incentive Scheme, the Attribution Date shall comply with the relevant laws, regulations and regulatory documents after the amendment.



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- (b) The specific Attribution arrangements of the Restricted Shares to be granted under the Incentive Scheme are as follows:

<b>Attribution arrangement</b>	<b>Time of Attribution</b>	<b>Percentage of the number of attributed interests to the total number of granted interests</b>
First Attribution period	From the first trading day after the expiry of 24 months following the Grant Date for the corresponding interest until the last trading day within the 36 months following the Grant Date for corresponding interest	20%
Second Attribution period	From the first trading day after the expiry of 36 months following the Grant Date for the corresponding interest until the last trading day within the 48 months following the Grant Date for corresponding interest	40%
Third Attribution period	From the first trading day after the expiry of 48 months following the Grant Date for the corresponding interest until the last trading day within the 60 months following the Grant Date for corresponding interest	20%
Fourth Attribution period	From the first trading day after the expiry of 60 months following the Grant Date for the corresponding interest until the last trading day within the 72 months following the Grant Date for corresponding interest	20%

Restricted Shares that are not attributed within the above-mentioned agreed period or that cannot be applied for Attribution for that period due to failure to meet the Attribution Conditions shall not be attributed and shall lapse.

Prior to the Attribution, the Restricted Shares granted to the Participants shall not be transferred or used to guarantee or repay debts. For the Restricted Shares granted to the Participants but not yet attributed, Shares increased due to capitalisation issue, bonus issue, etc. are also subject to the Attribution Conditions,

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and shall not be transferred or used to guarantee or repay debts. Where the Restricted Shares are not allowed to be attributed at that time, Shares obtained for the aforementioned reasons shall also not be attributed.

### **(vii) Conditions for Grant and Attribution of Restricted Shares**

#### ***(A) Conditions for grant of the Restricted Shares***

The Company shall grant the Restricted Shares to the Participants upon satisfaction of all of the following grant conditions; or conversely, if any of the following grant conditions has not been satisfied, no Restricted Shares shall be granted to the Participants.

- (a) None of the following has occurred on the part of the Company:
  - (1) an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (2) an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (3) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  - (4) laws and regulations stipulate that equity incentives shall not be implemented;
  - (5) other circumstances as determined by the CSRC.
- (b) None of the following has occurred on the part of the Participant:
  - (1) being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
  - (2) being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (3) subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations within the most recent 12 months;
  - (4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

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- (5) being prohibited from participation in share schemes of listed companies by laws and regulations;
- (6) other circumstances as determined by the CSRC.

### ***(B) Attribution Conditions of the Restricted Shares***

The following Attribution Conditions shall be satisfied before Restricted Shares granted to the Participants are attributed in tranches:

- (a) None of the following has occurred on the part of the Company:
  - (1) an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (2) an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (3) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  - (4) laws and regulations stipulate that equity incentives shall not be implemented;
  - (5) other circumstances as determined by the CSRC.
- (b) None of the following has occurred on the part of the Participant:
  - (1) being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
  - (2) being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (3) subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations in the most recent 12 months;
  - (4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
  - (5) being prohibited from participation in share schemes of listed companies by laws and regulations;

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(6) other circumstances as determined by the CSRC.

In the event that any one of the circumstances specified in the above subparagraph (a) arises, the Restricted Shares that have been granted but have not yet been attributed to all of the Participants under the Incentive Scheme shall not be attributed and shall lapse. In the event that the Restricted Shares shall not be granted to a Participant as specified in the above subparagraph (b), the Restricted Shares that have been granted but have not yet been attributed to such Participant shall not be attributed and shall lapse.

(c) The relevant Participant satisfies the requirements on length of employment in each Attribution period, namely before each tranche of Restricted Shares granted to a Participant is attributed, the length of employment of the Participant must be more than 12 months in the Company.

(d) Performance assessment requirements at the Company level

(1) The assessment years of the First Grant shall be for the four accounting years from 2024 to 2027, and the Company's performance shall be assessed once in each accounting year. The performance assessment targets for each year are set out in the table below:

Attribution arrangement	Assessment year	Performance assessment target A	Performance assessment target B	Performance assessment target C
First Attribution period	2024	<p>The Company satisfies any one of the following conditions:</p> <p>1. For 2024, the revenue shall not be less than RMB2 billion.</p> <p>2. For 2024, 8 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</p>	<p>The Company satisfies any one of the following conditions:</p> <p>1. For 2024, the revenue shall not be less than RMB1.8 billion.</p> <p>2. For 2024, 7 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</p>	<p>The Company satisfies any one of the following conditions:</p> <p>1. For 2024, the revenue shall not be less than RMB1.7 billion.</p> <p>2. For 2024, 6 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</p>

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Attribution arrangement	Assessment year	Performance assessment target A	Performance assessment target B	Performance assessment target C
		<b>100% of company Attribution</b>	<b>80% of company Attribution</b>	<b>70% of company Attribution</b>
Second Attribution period	2025	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2025, the cumulative revenue shall not be less than RMB5 billion.</li> <li>From 2024 to 2025, a total of 16 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2025, the cumulative revenue shall not be less than RMB4.7 billion.</li> <li>From 2024 to 2025, a total of 14 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2025, the cumulative revenue shall not be less than RMB4.4 billion.</li> <li>From 2024 to 2025, a total of 12 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>
Third Attribution period	2026	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2026, the cumulative revenue shall not be less than RMB9 billion.</li> <li>From 2024 to 2026, a total of 24 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2026, the cumulative revenue shall not be less than RMB8.2 billion.</li> <li>From 2024 to 2026, a total of 21 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2026, the cumulative revenue shall not be less than RMB7.4 billion.</li> <li>From 2024 to 2026, a total of 18 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>
Fourth Attribution period	2027	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2027, the cumulative revenue shall not be less than RMB14 billion.</li> <li>From 2024 to 2027, a total of 32 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2027, the cumulative revenue shall not be less than RMB13.2 billion.</li> <li>From 2024 to 2027, a total of 28 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2024 to 2027, the cumulative revenue shall not be less than RMB12.4 billion.</li> <li>From 2024 to 2027, a total of 24 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>

*Note:* The above “revenue” is calculated based on the data set out in the consolidated statements audited by the accounting firm engaged by the Company (same as below).

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- (2) If the Restricted Shares under the Reserved Grant are granted prior to the disclosure of the third quarterly report for 2024, the assessment year and assessment targets will be consistent with those under the First Grant. On the contrary, the performance for the four accounting years from 2025 to 2028 will be assessed, which shall be assessed once in each accounting year. The performance assessment targets for each year are set out in the table below:

Attribution arrangement	Assessment year	<u>Performance assessment target A</u> 100% of company Attribution	<u>Performance assessment target B</u> 80% of company Attribution	<u>Performance assessment target C</u> 70% of company Attribution
First Attribution period under the Reserved Grant	2025	The Company satisfies any one of the following conditions: 1. For 2025, the revenue shall not be less than RMB3 billion. 2. For 2025, 8 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. For 2025, the revenue shall not be less than RMB2.9 billion. 2. For 2025, 7 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. For 2025, the revenue shall not be less than RMB2.7 billion. 2. For 2025, 6 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.
Second Attribution period under the Reserved Grant	2026	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB7 billion. 2. From 2025 to 2026, a total of 16 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB6.4 billion. 2. From 2025 to 2026, a total of 14 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB5.7 billion. 2. From 2025 to 2026, a total of 12 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.

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Attribution arrangement	Assessment year	Performance assessment target A	Performance assessment target B	Performance assessment target C
Third Attribution period under the Reserved Grant	2027	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the cumulative revenue shall not be less than RMB12 billion.</li> <li>From 2025 to 2027, a total of 24 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the cumulative revenue shall not be less than RMB11.4 billion.</li> <li>From 2025 to 2027, a total of 21 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the cumulative revenue shall not be less than RMB10.7 billion.</li> <li>From 2025 to 2027, a total of 18 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>
Fourth Attribution period under the Reserved Grant	2028	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the cumulative revenue shall not be less than RMB18.5 billion.</li> <li>From 2025 to 2028, a total of 32 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the cumulative revenue shall not be less than RMB16.6 billion.</li> <li>From 2025 to 2028, a total of 28 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>	<p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the cumulative revenue shall not be less than RMB15.3 billion.</li> <li>From 2025 to 2028, a total of 24 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.</li> </ol>

If the Company fails to meet the above performance indicators, all the Restricted Shares that are not attributed to the Participants for the period shall not be attributed or deferred to the next period, and shall lapse.

(e) Performance assessment requirements at the Participant's individual level

According to the Assessment Management Measures, the Company conducts individual performance assessment on each of the Participants during the assessment year and determines the number of Restricted Shares actually attributed to the Participants based on their assessment results. The performance assessment results of the Participants are divided into four levels, namely A, B, C and D, and the actual number of

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Restricted Shares to be attributed to the Participants will be determined according to the proportion of Attribution at the individual level corresponding to the following assessment rating table:

Assessment results	A	B	C	D
Individual-level attribution ratio	<u>100%</u>			<u>0%</u>

The number of Restricted Shares actually attributed to a Participant in the Attribution period = the number of Restricted Shares planned to be attributed to the individual in that Attribution period × Company-level Attribution ratio × Individual-level Attribution ratio.

If the Restricted Shares attributed to the Participants for an Attribution period cannot be attributed or cannot be fully attributed due to assessment results, the Restricted Shares which are not attributed shall lapse and shall not be deferred to the following years.

The assessments under the Incentive Scheme are implemented in accordance with the Assessment Management Measures.

### (viii) Implementation, Grant and Attribution Procedures

#### (A) *Procedures for the implementation of the 2023 A Share Incentive Scheme*

- (a) The Remuneration and Appraisal Committee is responsible for fixing and considering the draft and summary of the Incentive Scheme.
- (b) The Board shall resolve on the Incentive Scheme in accordance with laws. When the Board considers the Incentive Scheme, the Directors who are the Participants or the Directors who are related thereto shall abstain from voting. The Board shall submit the Incentive Scheme to the EGM and the Class Meetings for consideration after considering and approving the Incentive Scheme and performing the public disclosure and announcement procedures, and at the same time propose to the EGM and the Class Meetings to authorise and implement the grants and attributions (registration) of the Restricted Shares.
- (c) The independent non-executive Directors and the Supervisory Committee shall express their opinions on whether the Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole. The Company will engage an independent financial adviser with securities qualifications to give its professional opinion on the feasibility of the Incentive Scheme, whether the Incentive Scheme is conducive to



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the sustainable development of the Company, and whether it harms the interests of the Company, and the impact on the interests of Shareholders. The PRC law firm shall issue a legal opinion on the Incentive Scheme.

- (d) The Company shall carry out self-examination on the trading of Shares and derivatives by insiders within six (6) months prior to the announcement of the Incentive Scheme.
- (e) The Incentive Scheme shall subject to the consideration and approval at the EGM and the Class Meetings. Before convening the EGM and the Class Meetings, the Company shall publish the names and positions of the Participants internally through the Company's website or other channels for a period of not less than ten (10) days. The Supervisory Committee shall review the list of Participants and fully listen to the public opinions. The Company shall disclose the explanation of the Supervisory Committee on the review opinions and announcements on the list of the Participants five (5) days before the Incentive Scheme is considered at the EGM and the Class Meetings.
- (f) The independent non-executive Directors shall solicit proxy voting rights from all independent Shareholders in respect of the Incentive Scheme.
- (g) At the EGM and the Class Meetings, the attending Shareholders or proxies shall vote by ballot on the Incentive Scheme, which shall be approved by two-thirds or more of the voting rights held by the shareholders present at the meeting. The voting of other Shareholders who are not Directors, Supervisors, senior management of the Company individually or collectively holding 5% or more of the Shares of the Company shall be separately counted and disclosed.

When the Incentive Scheme is considered at the EGM and the Class Meetings, shareholders who are Participants or shareholders who are related to or associates of the Participants shall abstain from voting thereon.

- (h) The Company shall grant the Restricted Shares to the Participants within the prescribed period upon approval of the Incentive Scheme at the EGM and the Class Meetings and the fulfilment of grant conditions stipulated under the Incentive Scheme. The Board shall be responsible for the grant and Attribution of the Restricted Shares in accordance with the Specific Mandate granted at the EGM and the Class Meetings.

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### *(B) Procedures for granting the Restricted Shares*

- (a) Upon consideration and approval of the Incentive Scheme at the EGM and the Class Meetings and passing the resolution of granting interests to the Participants at the Board meeting, the Company shall sign an “Agreement on the Grant of Restricted Shares” with each of the Participants in order to set out their respective rights and obligations.
- (b) The Board shall consider and announce whether the conditions of a grant to a Participant as set out in the Incentive Scheme have been satisfied before the Company makes a grant to such Participant, and the Reserved Grant shall be determined, considered and approved by the Board. The independent non-executive Directors and the Supervisory Committee shall simultaneously express clear opinions. The PRC law firm shall issue legal opinions on whether the conditions for the grant to the Participants are fulfilled or not.
- (c) The Supervisory Committee shall verify the Grant Date and the list of Participants and issue opinions thereon.
- (d) Where there is any discrepancy between the grant of interests by the Company to the Participants and the arrangement of the Incentive Scheme, the independent non-executive Directors, the Supervisory Committee (when the Participants change) and the PRC law firm shall simultaneously express clear opinions.
- (e) The Company shall grant Restricted Shares to the Participants under the First Grant and make an announcement within 60 days after the Incentive Scheme is considered and approved at the EGM and the Class Meetings. In the event the Company fails to make the First Grant within such 60 days, the Incentive Scheme shall be terminated, and the Board shall disclose the reason for such failure in a timely manner and announce the termination of the Incentive Scheme, and shall be prohibited from approving a share scheme again within three (3) months commencing from the date of the announcement of the termination of the Incentive Scheme. According to the Management Measures, the period for which a listed company may not make grants is not counted within the 60 days.

Participants eligible for Reserved Grant shall be determined within 12 months after the Incentive Scheme is considered and approved at the EGM and the Class Meetings. If the Participants for the Reserved Grant are not confirmed within such 12 months, the interests under the Reserved Grant will lapse.

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### ***(C) Procedures for the Attribution of the Restricted Shares***

- (a) Before the Attribution of the Restricted Shares, the Board shall consider whether the Attribution Conditions of the Participants as set out in the Incentive Scheme have been fulfilled, and the independent non-executive Directors and the Supervisory Committee shall simultaneously issue clear opinions, and the PRC law firm shall issue legal opinions on whether the Attribution Conditions for the exercise of the Participants have been fulfilled. For the Participants who have fulfilled the Attribution Conditions, the Company shall handle the Attribution in a unified manner, and for the Participants who have not fulfilled the Attribution Conditions, the Restricted Shares in the relevant tranche shall not be attributed and shall lapse. The Company shall disclose the announcement of the resolutions of the Board in a timely manner after the Attribution of the Participants, and publish the opinions of the independent non-executive Directors, the Supervisory Committee and the PRC law firm and the relevant implementation thereof.
- (b) Before handling the Attribution of the Restricted Shares in a unified manner, the Company shall apply to the Shanghai Stock Exchange. The Company shall apply to the securities depository and clearing institution for the registration and settlement matters after confirmation by the Shanghai Stock Exchange.

### **(ix) Method and Procedures for Adjustment**

#### ***(A) Adjustment method of the number of the Restricted Shares***

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company during the period from the date of announcement of the Incentive Scheme to the completion of Attribution and registration of Restricted Shares for the Participants, the number of Restricted Shares granted/attributed shall be adjusted accordingly. The adjustment method is as follows:

#### *1. Capitalisation issue, bonus issue and sub-division of shares*

$$Q = Q_0 \times (1 + n)$$

Where:  $Q_0$  represents the number of Restricted Shares granted/attributed before the adjustment;  $n$  represents the ratio of increase per Share resulting from the issue of Shares by capitalisation of capital reserves, bonus issue or sub-division of Shares (i.e., the number of Shares increased

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per Share upon capitalisation of capital reserves, bonus issue or sub-division of Shares); Q represents the adjusted number of Restricted Shares granted/attributed.

2. *Rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where:  $Q_0$  represents the number of Restricted Shares granted/attributed before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e. the ratio of the number of Shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares granted/attributed.

3. *Share consolidation*

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of Restricted Shares granted/attributed before the adjustment;  $n$  represents the ratio of consolidation of shares (i.e., one share shall be consolidated into  $n$  shares); Q represents the adjusted number of Restricted Shares granted/attributed.

4. *New issue of shares*

In the event of issue of new shares, no adjustment shall be made to the number of Restricted Shares granted/attributed.

**(B) Adjustment method of the Grant Price**

In the event of any capitalisation issue, bonus issue, sub-division, rights issue, share consolidation or dividend distribution of the Company in the period from the date of announcement of the Incentive Scheme to the completion of Attribution and registration of Restricted Shares for the Participants, an adjustment to the Grant Price of Restricted Shares shall be made by the Company accordingly. The adjustment method is as follows:

1. *Capitalisation issue, bonus issue and sub-division of shares*

$$P = P_0 \div (1 + n)$$

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Where:  $P_0$  represents the Grant Price before the adjustment;  $n$  represents the ratio of increase per share resulting from the capitalisation issue, bonus issue and sub-division of shares to each share;  $P$  represents the adjusted Grant Price.

### 2. *Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $P$  represents the adjusted Grant Price.

### 3. *Share consolidation*

$$P = P_0 \div n$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $n$  represents the ratio of share consolidation;  $P$  represents the adjusted Grant Price.

### 4. *Dividend distribution*

$$P = P_0 - V$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $V$  represents the dividend per share;  $P$  represents the adjusted Grant Price.  $P$  shall be greater than 1 after the dividend distribution.

### 5. *Additional issue of new shares*

Under the circumstance of additional issue of new shares, no adjustment will be made on the Grant Price.

## **(C) *Adjustment procedures***

In the event of the above circumstances, the Board shall consider and approve the proposal on the adjustment of the number of Restricted Shares to be granted/attributed and the Grant Price (the number and price of Restricted Shares to be granted/attributed proposed to be adjusted for matters other than the above circumstances shall be submitted to the general meeting and the class meetings of A Shareholders and H Shareholders of the Company for consideration, despite the Board's consideration of the relevant resolution). The Company shall engage a PRC law firm to issue professional opinions to the Board on whether the above

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adjustments are in compliance with the Management Measures, the Articles of Association and the Incentive Scheme. After the adjustment proposal is considered and approved by the Board, the Company shall timely make the announcement of the resolutions of the Board and the legal opinion.

**(x) Other Rights and Obligations of the Company and the Participants and Dispute Mechanism**

**(A) *Rights and obligations of the Company***

- (a) The Company shall have the right to interpret and execute the Incentive Scheme and shall appraise the performance of Participants based on the requirements under the Incentive Scheme. If a Participant fails to fulfil the Attribution Conditions required under the Incentive Scheme, the Restricted Shares that have been granted to the Participant but not yet attributed shall not be attributed and shall lapse.
- (b) The Company undertakes not to provide loans and any other forms of financial assistance, including providing guarantee for their loans, to the Participants to obtain relevant Restricted Shares according to the Incentive Scheme.
- (c) The Company shall make timely, true, accurate and complete disclosure of information disclosure documents related to the Incentive Scheme in accordance with relevant laws, regulations and regulatory documents, and ensure that there are no false records, misleading statements or material omissions, and timely fulfil the relevant reporting obligations of the Incentive Scheme.
- (d) The Company shall proactively procure the Attribution of Restricted Shares for Participants who have satisfied with the Attribution Conditions pursuant to the Incentive Scheme and the relevant requirements of the CSRC, the Shanghai Stock Exchange and CSDC Shanghai Branch. The Company shall not be held liable for losses incurred by the Participants who fail to complete the Attribution due to reasons caused by the CSRC, the Shanghai Stock Exchange and CSDC.
- (e) If the Participants violate the laws and professional ethics, leak confidential information of the Company, and are negligent or gross misconduct in performance of duties, which may cause serious damage to the interests or reputation of the Company, upon being reviewed by the Remuneration and Appraisal Committee and reported to the Board for approval, the Restricted Shares that have been granted to Participants but not yet attributed shall not be attributed and shall lapse. At the same time,

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in the event of serious circumstances, the Company may also recover the losses suffered by the Company in accordance with relevant laws and regulations.

- (f) In accordance with the relevant provisions of the national tax laws and regulations, the Company shall withhold and pay the individual income tax and other taxes payable by the Participants for participation in the Incentive Scheme.
- (g) The Company's determination of the Participants under the Incentive Scheme does not mean to ensure the Participants' right to continue to serve the Company, and does not constitute the Company's commitment to the term of employment of employees. The Company's employment and employment management of employees are still implemented in accordance with the employment contract or labour contract signed between the Company and the Participants.
- (h) Other relevant rights and obligations as stipulated by laws, administrative regulations and regulatory documents.

### ***(B) Rights and obligations of the Participants***

- (a) The Participants shall, based on the requirements of their position, perform their responsibilities diligently in compliance with professional ethic and strive to contribute to the development of the Company.
- (b) The source of funding of Participants shall derive from their own funds.
- (c) The Restricted Shares granted to the Participants shall not be transferred or used to guarantee or repay debts.
- (d) The Restricted Shares granted to the Participants according to the requirements of the Incentive Scheme are not entitled to voting power before Attribution and registration, and are not entitled to participate in the distribution of share bonuses and dividends.
- (e) The gains acquired by the Participants as a result of the Incentive Scheme shall be subject to individual income tax and other taxes and fees according to tax laws and regulations of the PRC.
- (f) Participants undertake that where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or Attribution arrangements, Participants concerned shall return to the Company all interests gained through the Incentive Scheme calculated

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from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.

- (g) Upon consideration and approval of the Incentive Scheme at the EGM and the Class Meetings and passing the resolution of granting interest to the Participants at the Board meeting, the Company shall sign an “Agreement on the Grant of Restricted Shares” with each of the Participants in order to set out their respective rights and obligations as well as other matters.
- (h) Other relevant rights and obligations under the laws, regulations and the Incentive Scheme.

### ***(C) Dispute settlement mechanism between the Company and the Participants***

The disputes between the Company and the Participants arising from the execution of the Incentive Scheme, or the “Agreement on the Grant of Restricted Shares” signed by the parties or in relation to the Incentive Scheme or the “Agreement on the Grant of Restricted Shares” shall be solved through negotiation and communication by both parties, or mediation by the Remuneration and Appraisal Committee. If relevant disputes are not solved through the above-mentioned methods within 60 days from the date of occurrence of the disputes, either party is entitled to file a lawsuit with the people’s court with jurisdiction in the place where the Company is located.

### **(xi) Amendment to and Termination of the 2023 A Share Incentive Scheme**

#### ***(A) Procedures for the amendment to and termination of the 2023 A Share Incentive Scheme***

- (a) Procedures for the amendment to the 2023 A Share Incentive Scheme
  - (1) In the event that the Company intends to amend the Incentive Scheme before it is considered and approved at the EGM and the Class Meetings, the amended Incentive Scheme shall be considered and approved by the Board and the Remuneration and Appraisal Committee.
  - (2) In the event that the Company intends to amend the Incentive Scheme after it is considered and approved at the EGM and the Class Meetings, the amended Incentive Scheme (after consideration and approval by the Remuneration and Appraisal Committee) shall be considered and determined at the general meeting and the class meetings of A Shareholders and H Shareholders (if required) in



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accordance with the Management Measures and other laws, regulations, regulatory documents and the Articles of Association given that such amendment shall not result in the following:

- a. accelerating the Attribution;
  - b. reducing the Grant Price (except for circumstances where the Grant Price is lowered due to shares by capitalisation issue, bonus issue, rights issue and other reasons).
- (3) The independent non-executive Directors and the Supervisory Committee shall express their independent opinions on whether the amended Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole. The law firm shall issue professional opinions on whether the amended scheme complies with the provisions of the Management Measures and relevant laws and regulations, and whether there is any obvious damage to the interests of the Company and its Shareholders as a whole.
- (b) Procedures for the termination of the 2023 A Share Incentive Scheme
- (1) If the Company intends to terminate the implementation of the Incentive Scheme before it is considered at the EGM and the Class Meetings, such termination shall be considered and approved by the Board.
  - (2) If the Company intends to terminate the implementation of the Incentive Scheme after it is considered and approved at the EGM and the Class Meetings, such termination shall be considered and approved at general meeting and the class meetings of A Shareholders and H Shareholders (if required).
  - (3) The PRC law firm shall issue professional opinions on whether the Company's termination of the Incentive Scheme complies with the provisions of the Management Measures and relevant laws and regulations, and whether there is any obvious damage to the interests of the Company and its Shareholders as a whole.

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***(B) In the event of any changes occurred at the Company level***

- (a) In the event that any of the circumstances below occurs in respect of the Company, the Incentive Scheme shall be terminated and the Restricted Shares (including the Reserved Grant) that have been granted to the Participants but not yet attributed shall not be attributed and shall lapse:
- (1) an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (2) an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (3) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  - (4) laws and regulations stipulate that equity incentives shall not be implemented;
  - (5) other circumstances where the Incentive Scheme should be terminated as determined by the CSRC.
- (b) The Incentive Scheme shall remain unchanged if any of the following events occurs to the Company:
- (1) a change of control of the Company without reorganisation of major assets;
  - (2) a merger or division of the Company, where the Company continues to exist.
- (c) If any of the following events occurs to the Company, in accordance with the Management Measures and other laws, regulations, regulatory documents and the Articles of Association, the general meeting and the class meetings of A Shareholders and H Shareholders (if required) of the Company shall decide whether to amend or adjust the Incentive Scheme:
- (1) a change of control of the Company involving reorganisation of major assets;
  - (2) a merger or division of the Company, where Company no longer exists.

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- (d) Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions for the grant or Attribution of Restricted Shares, the Restricted Shares granted to Participants but not yet attributed shall not be attributed and shall lapse. In respect of the Restricted Shares already attributed, the Participants concerned shall return to the Company all equities granted. The Board shall recover the income of Participants in accordance with the provisions of the preceding paragraph. The Participants who bear no responsibility for the aforesaid matters and who incur losses as a result of the return of interests granted may seek compensation from the Company or responsible parties.

***(C) In the event of any changes in the personal circumstances of the Participants***

- (a) If a Participant ceases to be eligible to participate in the Incentive Scheme due to the occurrence of any of the following circumstances, the Board may decide that the Restricted Shares (including the Reserved Grant) granted to the Participant but not yet attributed shall not be attributed and shall lapse on the date of occurrence of the circumstances under the Incentive Scheme:
- (1) being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
  - (2) being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (3) subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations in the most recent 12 months;
  - (4) being prohibited from acting as a director or a member of the senior management of the Company under the Company Law;
  - (5) being prohibited from participation in share schemes of listed companies by laws and regulations;
  - (6) other circumstances as determined by the CSRC.
- (b) If a Participant's position(s) has been changed but he/she still works in the Company, the Restricted Shares granted to him/her shall be carried out in full accordance with the procedures stipulated in the Incentive Scheme prior to the change of his/her position; however, if the Participant's position(s) has changed due to his/her incompetence to his/her position, violation of laws, violation of professional ethics, leakage of confidential

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information of the Company, dereliction of duty or malfeasance, serious violation of the Company's system and other acts that damage the interests or reputation of the Company, or the Company terminates his/her labour relationship or employment relationship with the Participant due to the above reasons, the Restricted Shares that have been granted to the Participant but not yet attributed shall not be attributed and shall lapse.

- (c) Where a Participant resigns, including circumstances of voluntary resignation, resignation due to layoffs of the Company, labour contract/employment agreement expired and no longer renewed, dismissal by the Company due to personal fault, negotiated termination of labour contract or employment agreement, Restricted Shares that have been granted to such Participant but not yet attributed since the date of resignation shall not be attributed and shall lapse. Such Participant shall pay the Company the individual income tax involved in the attributed Restricted Shares before resignation. The Company has the right to recover the losses incurred from a Participant in accordance with the provisions of relevant laws, depending on the seriousness of the circumstances when he/she conducts personal faults including, but are not limited to: violation of the employment contract, confidentiality agreement, non-competition agreement or any other similar agreements signed with the Company or its affiliates; violation of the laws of the country of residence, resulting in criminal offenses or other negative conditions that affect the performance of the job; collection of remuneration from companies other than the Company or individuals, which has not been disclosed to the Company in advance.
- (d) If a Participant retires normally in accordance with national regulations and the Company's requirements, the Restricted Shares granted to him/her shall remain valid and shall be attributed in accordance with the procedures stipulated in the Incentive Scheme.
- (e) The resignation of a Participant due to his/her incapacity shall be dealt with in the following two circumstances:
  - (1) When a Participant resigns due to incapacity in performing his/her duties, the Restricted Shares granted to him/her shall be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to his/her incapacity. The Board may determine that his/her personal performance assessment conditions shall no longer be included in the Attribution Conditions. The Participants shall pay to the Company the individual income tax in relation to the Restricted Shares that have been attributed before they leave the Company, and

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shall pay the individual income tax in relation to the Restricted Shares that will be attributed in the current period in advance of each Attribution thereafter.

- (2) When a Participant leaves the Company due to incapacity not resulting from performance of duties, the Restricted Shares that have been granted to the Participant but not yet attributed shall not be attributed and shall lapse. Prior to the resignation of the Participants, the Participants shall pay to the Company the individual income tax incurred in the Restricted Shares that have been attributed.
- (f) The death of a Participant shall be dealt with in the following two circumstances:
- (1) If a Participant dies in the course of performing his/her duties, the Restricted Shares granted to him/her shall be inherited by his/her successor and shall be attributed in accordance with the procedures stipulated in the Incentive Scheme prior to the death of the Participant. The Board may determine that his/her personal performance assessment conditions shall no longer be included in the Attribution Conditions. The successor shall pay to the Company the individual income tax in respect of the Restricted Shares attributed before the inheritance, and shall pay the individual income tax in respect of the Restricted Shares attributed for the current period in advance of each Attribution thereafter.
  - (2) If a Participant dies other than due to his/her duty, the Restricted Shares that have been granted to the Participant but have not yet been attributed shall not be attributed and shall lapse on the date of occurrence of such event. If the Board, at its discretion, allows the Restricted Shares that have been granted but have not yet been attributed to be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to the death of the Participants, the Board may determine that their personal performance assessment will no longer be included in the Attribution Conditions, and the successors shall pay the individual income tax in respect of the Restricted Shares that have been attributed before the inheritance, and shall pay the individual income tax in respect of the Restricted Shares that will be attributed in the current period in advance of each Attribution thereafter.
- (g) Other unspecified circumstances shall be determined by the board of directors of the Company and its treatment method shall be determined.

**(xii) Accounting Treatment and Impact on the Operating Performance**

***(A) Accounting treatment***

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號—股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號—金融工具確認和計量》) of the PRC, the Company shall, on each balance sheet date during the period from the Grant Date to the Attribution Date, revise the number of Restricted Shares expected to be attributed according to the latest information such as the change in the number of persons entitled to be attributed and the completion of performance indicators, and recognise the services obtained in the current period in relevant costs or expenses and capital reserve according to the fair value of the Restricted Shares on the Grant Date.

With reference to the “Application of Share-based Payment Standards — Grant of Restricted Shares (《股份支付準則應用案例—授予限制性股票》)” issued by the Accounting Department of the Ministry of Finance of the PRC, the measurement of the share-based payment expenses for Type II Restricted Shares is based on share options. In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號—股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號—金融工具確認和計量》) of the PRC, the Company selected the Black-Scholes model to calculate the fair value of the Type II Restricted Shares, and made a preliminary measurement of the fair value of the 1,432,450 Restricted Shares under the First Grant on November 17, 2023 (official measurement will be conducted at the time of grant). Specific parameters are as follows:

- (1) Underlying share price: RMB64.41 per share (assuming the closing price on the date of the First Grant is the closing price on November 17, 2023);
- (2) Validity period: 24 months, 36 months, 48 months and 60 months (the period from the Grant Date of the Restricted Shares to the date of Attribution of each tranche);
- (3) Historical volatility: 34.8386%, 37.0726%, 40.1225% and 39.9724% (adopted average annualized volatility of comparable companies in the same industry in the past two, three, four, five years);
- (4) Risk-free interest rate: 2.3381%, 2.3938%, 2.4513% and 2.5027% (using the 2-year, 3-year, 4-year and 5-year-yield rate of treasury bonds disclosed on ChinaBond.com.cn, respectively).

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### ***(B) Estimated impact on the operating performance in each accounting period due to the implementation of the Restricted Shares***

The fair value of the Restricted Shares on the Grant Date will be determined by the Company in accordance with the requirements of accounting standards, and the costs of payment of shares under the Incentive Scheme will be further determined accordingly. The cost of the Incentive Scheme will be recognised according to the percentage of attribution during the implementation of the Incentive Scheme and will be charged to the recurring profit and loss.

According to the requirements of the PRC Accounting Standards, the impact of the Restricted Shares under the First Grant of the Incentive Scheme on the accounting costs for each period is as follows (assuming the Company makes the grant in the end of 2023):

Number of Restricted Shares under the First Grant <i>(0'000 shares)</i>	Total costs to be amortised <i>(RMB0,000)</i>	2024 <i>(RMB0,000)</i>	2025 <i>(RMB0,000)</i>	2026 <i>(RMB0,000)</i>	2027 <i>(RMB0,000)</i>	2028 <i>(RMB0,000)</i>
143.2450	3,709.14	1,154.14	1,154.14	849.00	377.14	174.72

The above calculation does not include the Reserved Grant, and additional share payment fees will be incurred when the reserved Shares are granted.

According to the preliminary evaluation by the Company based on the information available, the amortisation of expenses of the Restricted Shares will have an impact on the net profit each year within the validity period of the Incentive Scheme. But at the same time, the implementation of the Incentive Scheme will further enhance the cohesion of employees and team stability, and effectively motivate the management team, thereby improving operating efficiency and bringing higher operating performance and intrinsic value to the Company.

### **III. PROPOSED ADOPTION OF THE ASSESSMENT MANAGEMENT MEASURES**

To ensure the smooth implementation of the 2023 A Share Incentive Scheme, the Assessment Management Measures have been formulated according to the Company Law, the Securities Law, the Management Measures and other relevant laws, administrative regulations, normative documents, the relevant requirements of the Articles of Association as well as the actual situation of the Company.

A special resolution will be adopted at the EGM and the Class Meetings to consider, and, if thought fit, approve the adoption of the Assessment Management Measures for implementation of the 2023 A Share Incentive Scheme.

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The full text of the Assessment Management Measures is set out in Appendix II to this circular. The Assessment Management Measures was prepared in Chinese. In the event of any discrepancy between the English translation and the Chinese version of the Assessment Management Measures, the Chinese version shall prevail.

#### IV. PROPOSED ISSUE AND GRANT OF NEW A SHARES UNDER THE 2023 A SHARE INCENTIVE SCHEME

Subject to the approval of the Shareholders at the EGM and the Class Meetings, the Board has resolved to grant not more than 1,783,062 Restricted Shares under the 2023 A Share Incentive Scheme, representing approximately 0.3276% of the total issued shares of the Company as at the Latest Practicable Date.

The 1,783,062 A Shares to be issued and allotted under the 2023 A Share Incentive Scheme represent less than 10% of the total issued Shares of the Company of 544,263,003 Shares as at the Latest Practicable Date.

In addition to the principal terms of the 2023 A Share Incentive Scheme summarized in the section headed “II. Proposed Adoption of the 2023 A Share Incentive Scheme” above, further information in relation to the issue and allotment of the Restricted Shares under the 2023 A Share Incentive Scheme are set out below:

**Total funds to be raised and the proposed use of proceeds:** Not more than RMB88,742,995.7, being the aggregate Grant Price, will be paid by the Participants to subscribe for 1,783,062 Restricted Shares under the 2023 A Share Incentive Scheme. The proceeds obtained by the Company from the 2023 A Share Incentive Scheme shall be applied towards the replenishment of the Group’s liquidity.

**Grant Price:** The Grant Price of the Restricted Shares under both the First Grant and the Reserved Grant shall be RMB49.77 per A Share which was determined with reference to the basis set out in paragraph “(v) Grant Price and Basis of Determination of the Grant Price” above. A Participant who has satisfied the conditions for grant and attribution may subscribe new A Shares issued by the Company at such Grant Price.

**Aggregate nominal value:** The nominal value of the A Shares of the Company is RMB1.0 per A Share. The aggregate nominal value of the Restricted Shares to be granted under the 2023 A Share Incentive Scheme (including the First Grant and the Reserve Grant) is not more than RMB1,783,062.



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**Dilution effect:** The shareholding structure of the Company before and after the Attribution of the Restricted Shares granted under the 2022 A Share Incentive Scheme and the 2023 A Share Incentive Scheme to the participants is set out as follows:

		<b>Assuming full Attribution and issue of the Restricted Shares under the 2023 A Share Incentive Scheme<sup>(1)</sup></b>	<b>Assuming full Attribution and issue of the Restricted Shares under both the 2022 A Share Incentive Scheme and the 2023 A Share Incentive Scheme<sup>(1)</sup></b>
	<b>As at the Latest Practicable Date</b>		
Number of A Shares	354,681,764	356,464,826	360,044,826
Number of H Shares	189,581,239	189,581,239	189,581,239
<b>Total</b>	<b>544,263,003</b>	<b>546,046,065</b>	<b>549,626,065</b>

The public float of the Company before and after attribution of the Restricted Shares granted under the 2022 A Share Incentive Scheme and the 2023 A Share Incentive Scheme to the participants is set out as follows:

		<b>Assuming full Attribution and issue of the Restricted Shares under the 2023 A Share Incentive Scheme<sup>(1)</sup></b>	<b>Assuming full Attribution and issue of the Restricted Shares under both the 2022 A Share Incentive Scheme and the 2023 A Share Incentive Scheme<sup>(1)</sup></b>
	<b>As at the Latest Practicable Date</b>		
Public float	60.12%	60.24%	60.41%

*Note:*

(1) Assuming that no other Shares are issued or repurchased by the Company.

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**Fund raising activities in the past 12 months:** The Company has not conducted any fund raising activities involving the issuance of share capital within 12 months immediately preceding the date of this circular.

### **V. PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS PERTAINING TO THE 2023 A SHARE INCENTIVE SCHEME**

In order to ensure successful implementation of the 2023 A Share Incentive Scheme, the Board proposed to the EGM and the Class Meetings to grant an authorization to the Board to handle the following matters pertaining to the 2023 A Share Incentive Scheme:

- (i) To authorize the Board to determine the eligibility requirements and conditions of the Participants under the 2023 A Share Incentive Scheme, and determine the Grant Date of the Restricted Shares;
- (ii) To authorize the Board to adjust the number of the Restricted Shares and the number of underlying shares involved according to the method stipulated in the 2023 A Share Incentive Scheme in the event of capitalization issue, bonus issue, share sub-division or consolidation, and rights issue of the Company;
- (iii) To authorize the Board to adjust the Grant Price of the Restricted Shares according to the method stipulated in the 2023 A Share Incentive Scheme in the event of capitalization issue, bonus issue, share sub-division or consolidation, rights issue and dividend distribution of the Company;
- (iv) To authorize the Board to directly reduce the number of Restricted Shares forfeited by employees prior to any further grant of the Restricted Shares;
- (v) To authorize the Board to grant the Restricted Shares to a Participant upon his/her fulfillment of the conditions of grant, and to handle all necessary matters in connection with the grant of the Restricted Shares;
- (vi) To authorize the Board to review and confirm the attribution eligibility of the Participants and the conditions for attributing the Restricted Shares;
- (vii) To authorize the Board to delegate such rights to the Remuneration and Appraisal Committee;
- (viii) To authorize the Board to determine whether the Restricted Shares may be attributed to a Participant;
- (ix) To authorize the Board to handle all matters necessary in connection with the attribution of the Restricted Shares to the Participants, including but not limited to the submission of application to the Shanghai Stock Exchange in respect of the

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attribution of the Restricted Shares, applying to CSDC for registration and clearing services, amending the Articles of Association, and registering the change in registered capital of the Company;

- (x) To authorize the Board to handle matters in connection with the Attribution of the Restricted Shares which have not been attributed;
- (xi) To authorize the Board to sign, execute, amend or terminate any agreement in connection with the 2023 A Share Incentive Scheme and other relevant agreements;
- (xii) To authorize the Board to complete procedures with relevant governments and authorities in relation to the 2023 A Share Incentive Scheme including review, registration, filing, approval and consent; to sign, execute, amend and complete documents submitted to relevant governments, authorities, organizations, and individuals; to amend the Articles of Association and handle the registration of the change in registered capital of the Company; and to carry out all actions deemed to be necessary, appropriate, or expedient in relation to the 2023 A Share Incentive Scheme; and
- (xiii) To authorize the Board to engage intermediaries, such as financial consultant, receiving bank, accountants, lawyers or securities companies, for the implementation of the 2023 A Share Incentive Scheme.

The Board further proposed that the Shareholders also approve the period of authorization given to the Board to be consistent with the validity period of the 2023 A Share Incentive Scheme. Save as specifically required by the laws, administrative regulations, rules of the CSRC, regulatory documents, the 2023 A Share Incentive Scheme, or the Articles of Association to be approved by the Board through resolutions, other matters may be directly exercised on behalf of the Board by the chairman of the Board or appropriate person(s) authorized thereby.

A special resolution will be proposed at the EGM and Class Meetings to consider and, if thought fit, approve the authorizations to be granted to the Board to handle matters pertaining to the 2023 A Share Incentive Scheme.

## VI. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated December 7, 2023, in relation to, among others, the proposed amendments to the Articles of Association.

On August 1, 2023, the CSRC issued the Management Measures for Independent Directors, pursuant to which more detailed regulations on the appointment of independent directors were stipulated, which primarily include standardizing the qualification requirements of independent directors, strengthening the functions of special committees of the Board, setting up special meeting requirements for independent directors, and regulating the on-site

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working hours of independent directors. The Management Measures for Independent Directors has come into effect on September 4, 2023 with a transition period of one year from the date of implementation.

On July 21, 2023, the Stock Exchange published conclusion to its consultation paper on rule amendments following Mainland China regulation updates and other proposed rule amendments relating to PRC issuers (Consultation Conclusions), pursuant to which the Stock Exchange made consequential and other rule amendments to the Listing Rules to reflect recent changes in PRC regulatory framework for PRC issuers and to align the rule requirements for PRC issuers with those applicable to other issuers. On August 1, 2023, such rule amendments to the Listing Rules took effect.

The Board proposed to seek approval from the Shareholders at the EGM for the proposed amendments to the Articles of Association to, among other things, (i) keep alignments with the Management Measures for Independent Directors; (ii) keep alignments with the relevant Listing Rules amendments in relation to PRC issuers; and (iii) make certain housekeeping amendments.

Details regarding the proposed amendments to the Articles of Association are set out in Appendix III to this circular. Except for the proposed amendments mentioned in Appendix III, other provisions of the Articles of Association remain unchanged. The English version of the Articles of Association is an unofficial translation of the Chinese version. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

A special resolution will be proposed at the EGM to approve the proposed amendments to the Articles Association.

### **VII. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE MEETING OF SHAREHOLDERS**

According to the Management Measures for Independent Directors and other relevant laws and regulations, the Company proposed to amend the relevant provisions of the Rules of Procedures for the Meeting of Shareholders in light of the actual conditions of the Company and conforming to the proposed amendments to the Articles of Association.

Details regarding the proposed amendments to the Rules of Procedures for the Meeting of Shareholders are set out in Appendix IV to this circular. Except for the proposed amendments mentioned in Appendix IV, other provisions of the Rules of Procedures for the Meeting of Shareholders remain unchanged. The English version of the Rules of Procedures for the Meeting of Shareholders is an unofficial translation of the Chinese version. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

An ordinary resolution will be proposed at the EGM to approve the proposed amendments to the Rules of Procedures for the Meeting of Shareholders.

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### **VIII. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS**

According to the Management Measures for Independent Directors and other relevant laws and regulations, the Company proposed to amend the relevant provisions of the Rules of Procedures for the Board of Directors in light of the actual conditions of the Company and conforming to the proposed amendments to the Articles of Association.

Details regarding the proposed amendments to the Rules of Procedures for the Board of Directors are set out in Appendix V to this circular. Except for the proposed amendments mentioned in Appendix V, other provisions of the Rules of Procedures for the Board of Directors remain unchanged. The English version of the Rules of Procedures for the Board of Directors is an unofficial translation of the Chinese version. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

An ordinary resolution will be proposed at the EGM to approve the proposed amendments to the Rules of Procedures for the Board of Directors.

### **IX. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE**

According to the Management Measures for Independent Directors and other relevant laws and regulations, the Company proposed to amend the relevant provisions of the Rules of Procedures for the Supervisory Committee in light of the actual conditions of the Company and conforming to the proposed amendments to the Articles of Association.

Details regarding the proposed amendments to the Rules of Procedures for the Supervisory Committee are set out in Appendix VI to this circular. Except for the proposed amendments mentioned in Appendix VI, other provisions of the Rules of Procedures for the Supervisory Committee remain unchanged. The English version of the Rules of Procedures of the Supervisory Committee is an unofficial translation of the Chinese version. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

An ordinary resolution will be proposed at the EGM to approve the proposed amendments to the Rules of Procedures for the Supervisory Committee.

### **X. PROPOSED AMENDMENTS TO THE TERMS OF REFERENCE FOR THE INDEPENDENT DIRECTORS**

According to the Management Measures for Independent Directors and other relevant laws and regulations, the Company proposed to amend the relevant provisions of the Terms of Reference for the Independent Directors in light of the actual conditions of the Company and conforming to the proposed amendments to the Articles of Association.

## **LETTER FROM THE BOARD**

Details regarding the proposed amendments to the Terms of Reference for the Independent Directors are set out in Appendix VII to this circular. Except for the proposed amendments mentioned in Appendix VII, other provisions of the Terms of Reference for the Independent Directors remain unchanged. The English version of the Terms of Reference for the Independent Directors is an unofficial translation of the Chinese version, In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

An ordinary resolution will be proposed at the EGM to approve the proposed amendments to the Terms of Reference for the Independent Directors.

### **XI. PROPOSED CHANGE OF CERTAIN SUB-PROJECTS UNDER A SHARE OFFERING PROCEEDS-FUNDED PROJECTS**

At the EGM, an ordinary resolution will be proposed to consider and, if thought fit, approve the change of certain sub-projects under A Share Offering proceeds-funded projects, the full text of which is set out in Appendix VIII to this circular.

### **XII. LISTING RULES IMPLICATIONS**

As the 2023 A Share Incentive Scheme involves the grant by the Company of its new Shares, the 2023 A Share Incentive Scheme is subject to the regulation by Chapter 17 of the Listing Rules.

As the Connected Participants in the First Grant are the Company's Controlling Shareholders or their respective associates, they are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the proposed grant of Restricted Shares to the Connected Participants contemplated under the Incentive Scheme will constitute fully exempt connected transactions of the Company and will be exempted from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.92(3) of the Listing Rules.

The Directors who are or connected with the Connected Participants (namely Mr. Wang Weidong, Dr. Fang Jianmin, Mr. Lin Jian and Dr. Wang Liqiang) have declared their interests in the Incentive Scheme and abstained from voting on the resolutions in relation to the adoption of the proposed Incentive Scheme and the Assessment Management Measures and the proposed issue and grant of the Restricted Shares to the Participants (including the issue and grant of the Restricted Shares to Connected Participants) under the Incentive Scheme at the Board meeting as a result of their interests. Save as Mr. Wang Weidong, Dr. Fang Jianmin, Mr. Lin Jian and Dr. Wang Liqiang, there is no other Director who is required to abstain from voting on the Board resolutions in relation to the Incentive Scheme.

In the event that any Reserved Grant (i) will result in the share awards granted to any Participant representing in aggregate over 1% of the issued shares of the Company over any 12-month period up to and including the relevant Grant Date; and/or (ii) will cause the shares awards granted to any Participant who is a Director, chief executive, Supervisor, substantial shareholder of the Company or any of their respective associates, representing in aggregate

## LETTER FROM THE BOARD

over 0.1% of the relevant class of Shares in issue of the Company over any 12-month period up to and including the relevant Grant Date, the Company will comply with the relevant requirements under Chapter 17 of the Listing Rules.

Rule 17.03(13) of the Listing Rules requires that the scheme document must include a provision for adjustment to the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital. Note to Rule 17.03(13) of the Listing Rules states that any adjustment required under Rule 17.03(13) must give the Participants the same proportion of the equity capital as that to which that person was previously entitled. The Company has applied for, and the Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 17.03(13) of the Listing Rules so as to enable the adjustments to Grant Price of the Restricted Shares granted under the 2023 A Share Incentive Scheme in the event of dividend distribution on the basis that, among other things, (i) the Company is a PRC issuer with its A Shares listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange, and the 2023 A Share Incentive Scheme involves issue of new A Shares only. Therefore, the 2023 A Share Incentive Scheme must comply with the PRC laws. As advised by the Company's PRC legal advisers for the 2023 A Share Incentive Scheme, Shanghai Landing Law Offices (上海蘭迪律師事務所), the adjustments to the Grant Price of the Restricted Shares granted under the A Share Incentive Scheme in the event of dividend distribution are required by Article 48 of the Management Measures; (ii) the proposed adoption of the 2023 A Share Incentive Scheme will be subject to the approval of the Shareholders at the EGM and the Class Meetings, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the 2023 A Share Incentive Scheme based on its merits and the interest of the H Shareholders will not be prejudiced; (iii) the number of A Shares proposed to be issued and granted under the 2023 A Share Incentive Scheme is 1,783,062 shares, representing only approximately 0.3276% of the total shares of the Company of 544,263,003 Shares as at the Latest Practicable Date, and the dilution effect of the 2023 A Share Incentive Scheme is minimal; and (iv) the Company believes that the adjustment to the Grant Price of the 2023 A Share Incentive Scheme in the event of dividend distribution will not adversely affect interest of Shareholders of the Company.

### XIII. RECOMMENDATION

The Board (including all independent non-executive Directors) considers that each resolution to be proposed at the EGM and the Class Meetings is in the interests of the Company and the Shareholders as a whole, and accordingly, recommends the Shareholders to vote in favour of all resolutions to be proposed at the EGM and the Class Meetings.

## LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of a view that the terms of the 2023 A Share Incentive Scheme align with the purpose of the 2023 A Share Incentive Scheme as set out in the scheme documents. In particular:

- (i) the Participants include from Directors, senior management, core technical personnel and other employees who the Board considers necessary to be incentivised, and the eligibility of the Participants is consistent with the purpose of the Incentive Scheme, which enables the Company to use share incentives to retain certain outstanding personnel employed with the Group, align the interest of those employees with the Group and fully mobilise their enthusiasm for the benefit of long term growth of the Group;
- (ii) the Attribution period, in four tranches after 24 months from the Grant Date, is in line with market practice and can ensure employee loyalty over the long run and increase long-term sustainability for the business development of the Company, and therefore is in line with the purpose of the Incentive Scheme;
- (iii) the performance targets, being concrete and quantitative rather than generic ones, are closely tied to the Company's financial performance and R&D progress and are in line with common key performance indicators in the industry of the Group, and therefore is in line with the purpose of the Incentive Scheme;
- (iv) the determination of the Grant Price is in line with the requirements under the STAR Market Listing Rules and the Management Measures as well as the market practice for determining Grant Price for Type II restricted shares, which can provide the Company with sufficient flexibility to determine the Grant Price that can provide adequate incentive to the Participants to achieve the purpose of the Incentive Scheme; and
- (v) the clawback mechanism provides an option for the Company to clawback the equity incentives granted to the Participants culpable of misconduct and is in line with the purpose of the Incentive Scheme and the interests of the Company and its Shareholders as a whole.

#### **XIV. RESPONSIBILITY STATEMENT**

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



## LETTER FROM THE BOARD

### **XV. THE EGM AND THE H SHARE CLASS MEETING**

The EGM and the H Share Class Meeting will be held at 2:00 p.m. and 2:40 p.m. or immediately after the conclusion of the EGM and A Share Class Meeting, respectively, on Thursday, December 28, 2023 at Room 6134, Phase III Building of the Company, 58 Middle Beijing Road, Yantai Development Zone, Yantai Area of Shandong Pilot Free Trade Zone, PRC. Notice of the EGM and Notice of the H Share Class Meeting are set out in pages EGM-1 to HCM-2 of this circular and are available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.remegen.com](http://www.remegen.com)).

For determining the list of H Shareholders who are entitled to attend and vote at the EGM and the H Share Class Meeting which are scheduled to be held on Thursday, December 28, 2023, the H Share register of members of the Company will be closed from Thursday, December 21, 2023 to Thursday, December 28, 2023, both days inclusive. During such period, no share transfers will be registered. The H Shareholders whose names appear on the H Share register of members of the Company on Thursday, December 21, 2023 will be entitled to attend and vote at the EGM and the H Share Class Meeting.

In order to be eligible for attending and voting at the EGM and the H Share Class Meeting, all transfers of H Shares accompanied by the relevant share certificate(s) must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, December 20, 2023.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the EGM and the H Share Class Meeting in the manner prescribed under the Listing Rules.

### **XVI. PROXY ARRANGEMENT**

The forms of proxy of each of the EGM and the H Share Class Meeting are enclosed with this circular. If you intend to appoint a proxy to attend the EGM and/or the H Share Class Meeting, you are required to complete and return the accompanying form(s) of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form(s) of proxy should be returned to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time fixed for holding the EGM and the H Share Class Meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the H Share Class Meeting or at any other adjourned meeting should you so wish.

## LETTER FROM THE BOARD

### XVII. GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Yantai Rongda Venture Capital Center (Limited Partnership) (煙台榮達創業投資中心(有限合夥)), Dr. Fang Jianmin, Yantai Rongqian Enterprise Management Center (Limited Partnership) (煙台榮謙企業管理中心(有限合夥)), Yantai Rongyi Enterprise Management Center (Limited Partnership) (煙台榮益企業管理中心(有限合夥)), I-NOVA Limited, Yantai Rongshi Enterprise Management Center (Limited Partnership) (煙台榮實企業管理中心(有限合夥)), RongChang Holding Group LTD. and Yantai Rongjian Enterprise Management Center (Limited Partnership) (煙台榮建企業管理中心(有限合夥)) which collectively control or are entitled to exercise control approximately 39.88% voting right in respect of their shares in the Company as at the Latest Practicable Date, will abstain from voting on those special resolutions in relation to the 2023 A Share Incentive Scheme, no Shareholder is required to abstain from voting on any resolutions to be proposed at the EGM and the Class Meetings. The Board confirms that to the best of its knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

By order of the Board  
**RemeGen Co., Ltd.\***  
榮昌生物製藥（煙台）股份有限公司  
**Mr. Wang Weidong**  
*Chairman and executive Director*

\* *For identification purposes only*

## DISCLAIMER

The board of directors and all directors of the Company guarantee that there are no false representations or misleading statements contained in, or material omissions from, this announcement, and accept responsibilities for the truthfulness, accuracy and completeness of its contents in accordance with law.

All Incentive Participants of the Company undertake that, where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or Attribution arrangement for the interest, the Incentive Participants concerned shall return to the Company all interests gained through the Incentive Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements, misleading representations or material omissions.

## SPECIAL NOTICE

- I. The Incentive Scheme is formulated in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Management Measures on Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Guidelines for Self-discipline Supervision of Companies Listed on the STAR Market No. 4 — Disclosure of Information on Share Incentives (《科創板上市公司自律監管指南第4號—股權激勵信息披露》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》) and other relevant laws, regulations and regulatory documents, as well as the Articles of Association of RemeGen Co., Ltd.\* (《榮昌生物製藥(煙台)股份有限公司章程》).
- II. The incentive instruments adopted in the Incentive Scheme are the Restricted Shares (Type II Restricted Shares). The source of the shares is the ordinary A shares of the Company to be issued to the Incentive Participants by RemeGen Co., Ltd.\* (hereinafter referred to as the “**Company**”).

Incentive Participants that meet the conditions for the grant under the Incentive Scheme, after fulfilling the corresponding Attribution Conditions, shall obtain in tranches the ordinary A shares newly issued by the Company at the Grant Price. Such shares will be registered at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. Prior to the Attribution, the Restricted Shares granted to the Incentive Participants do not carry any rights of the shareholders of the Company, and such Restricted Shares shall not be transferred or used to guarantee or repay debts.

- III. The number of Restricted Shares to be granted to the Incentive Participants under the Incentive Scheme is 1,783,062 Shares, representing approximately 0.3276% of the total share capital of the Company of 544,263,003 Shares as at the date of the announcement of the draft Incentive Scheme, among which 1,432,450 Restricted Shares were granted under the First Grant, representing approximately 0.2632% of the total share capital of the Company of 544,263,003 Shares as at the date of the announcement of the draft Incentive Scheme, and 80.34% of the total Restricted Shares available under the Incentive Scheme; and 350,612 Shares were reserved, representing approximately 0.0644% of the total share capital of the Company of 544,263,003 Shares as at the date of the announcement of the draft Incentive Scheme, and 19.66% of the total Restricted Shares available under the Incentive Scheme.

As at the date of the announcement of the draft Incentive Scheme, the Company's 2022 Restricted A Share Incentive Scheme was still valid. As the number of Restricted Shares granted under the 2022 Restricted A Share Incentive Scheme is 3,580,000 Shares, plus the 1,783,062 Shares as interests proposed to be granted under the Incentive Scheme, the total number of the Company's Shares to be issued pursuant to all of valid incentive schemes of the Company is 5,363,062 Shares, accounting for approximately 0.9854% of its total share capital of 544,263,003 Shares as at the date of the announcement of the draft Incentive Scheme, which in total does not exceed 10% of its total share capital as at the date of the announcement of the draft Incentive Scheme. The Underlying Shares involved in all of the Company's valid equity incentive plans have not exceeded 20% of its total share capital as at the date of the announcement of the draft Incentive Scheme. The number of Shares of the Company to be granted to any one of the Incentive Participants under all effective share schemes shall not exceed 1% of the total share capital of the Company as at the date of the announcement of the draft Incentive Scheme.

- IV. The Grant Price of the Restricted Shares under the Scheme (including the Reserved Grant) shall be RMB49.77 per share.

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company in the period from the date of the announcement of the draft Incentive Scheme to the completion of the Attribution of Restricted Shares to the Incentive Participants, the Grant Price or number of Restricted Shares to be granted/attributed shall be adjusted in accordance with the relevant rules of the Incentive Scheme accordingly.

- V. The total number of Incentive Participants proposed for the First Grant under the Incentive Scheme is 24, representing approximately 0.72% of the total number of 3,332 employees of the Company as at December 31, 2022, including senior management and other employees who the Board considers necessary to be incentivised when the Company announces the Incentive Scheme.

The Incentive Participants for the Reserved Grant refer to the Incentive Participants who were not determined when the Incentive Scheme was approved at the general meeting and the A shareholder class meeting and H shareholder class meeting but have been included in the Incentive Scheme during the Validity Period of the Incentive Scheme and who are determined within 12 months since the date the Incentive Scheme was considered and approved at the general meeting and the A shareholder class meeting and H shareholder class meeting. The reserved interest shall lapse where the Incentive Participants for the Reserved Grant are not determined after 12 months from the aforesaid date. The Incentive Participants for the Reserved Grant shall be determined by the Board with reference to the standard of the First Grant.

- VI. The Validity Period of the Incentive Scheme commences from the date of First Grant of the Restricted Shares until the date on which all Restricted Shares granted to the Incentive Participants have been attributed or lapsed. The Validity Period shall not exceed 84 months. The Restricted Shares granted to the Incentive Participants shall be attributed in tranches as per the agreed proportions, and it is a prerequisite for each Attribution to meet the corresponding Attribution Conditions.
- VII. None of the following circumstances under which the implementation of the share incentive shall not be conducted as stipulated in Article 7 of the Management Measures on Equity Incentives of Listed Companies has occurred to the Company:
- (I) issue of the Company's financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (II) issue of the Company's financial internal control report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (III) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  - (IV) laws and regulations stipulate that equity incentives shall not be implemented;
  - (V) other circumstances as determined by the CSRC.
- VIII. The Incentive Participants under the Incentive Scheme exclude Supervisors and independent Directors of the Company. Incentive Participants have satisfied the provisions of Article 8 of the Management Measures on Equity Incentives of Listed Companies, and are not subject to any following circumstances where a person is prohibited to be an Incentive Participant:

- (I) being identified as an inappropriate candidate by the SSE in the most recent 12 months;
  - (II) being identified as an inappropriate candidate by the CSRC or its delegated institutions in the most recent 12 months;
  - (III) subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations in the most recent 12 months;
  - (IV) being prohibited from acting as a director or a member of the senior management of the Company under the Company Law;
  - (V) being prohibited from participation in share schemes of listed companies by laws and regulations;
  - (VI) other circumstances as determined by the CSRC.
- IX. The Company undertakes that it shall not provide loans and any other forms of financial assistance to the Incentive Participants for acquiring the Restricted Shares under the Incentive Scheme, including provision of guarantee for their loans.
- X. The Incentive Scheme shall be formulated by the Remuneration and Appraisal Committee and submitted to the Board for consideration and approval, and shall be implemented after being considered and approval at the general meeting and the A shareholder class meeting and H shareholder class meeting of the Company.
- XI. Within 60 days from the date on which the Incentive Scheme is considered and approved at the general meeting and the A shareholder class meeting and H shareholder class meeting of the Company, the Company shall convene a Board meeting to make grants to the Incentive Participants under the First Grant in accordance with the relevant requirements, and complete announcement and other relevant procedures. If the Company fails to complete the above work within the 60-day period, it shall timely disclose the reasons for the failure and terminate the implementation of the Incentive Scheme, and the Restricted Shares that have not been granted shall lapse. According to the requirements of the Management Measures on Equity Incentives of Listed Companies, the period during which a listed company may not make grants is not counted within the 60 days.
- XII. The implementation of the Incentive Scheme will not result in the shareholding distribution not meeting the listing requirements.

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## CHAPTER I DEFINITIONS

Unless otherwise specified, capitalised terms shall have the same meanings as those hereinafter defined:

the Company, our Company, the Listed Company	RemeGen Co., Ltd.* (including its branches and subsidiaries)
The Incentive Scheme, the Scheme	2023 Restricted A Share Incentive Scheme of RemeGen Co., Ltd.*
Restricted Shares, Type II Restricted Shares	the A Shares of the Company to be obtained in tranches and registered by the Incentive Participants who meet the conditions for grant under the Incentive Scheme after meeting the corresponding Attribution Conditions
Incentive Participants	in accordance with the provisions of the Incentive Scheme, the Directors, senior management, core technical personnel of the Company and other employees that the Board considers necessary to be incentivised to receive the Restricted Shares, excluding Supervisors and independent Directors of the Company
Grant Date	the date on which the Company grants the Restricted Shares to the Incentive Participants, and that must be a trading day
Grant Price	the price of each Restricted Share granted to the Incentive Participants
Validity Period	the period commencing on the date of the First Grant of the Restricted Shares and ending on the date on which all Restricted Shares granted to the Incentive Participants have been attributed or lapsed
Attribution	the act of registering the Restricted Shares by the Listed Company to the account of an Incentive Participant after the Attribution Conditions having been satisfied by the Incentive Participant
Attribution Conditions	the Attribution Conditions as stipulated under the Incentive Scheme which must be satisfied by an Incentive Participant in order to obtain the incentive shares
Attribution Date	the date on which the registration of the granted Restricted Shares is completed after the Attribution Conditions having been satisfied by an Incentive Participant, which must be a trading day



Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Management Measures	the Management Measures on Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
STAR Market Listing Rules	the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Guidelines for Self-discipline	the Guidelines for Self-discipline Supervision of Companies Listed on the STAR Market No. 4 — Disclosure of Information on Share Incentives (《科創板上市公司自律監管指南第4號—股權激勵信息披露》)
Articles of Association	Articles of Association of RemeGen Co., Ltd.*
Assessment Management Measures	the Assessment Management Measures for the 2023 Restricted A Share Incentive Scheme of RemeGen Co., Ltd.* (《榮昌生物製藥(煙台)股份有限公司2023年A股限制性股票激勵計劃實施考核管理辦法》)
CSRC	the China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Stock exchanges	the stock exchanges where each class of the shares of the Company is listed
RMB, RMB0'000	RMB, RMB0'000

*Notes:*

1. Unless otherwise stated, the financial data and financial indicators referenced herein shall mean the financial data on a consolidated basis and financial indicators calculated based on such financial data.
2. Some figures shown as totals herein may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments.

## CHAPTER II PURPOSE AND PRINCIPLE OF THE INCENTIVE SCHEME AND OTHER INCENTIVE SCHEMES

### I. Purpose and Principle of the Incentive Scheme

To improve the Company's long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of the Company's employees, effectively bond the interests of shareholders, the Company and core teams together, enable all parties to jointly pay attention to the long-term development of the Company, and under the premise of fully safeguarding the interests of shareholders, the Incentive Scheme is formulated following the principle of income equivalent to contribution in accordance with the relevant laws, regulations and regulatory documents including the Company Law, the Securities Law, the Management Measures, the STAR Market Listing Rules, the Guidelines for Self-discipline and the Hong Kong Listing Rules, as well as the relevant provisions of the Articles of Association.

### II. Other Incentive Scheme

The Board meeting held by the Company on February 3, 2021 proposed the adoption of the H Share Award and Trust Scheme, which was considered and approved by the Shareholders at the general meeting on March 23, 2021. The maximum scheme limit of the shares under the H Share Award and Trust Scheme is 7,347,500 H Shares.

The Company held a Board meeting and a general meeting on October 16, 2022 and December 28, 2022, respectively, to consider and adopt the 2022 Restricted A Share Incentive Scheme. The Company granted the Participants with 2,869,450 Restricted A Shares under the First Grant on December 28, 2022. It granted the Participants with 710,550 Restricted A Shares under the Reserved Grant on November 3, 2023.

The Company held a Board meeting on June 15, 2023 to propose the adoption of the H Share Award and Trust Scheme, which was considered and approved at the general meeting on July 14, 2023. The maximum aggregate number of Shares that may be granted under the award and trust plan is 27,213,150 H Shares.

The Incentive Scheme is independent of and does not correlate with the 2022 Restricted A Share Incentive Scheme and the H Share Award and Trust Schemes.

## CHAPTER III ADMINISTRATIVE BODIES OF THE INCENTIVE SCHEME

I. The general meeting, as the body vested with the supreme authority of the Company, is responsible for consideration and approval of the implementation, change and termination of the Incentive Scheme. The general meeting may authorise the Board to deal with certain matters related to the Incentive Scheme to the extent of its authority.

- II. The Board shall act as the executive and administrative body for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Remuneration and Appraisal Committee under the Board is responsible for drafting and revising the Incentive Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the Incentive Scheme, the Board will submit the Incentive Scheme to the general meeting and the A shareholder class meeting and H shareholder class meeting for consideration. The Board may handle other matters related to the Incentive Scheme within its scope of authority as delegated by the general meeting and the A shareholder class meeting and H shareholder class meeting.
- III. The Supervisory Committee and the independent Directors are the supervisory body of the Incentive Scheme and shall express their opinions on whether the Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole. The Supervisory Committee shall supervise whether the implementation of the Incentive Scheme complies with the relevant laws, regulations, regulatory documents and the rules of the stock exchanges and shall be responsible for reviewing the list of Incentive Participants. The independent Directors will solicit proxy voting rights from all shareholders in respect of the Incentive Scheme, and are responsible for granting Restricted Shares to the Company's Directors, chief executive officers or substantial shareholders or their respective associates in advance.
- IV. In the event that the Company amends the equity incentive scheme prior to the consideration and adoption of the equity incentive scheme at a general meeting and A Share and H Share class meetings, the amended equity incentive scheme shall be subject to the consideration and adoption of the Remuneration and Appraisal Committee and the Board of Directors. The independent Directors and the Supervisory Committee shall express independent opinions on whether the amended scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole.
- V. Prior to the grants by the Company to the Participants, the independent Directors and the Supervisory Committee shall express clear opinions on the conditions for the Participants to be granted interests under the Incentive Scheme. If there is any difference between the interest granted by the Company to the Incentive Participants and the arrangements under the Incentive Scheme, the independent Directors and the Supervisory Committee (when there are changes to the Incentive Participants) shall simultaneously issue clear opinions.
- VI. Prior to the Attribution of the Restricted Shares granted to the Participants, the independent Directors and the Supervisory Committee shall express clear opinions on whether the Attribution Conditions of the Participants as set out in the Incentive Scheme have been fulfilled.

## CHAPTER IV BASIS FOR DETERMINATION AND SCOPE OF THE INCENTIVE PARTICIPANTS

### I. Basis for determination of the Incentive Participants

#### *(I) Legal basis for determining the Incentive Participants*

The Incentive Participants of the Incentive Scheme are determined after taking into account the actual circumstances of the Company and in accordance with the relevant laws, regulations, regulatory documents including the Company Law, the Securities Law, Management Measures, the STAR Market Listing Rules, the Guidelines for Self-discipline and the Hong Kong Listing Rules, as well as the relevant provisions of the Articles of Association.

#### *(II) Functional basis for determining the Incentive Participants*

The Incentive Participants under the Incentive Scheme are the Company's Directors, senior management, core technical personnel and other employees (excluding independent Directors and Supervisors) who the Board considers necessary to be incentivised. The list of the Incentive Participants eligible for the Incentive Scheme shall be prepared by the Remuneration and Appraisal Committee and verified and determined by the Supervisory Committee.

### II. Scope of the Incentive Participants

- (I) The total number of Incentive Participants proposed for the First Grant under the Incentive Scheme is 24, representing 0.72% of the total number of 3,332 employees of the Company as at December 31, 2022, including:
1. the senior management;
  2. other employees who the Board considers necessary to be incentivised.
- (II) Among the above Incentive Participants under the Incentive Scheme, the Directors must be elected at the general meeting and the senior management must be appointed by the Board. Unless otherwise provided in the Incentive Scheme, all Incentive Participants must have employment or labour relationship with the Company when the Company grants the Restricted Shares and during the Validity

Period of the Incentive Scheme. If the circumstances of the Incentive Participants change before the actual grant of the Restricted Shares by the Board, the Board may make appropriate adjustments to the actual Incentive Participants.

(III) The Incentive Participants under the First Grant of the Incentive Scheme include Wen Qingkai (溫慶凱), de facto controller, Wang Yuxiao (王玉曉), the son of Wang Weidong (the de facto controller) and the shareholder individually or jointly holding more than 5% of the shares of the Company. The reasons for the Company to include them in the Incentive Scheme are as follows:

1. As the board secretary of the Company, Mr. Wen Qingkai is fully responsible for the information disclosure, investor relations, investment and financing activities of the Company. On the other hand, he provides strong management support for the Company's internal governance and capital operation.
2. As the vice president of the Company, Mr. Wang Yuxiao leads the operation and international cooperation department to coordinate and implement the Company's strategy, establish a comprehensive operational system and function of the Company and improve the Company's day-to-day operational management, with an aim to enhance operational efficiency and effectiveness and facilitate the accomplishment of the Company's strategic goals and annual targets. He adheres to implement the Company's strategy of establishing international presence by conducting foreign cooperation to expand the Company's international footprint.

Therefore, the participation of Wen Qingkai and Wang Yuxiao in the Incentive Scheme is based on their positions as the management personnel of the Company rather than the de facto controller or the shareholder individually or jointly holding more than 5% of the shares of the Company. Both of them play an important role in the operation and management of the Company. Having them as the Incentive Participants is in line with the actual situation and development needs of the Company and in compliance with the requirements of the Management Measures, the STAR Market Listing Rules and other relevant laws and regulations, and is necessary and reasonable.

(IV) The Participants of the Incentive Scheme includes Huang Kaisheng, a foreign employee. One of the reasons why the Company included him in the Incentive Scheme and regarded him as a key Participant is that Dr. Huang Kaisheng, as the Company's Chief Operating Officer and Chief Quality Officer, is mainly responsible for CMC management and quality control. He is the core person in charge of its process development and quality management. Huang plays an important role in its product process, quality control and other aspects, and its inclusion of Huang in the Incentive Scheme is conducive to the long-term development of the Company. Therefore, it is necessary and reasonable for the Incentive Scheme to include him as

an Incentive Participant, which is in line with the actual situation and development needs of the Company and the requirements of the Management Measures, the STAR Market Listing Rules and other relevant laws and regulations.

- (V) Incentive Participants for the Reserved Grant shall be determined within 12 months from the date on which the Incentive Scheme is considered and approved at the general meeting and the A shareholder class meeting and H shareholder class meeting. Upon the proposal by the Board, the opinions of the independent Directors and the Supervisory Committee, the professional opinions of the lawyers and the issuance of legal opinions, the Company shall disclose the relevant information of the Incentive Participants on the designated website in a timely and accurate manner as required. If the Incentive Participants are not determined for more than 12 months, the reserved interests shall lapse. The basis for determining the Incentive Participants of the Reserved Grant shall refer to the basis of the First Grant.

### **III. Verification of Incentive Participants**

- (I) After the Incentive Scheme has been reviewed and approved by the Board, the Company shall publish the names and positions of the Incentive Participants for not less than ten (10) days within the Company via the Company's website or other channels.
- (II) The Supervisory Committee will review the list of Incentive Participants, fully listen to the public opinions, and disclose the explanation of the Supervisory Committee on the review and publication of the list of Incentive Participants five (5) days before the Incentive Scheme is considered at the general meeting and the A shareholder class meeting and H shareholder class meeting of the Company. The list of Incentive Participants adjusted by the Board shall also be verified by the Supervisory Committee.

#### IV. List of Certain Connected Persons under the First Grant

The Incentive Participants under the First Grant of the Incentive Scheme consist of two (2) connected persons of the Company recognised under the relevant provisions of the Hong Kong Listing Rules, the specific list of which is as follows:

No.	Name	Relationship with the Company	Number of Restricted Shares to be granted (0'000 shares)	Percentage of the total number of Restricted Shares to be granted	Percentage to the total shares of the Company as at the date of announcement of the Incentive Scheme
1	Wen Qingkai	Board secretary, de facto controller	7.9450	4.4558%	0.0146%
2	Wang Yuxiao	Son of Wang Weidong, de facto controller, and shareholder holding more than 5% of the shares	10.0000	5.6083%	0.0184%
<b>Total</b>			<u>17.9450</u>	<u>10.0641%</u>	<u>0.0330%</u>

### CHAPTER V INCENTIVE METHOD, SOURCE, NUMBER AND ALLOCATION OF RESTRICTED SHARES

#### I. Incentive Method and Source of Shares under the Incentive Scheme

The incentive instruments adopted in the Incentive Scheme are Type II Restricted Shares. The source of the Restricted Shares is the ordinary A Shares to be issued by the Company to the Incentive Participants.

#### II. Number of Restricted Shares to be Granted

The number of Restricted Shares to be granted to the Incentive Participants under the Incentive Scheme is 1,783,062 Shares, representing approximately 0.3276% of the total share capital of the Company of 544,263,003 Shares as at the date of the announcement of the draft Incentive Scheme, among which 1,432,450 Restricted Shares were granted under the First Grant, representing approximately 0.2632% of the total share capital of the Company of 544,263,003 Shares as at the date of the announcement of the draft Incentive Scheme, and 80.34% of the total Restricted Shares available under the Incentive Scheme; and 350,612

Shares were reserved, representing approximately 0.0644% of the total share capital of the Company of 544,263,003 Shares as at the date of the announcement of the draft Incentive Scheme, and 19.66% of the total Restricted Shares available under the Incentive Scheme.

**As at the date of the announcement of the draft Incentive Scheme, the Company's 2022 Restricted A Share Incentive Scheme was still valid. As the number of Restricted Shares granted under the 2022 Restricted A Share Incentive Scheme is 3,580,000 Shares, plus the 1,783,062 Shares as interests proposed to be granted under the Incentive Scheme, the total number of the Company's Shares to be issued under the share incentive is 5,363,062 Shares, accounting for approximately 0.9854% of its total share capital of 544,263,003 Shares as at the date of the announcement of the draft Incentive Scheme, which in total does not exceed 10% of its total share capital as at the date of the announcement of the draft Incentive Scheme. The Underlying Shares involved in all of the Company's valid equity incentive plans have not exceeded 20% of its total share capital as at the date of the announcement of the draft Incentive Scheme.**

The number of Shares of the Company to be granted to any one of the Participants under the Incentive Scheme within the Validity Period shall not exceed 1% of the total share capital of the Company as at the date of this announcement of the draft.

If a Participant is a Director, chief executive and any of his/her associates and the cumulative number of the Shares issued or to be issued for the grant of the Restricted Shares to the Participant within the past 12 months (as at the date of the grant of the Restricted Shares) exceeds 0.1% of the issued Shares of the relevant class as at the date of the announcement of the draft Incentive Scheme, the grant shall be subject to the approval of the Shareholders at a general meeting in the manner described in Rule 17.04(4) of the Listing Rules.

If a Participant is a substantial shareholder or any of his/her associates and the cumulative number of the Shares issued or to be issued for the grant of the options or Restricted Shares to the Participant within the past 12 months (as at the date of the grant of the Restricted Shares) exceeds 0.1% of the issued Shares of the relevant class as at the date of this announcement of the draft Incentive Scheme, the grant shall be subject to the approval of the Shareholders at a general meeting in the manner described in Rule 17.04(4) of the Listing Rules.



### III. Allocation of the Restricted Shares to the Incentive Participants

Allocation of Restricted Shares to be granted to each Incentive Participant under the Incentive Scheme is as follows:

No.	Name	Nationality	Position(s)	Number of Restricted Shares to be granted (0'000 shares)	Percentage of the total number of Restricted Shares to be granted	Percentage to the total share capital of the Company as at the date of announcement of the Incentive Scheme
<b>I. Senior Management</b>						
1	Wen Qingkai	China	Board secretary	7.9450	4.4558%	0.0146%
<b>II. Other Incentive Participants</b>						
	Other de facto controllers and their spouses, parents, children, or shareholders individually or jointly holding 5% or more of the Company's shares (1 person)			10.0000	5.6083%	0.0184%
	Foreign employees (1 person)			93.3000	52.3257%	0.1714%
	Other employees who the Board considers necessary to be incentivised (21 persons)			32.0000	17.9467%	0.0588%
<b>Total of the First Grant (24 persons)</b>				143.2450	80.3365%	0.2632%
<b>III. Reserved Grant</b>				35.0612	19.6635%	0.0644%
<b>Total</b>				178.3062	100.0000%	0.3276%

*Note 1:* As at the date of the announcement of the draft Incentive Scheme, the number of shares of the Company granted to any one of the above Incentive Participants through all effective share schemes of the Company does not exceed 1% of the total share capital of the Company as at the date of the announcement of the draft Incentive Scheme. As at the date of announcement of the draft Incentive Scheme, the total number shares under the Company's share schemes does not exceed 20% of the total share capital of the Company as at the date of announcement of the draft Incentive Scheme. If an Incentive Participant voluntarily renounces the grant for personal reasons, the Board shall adjust the number of grant accordingly. An Incentive Participant may reduce the amount of Restricted Shares subscribed due to insufficient funds when subscribing for Restricted Shares.

*Note 2:* Any difference in the total amount and the sum of the breakdowns in the above table is due to rounding.

**CHAPTER VI VALIDITY PERIOD, GRANT DATE, ATTRIBUTION  
ARRANGEMENT AND BLACK-OUT PERIOD OF INCENTIVE SCHEME**

**I. Validity Period of the Incentive Scheme**

The Validity Period of the Incentive Scheme commences from the date of the First Grant of the Restricted Shares until the date on which all Restricted Shares granted to the Incentive Participants have been attributed or lapsed. The Validity Period shall not exceed 84 months.

**II. Grant Date of the Incentive Scheme**

The Grant Date shall be determined by the Board after the Incentive Scheme is considered and passed at the general meeting and the A shareholder class meeting and H shareholder class meeting of the Company. The Company shall, within 60 days after the approval at the general meeting and the A shareholder class meeting and H shareholder class meeting, convene a Board meeting to make grants to the Incentive Participants under the First Grant in accordance with the relevant requirements, and complete the announcement(s) and other relevant procedures. If the Company fails to complete the above work within the 60-day period, it shall disclose the reasons for such failure and terminate the implementation of the Incentive Scheme, and the Restricted Shares that have not been granted shall lapse. The period during which a listed company shall not make grant is not counted within the 60 days. The Reserved Grant shall be within 12 months after the Incentive Scheme is considered and approved at the general meeting and the A shareholder class meeting and H shareholder class meeting of the Company. If the Incentive Participants are not determined for more than 12 months, the Reserved Grant shall lapse. The Grant Date must be a trading day and no grants shall be made during the following periods:

- (I) The Company shall not grant the relevant interests after inside information has come to its knowledge until (and including) the trading day after the announcement of the relevant information. In particular, no such interest shall be granted within one month immediately before the earliest of:
  - 1. the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules) for approving any annual, half-year, quarterly or any other interim results of the Company (whether or not required under the Hong Kong Listing Rules); and
  - 2. the deadline by which the Company is required to announce its annual, half-year results, or the deadline for announcing quarterly or any other interim results under the Hong Kong Listing Rules (whether or not required under the Hong Kong Listing Rules). The relevant restrictions end on the date of the announcement of the results. No interest may be granted for the period during which the announcement of the results is delayed.
- (II) Other periods as prescribed by the stock exchanges.

**III. Attribution arrangements of the Incentive Scheme**

- (I) The Restricted Shares granted under the Incentive Scheme may be attributed in tranches as per the agreed proportions upon the Incentive Participants satisfying the corresponding Attribution Conditions. The Attribution Date must be a trading day, and the period during which Attribution is not permitted under the listing rules of the stock exchanges is not included.

The Restricted Shares granted under the Incentive Participants shall not be attributed in the following periods:

1. within sixty days and thirty days prior to the announcement of the annual reports and of the semi-annual reports, respectively, and on the date of the announcement for the Company, or in the event of postponement in publishing the periodic reports for special reasons, thirty days prior to the original announcement date and ending on one day prior to the announcement date;
2. ten days prior to the release of the Company's quarterly reports, results forecast or preliminary report;
3. from the date of a major event which may have a material impact on the trading price of the Company's securities and derivatives or during the process of decision making until the date of legal disclosure of the same;
4. other periods stipulated by stock exchanges.

If the relevant regulations of the stock exchanges regarding the Attribution Period change during the Validity Period of the Incentive Scheme, the Attribution Date shall comply with the relevant laws, regulations and regulatory documents after the amendment.

## (II) Attribution arrangements of the Incentive Scheme

The specific Attribution arrangement of the Restricted Shares granted under the Incentive Scheme is as follows:

<b>Attribution arrangement</b>	<b>Time of Attribution</b>	<b>Percentage of the number of attributive interests to the total number of granted interests</b>
First Attribution Period	From the first trading day after the expiry of 24 months following the Grant Date for corresponding interest until the last trading day within the 36 months following the Grant Date for corresponding interest	20%
Second Attribution Period	From the first trading day after the expiry of 36 months following the Grant Date for corresponding interest until the last trading day within the 48 months following the Grant Date for corresponding interest	40%
Third Attribution Period	From the first trading day after the expiry of 48 months following the Grant Date for corresponding interest until the last trading day within the 60 months following the Grant Date for corresponding interest	20%
Fourth Attribution Period	From the first trading day after the expiry of 60 months following the Grant Date for corresponding interest until the last trading day within the 72 months following the Grant Date for corresponding interest	20%

Restricted Shares that do not attribute within the above-mentioned agreed period or that cannot be applied for attribution for that period due to failure to meet the Attribution Conditions shall not be attributed and shall lapse.

Prior to the Attribution, the Restricted Shares granted to the Incentive Participants under the Incentive Scheme shall not be transferred or used to guarantee or repay debts. For the Restricted Shares granted to the Incentive Participants but not yet attributed, shares increased due to capitalisation issue, bonus issue, etc. are also

subject to the Attribution Conditions, and shall not be transferred or used to guarantee or repay debts. Where the Restricted Shares are not allowed to be attributed at that time, shares obtained for the aforementioned reasons shall also not be attributed.

#### IV. Black-out period under the Incentive Scheme

The black-out period refers to the period during which the Restricted Shares granted to the Incentive Participants are restricted to be sold after Attribution. There is no black-out period for the shares granted under the Incentive Scheme after they are attributed. For the Incentive Participants who are Directors and senior management of the Company, the black-out provisions shall be implemented in accordance with the Company Law, the Securities Law, the Several Provisions on Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies (《上市公司股東、董監高減持股份的若干規定》), and the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) and other relevant laws, regulations and regulatory documents and the Articles of Association, including but not limited to:

- (I) Where the Incentive Participant is a Director and a member of the senior management of the Company, the number of shares which may be transferred each year during his/her term of office shall not exceed 25% of the total number of shares held by him/her in the Company. No shares held by him/her may be transferred within six (6) months after his/her termination of office.
- (II) For Incentive Participants who are Directors and members of the senior management of the Company, if they have sold the Company's shares held by them or their spouses, parents and children within six (6) months after purchasing such shares, or if they have purchased the shares within six (6) months after selling their shares, the gains obtained therefrom shall be attributed to the Company and the Board shall forfeit the gains.

During the Validity Period of the Incentive Scheme, if the relevant requirements under the relevant laws, regulations, regulatory documents including the Company Law, the Securities Law, the Several Provisions on Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies, and the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies as well as the Articles of Association regarding the transfer of shares held by the Directors and members of the senior management of the Company are changed, the transfer of the shares held by the Incentive Participants under this section shall comply with the requirements as amended at the time of transfer.

## CHAPTER VII GRANT PRICE OF THE RESTRICTED SHARES AND THE BASIS FOR DETERMINATION THEREOF

### I. Grant Price of the Restricted Shares

The Grant Price of the Restricted Shares under the Incentive Scheme (including the Reserved Grant) shall be RMB49.77 per share, which means the Incentive Participants can purchase the A Shares issued by the Company to the Incentive Participants at the price of RMB49.77 per share upon satisfaction of the Attribution Conditions.

### II. Basis for determining the Grant Price of the Restricted Shares

The Grant Price of the Restricted Shares under the Incentive Scheme (including the Reserved Grant) shall be RMB49.77 per share, which represents approximately:

78% of the average trading price of A Shares of the Company on the trading day preceding the date of announcement of the draft Incentive Scheme being RMB63.67/share;

77% of the average trading price of A Shares of the Company on the 20 trading days preceding the date of announcement of the draft Incentive Scheme being RMB64.65/share;

80% of the average trading price of A Shares of the Company on the 60 trading days preceding the date of announcement of the draft Incentive Scheme being RMB62.20/share;

79% of the average trading price of A Shares of the Company on the 120 trading days preceding the date of announcement of the draft Incentive Scheme being RMB62.79/share.

## CHAPTER VIII GRANT AND ATTRIBUTION CONDITIONS OF THE RESTRICTED SHARES

### I. Conditions for grant of the Restricted Shares

The Company shall grant the Restricted Shares to the Incentive Participants upon satisfaction of all of the following granting conditions; or conversely, if any of the following granting conditions has not been satisfied, no Restricted Shares shall be granted to the Incentive Participants.

(I) None of the following has occurred on the part of the Company:

1. issue of the Company's financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
2. issue of the Company's financial internal control report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;

3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
4. laws and regulations stipulate that equity incentives shall not be implemented;
5. other circumstances as determined by the CSRC.

(II) None of the following has occurred on the part of the Incentive Participants:

1. being identified as an inappropriate candidate by the SSE within the most recent 12 months;
2. being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
3. being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations in the most recent 12 months;
4. being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
5. being prohibited from participation in share schemes of listed companies by laws and regulations;
6. other circumstances as determined by the CSRC.

## **II. Conditions for Attribution of the Restricted Shares**

Restricted Shares granted to the Incentive Participants need to satisfy all of the following Attribution Conditions before they are attributed in tranches:

(I) None of the following has occurred on the part of the Company:

1. issue of the Company's financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
2. issue of the Company's financial internal control report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;

4. laws and regulations stipulate that equity incentives shall not be implemented;
5. other circumstances as determined by the CSRC.

(II) None of the following has occurred on the part of the Incentive Participants:

1. being identified as an inappropriate candidate by the SSE within the most recent 12 months;
2. being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
3. subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations in the last 12 months;
4. being prohibited from acting as a director or a member of the senior management of the Company under the Company Law;
5. being prohibited from participation in share schemes of listed companies by laws and regulations;
6. other circumstances as determined by the CSRC.

In the event that any one of the circumstances specified in the above subparagraph (I) arises, the Restricted Shares that have been granted but have not yet been attributed to all of the Incentive Participants under the Incentive Scheme shall not be attributed and shall lapse. In the event that the Restricted Shares shall not be granted to an Incentive Participant as specified in the above subparagraph (II), the Restricted Shares that have been granted but have not yet been attributed to such Incentive Participant shall not be attributed and shall lapse.

(III) Incentive Participants satisfying the requirements on length of employment in each Attribution period

Before each tranche of Restricted Shares granted to the Incentive Participants is attributed, the length of employment of the Incentive Participant must be more than 12 months in the Company.



## (IV) Performance assessment requirements at the Company level

1. The assessment year of the First Grant is for the four accounting years from 2024 to 2027, and the assessment shall be conducted once in each accounting year. The performance assessment targets for each year are set out in the table below:

<b>Attribution arrangements</b>	<b>Assessment year</b>	<b>Performance assessment target A 100% of company Attribution</b>	<b>Performance assessment target B 80% of company Attribution</b>	<b>Performance assessment target C 70% of company Attribution</b>
First Attribution period	2024	The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB2 billion. 2. In 2024, 8 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB1.8 billion. 2. In 2024, 7 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB1.7 billion. 2. In 2024, 6 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.
Second Attribution period	2025	The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB5 billion. 2. From 2024 to 2025, a total of 16 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB4.7 billion. 2. From 2024 to 2025, a total of 14 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB4.4 billion. 2. From 2024 to 2025, a total of 12 new clinical trials (including phase I–III clinical trials, subject to the first subject enrolment) shall be initiated.

Attribution arrangements	Assessment year	Performance assessment target A 100% of company Attribution	Performance assessment target B 80% of company Attribution	Performance assessment target C 70% of company Attribution
Third Attribution period	2026	The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB9 billion. 2. From 2024 to 2026, a total of 24 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB8.2 billion. 2. From 2024 to 2026, a total of 21 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB7.4 billion. 2. From 2024 to 2026, a total of 18 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.
Fourth Attribution period	2027	The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB14 billion. 2. From 2024 to 2027, a total of 32 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB13.2 billion. 2. From 2024 to 2027, a total of 28 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB12.4 billion. 2. From 2024 to 2027, a total of 24 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.

*Note:* The above “revenue” is calculated based on the data set out in the consolidated statements audited by the accounting firm engaged by the Company (same below).

2. If the Restricted Shares under the Reserved Grant are granted prior to the disclosure of the third quarterly report for 2024, the assessment year and assessment targets will be consistent with those under the First Grant. On the contrary, the performance for the four accounting years from 2025 to 2028 will be assessed, which shall be assessed once in each accounting year. The performance assessment targets for each year are set out in the table below:

<b>Attribution arrangement</b>	<b>Assessment year</b>	<b>Performance assessment target A</b>	<b>Performance assessment target B</b>	<b>Performance assessment target C</b>
		<b>100% of company Attribution</b>	<b>80% of company Attribution</b>	<b>70% of company Attribution</b>
First Attribution period for the Reserved Grant	2025	The Company satisfies any one of the following conditions: 1. In 2025, the revenue shall not be less than RMB3 billion. 2. In 2025, 8 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. In 2025, the revenue shall not be less than RMB2.9 billion. 2. In 2025, 7 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. In 2025, the revenue shall not be less than RMB2.7 billion. 2. In 2025, 6 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.
Second Attribution period for the Reserved Grant	2026	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB7 billion. 2. From 2025 to 2026, a total of 16 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB6.4 billion. 2. From 2025 to 2026, a total of 14 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB5.7 billion. 2. From 2025 to 2026, a total of 12 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.

Attribution arrangement	Assessment year	Performance assessment target A 100% of company Attribution	Performance assessment target B 80% of company Attribution	Performance assessment target C 70% of company Attribution
Third Attribution period for the Reserved Grant	2027	The Company satisfies any one of the following conditions: 1. From 2025 to 2027, the cumulative revenue shall not be less than RMB12 billion. 2. From 2025 to 2027, a total of 24 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2025 to 2027, the cumulative revenue shall not be less than RMB11.4 billion. 2. From 2025 to 2027, a total of 21 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2025 to 2027, the cumulative revenue shall not be less than RMB10.7 billion. 2. From 2025 to 2027, a total of 18 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.
Fourth Attribution period for the Reserved Grant	2028	The Company satisfies any one of the following conditions: 1. From 2025 to 2028, the cumulative revenue shall not be less than RMB18.5 billion. 2. From 2025 to 2028, a total of 32 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2025 to 2028, the cumulative revenue shall not be less than RMB16.6 billion. 2. From 2025 to 2028, a total of 28 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.	The Company satisfies any one of the following conditions: 1. From 2025 to 2028, the cumulative revenue shall not be less than RMB15.3 billion. 2. From 2025 to 2028, a total of 24 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated.

If the Company fails to meet the above performance indicators, all the Restricted Shares that are not attributed to the Incentive Participants for the current period shall not be attributed or deferred to the next Attribution Period, and shall lapse.

(V) Performance assessment requirements at the Incentive Participant's individual level

According to the Assessment Management Measures, the Company conducts individual performance assessment on the Incentive Participants during the assessment year and determines the number of Restricted Shares actually attributed to the Incentive Participants based on their assessment results. The performance assessment results of the Incentive Participants are divided into four levels, namely

A, B, C and D, and the actual number of Shares to be attributed to the Incentive Participants will be determined according to the proportion of Attribution at the individual level corresponding to the following assessment rating table:

Assessment results	A	B	C	D
Individual-level Attribution ratio	<u>100%</u>			<u>0%</u>

The number of Restricted Shares actually attributed to the Incentive Participants in the current year = the number of Restricted Shares planned to be attributed to individuals in the current year × Company-level Attribution ratio × Individual-level Attribution ratio.

If the Restricted Shares attributed to the Incentive Participants for an Attribution period cannot be attributed or cannot be fully attributed due to assessment reasons, the Restricted Shares shall lapse and shall not be deferred to the following years.

The assessments under the Incentive Scheme are implemented in accordance with the Assessment Management Measures.

### III. Explanation on the scientificity and reasonableness of the assessment indicators

The Company is an innovative biopharmaceutical company with a global vision. Since its establishment, it has been focusing on therapeutic antibody drugs such as antibody-drug conjugate (ADC), antibody fusion proteins, monoclonal antibodies and bispecific antibodies. Relying on its core technology platform and strong R&D capabilities, the Company has always been committed to developing targeted biological innovative drugs with new structures and mechanisms, and showing breakthrough therapeutic effects in clinical trials through self-developed innovative products.

The assessment indicators of the Incentive Scheme are divided into two levels, namely performance assessment at Company level and performance assessment at individual level.

The Company's performance indicators include revenue and number of clinical trials. Revenue indicators can truly reflect the Company's operating conditions and market conditions, and are effective indicators for predicting the trend of business expansion and measuring the growth of the Company. The long R&D cycle of original innovative drugs, large capital investment, high technical barriers, and the number of clinical trials can truly reflect the Company's R&D progress, which is an important indicator to measure the Company's future development potential. The Company has set the performance assessment indicators for the Incentive Scheme after taking into account the macroeconomic environment, the Company's historical performance, industry development, market competition and the Company's future development plan and other relevant factors. The assessment indicators set in the Scheme are challenging to a certain extent, which will help enhance the Company's

competitiveness and motivate the employees, ensure the realisation of the Company's future development strategy and business objectives, and bring more efficient and lasting returns to the Shareholders.

In addition to performance assessment at the Company level, the Company has also set up a strict performance assessment system for individuals, which can make a relatively accurate and comprehensive evaluation of the work performance of the Incentive Participants. The Company will determine whether the Incentive Participants meet the Attribution Conditions based on their performance assessment results for the relevant assessment year.

In summary, the assessment system of the Incentive Scheme of the Company is all-round, comprehensive and practicable, and the assessment indicators are scientific and reasonable, which are binding on the Incentive Participants and can serve the assessment purpose of the Incentive Scheme.

## **CHAPTER IX PROCEDURES OF IMPLEMENTATION OF THE RESTRICTED SHARE INCENTIVE SCHEME**

### **I. Procedures for the implementation of the Restricted Share Incentive Scheme**

- (I) The Remuneration and Appraisal Committee of the Board is responsible for fixing and considering the draft and summary of the Incentive Scheme.
- (II) The Board shall resolve on the Incentive Scheme in accordance with the laws. When the Board considers the Incentive Scheme, the Directors who are the Incentive Participants or Directors who are related thereto shall abstain from voting. The Board shall submit the Incentive Scheme to the general meeting and the A shareholder class meeting and H shareholder class meeting for consideration after considering and approving the Incentive Scheme and performing the public announcement and announcement procedures, and propose to the general meeting and the A shareholder class meeting and H shareholder class meeting to authorise and implement the Grant and Attribution (registration) of the Restricted Shares.
- (III) The independent Directors and the Supervisory Committee shall express their opinions on whether the Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole. The Company will engage an independent financial adviser with securities qualifications to give its professional opinion on the feasibility of the Incentive Scheme, whether the Incentive Scheme is conducive to the sustainable development of the Company, and whether it harms the interests of the Company, and the impact on the interests of shareholders. The law firm shall issue a legal opinion on the Incentive Scheme.

- (IV) The Company shall carry out self-examination on the trading of shares and derivatives of the Company by insiders within six (6) months prior to the announcement of the Incentive Scheme.
- (V) The Incentive Scheme shall be subject to the consideration and approval at the general meeting and the A shareholder class meeting and H shareholder class meeting of the Company. Before convening the general meeting and the A shareholder class meeting and H shareholder class meeting, the Company shall publish the names and positions of the Incentive Participants internally through the Company's website or other channels for a period of not less than 10 days. The Supervisory Committee shall review the list of the Incentive Participants and fully listen to the public opinions. The Company shall disclose the explanation of the Supervisory Committee on the review opinions and announcements on the list of the Incentive Participants five (5) days before the Incentive Scheme is considered at the general meeting and the A shareholder class meeting and H shareholder class meeting.
- (VI) The independent Directors shall solicit proxy voting rights from all shareholders in respect of the Incentive Scheme.
- (VII) The general meeting and A shareholder class meeting and H shareholder class meeting of the Company shall vote by ballot on the Incentive Scheme, and shall be approved by two-thirds of the voting rights held by the shareholders present at the meeting. The voting of other shareholders other than the directors, supervisors, senior management of the Company and shareholders individually or collectively holding more than 5% of the shares of the Company shall be separately counted and disclosed.
- When the Incentive Scheme is considered at the Company's general meeting and A shareholder class meeting and H shareholder class meeting, shareholders who are Incentive Participants or shareholders who are related to the Incentive Participants or their associates shall abstain from voting thereon.
- (VIII) The Company shall grant the Restricted Shares to the Incentive Participants within the prescribed period upon approval of the Incentive Scheme at the general meeting and A shareholder class meeting and H shareholder class meeting of the Company and the fulfilment of grant conditions stipulated under the Incentive Scheme. The Board shall be responsible for the grant and Attribution of the Restricted Shares in accordance with the mandate granted at the general meeting and A shareholder class meeting and H shareholder class meeting.

**II. Procedures for granting the Restricted Shares**

- (I) Upon consideration and approval of the Incentive Scheme at the general meeting and A shareholder class meeting and H shareholder class meeting and passing the resolution of granting interests to the Incentive Participants at the board meeting, the Company shall sign an “Agreement on the Grant of Restricted Shares” with the Incentive Participants in order to set out their respective rights and obligations.
- (II) The Board shall consider and announce whether the conditions of a grant to an Incentive Participant as set out in the Incentive Scheme have been satisfied before the Company makes a grant to such Incentive Participant, and the Reserved Grant shall be determined, considered and approved by the Board. The independent Directors and the Supervisory Committee shall simultaneously express clear opinions. The law firm shall issue legal opinions on whether the conditions for the granting of interests to the Incentive Participants are fulfilled or not.
- (III) The Supervisory Committee shall verify the Grant Date of the Restricted Shares and the list of Incentive Participants and issue opinions thereon.
- (IV) Where there is any discrepancy between the grant of interests by the Company to the Incentive Participants and the arrangement of the Incentive Scheme, the independent Directors, the Supervisory Committee (when the Incentive Participants change) and the law firm shall simultaneously express clear opinions.
- (V) The Company shall grant Restricted Shares to Incentive Participants under the First Grant and make an announcement within 60 days after the Incentive Scheme is considered and approved at the general meeting and A shareholder class meeting and H shareholder class meeting of the Company. In the event the Company fails to make the First Grant within such 60 days, the Incentive Scheme shall be terminated, and the Board shall disclose the reason for such failure in a timely manner and announce the termination of the Incentive Scheme, and shall be prohibited from approving a share scheme again within three months commencing from the date of the announcement of the termination of the Incentive Scheme. According to the Measures for the Administration of Equity Incentives of Listed Companies, the period during which a listed company may not make grants is not counted within the 60 days.

Incentive Participants eligible for Reserved Grant shall be determined within 12 months after the Incentive Scheme is considered and approved at the general meeting and A shareholder class meeting and H shareholder class meeting of the Company. If Incentive Participants are not confirmed within such 12 months, the Reserved Grant will lapse.



**III. Procedures for the Attribution of the Restricted Shares**

- (I) Before the Attribution of the Restricted Shares, the Board shall consider whether the Attribution Conditions of the Incentive Participants as set out in the Incentive Scheme have been fulfilled, and the independent Directors and the Supervisory Committee shall simultaneously issue clear opinions, and the law firm shall issue legal opinions on whether the Attribution Conditions for the exercise of the Incentive Participants have been fulfilled. For the Incentive Participants who have fulfilled the Attribution Conditions, the Company shall handle the Attribution in a unified manner, and for the Incentive Participants who have not fulfilled the Attribution Conditions, the Restricted Shares in the relevant tranche shall not be attributed and shall lapse. The Company shall disclose the announcement of the resolutions of the Board in a timely manner after the Attribution of the Incentive Participants, and announce the opinions of the independent Directors, the Supervisor Committee and the law firm and the relevant implementation thereof.
- (II) Before handling the Attribution of the Restricted Shares in a unified manner, the Company shall apply to the SSE. The Company shall apply to the securities depository and clearing institution for the registration and settlement matters after confirmation by the SSE.

**IV. Procedures for amendments to the Incentive Scheme**

- (I) In the event that the Company intends to amend the Incentive Scheme before it is considered and approved at the general meeting and A shareholder class meeting and H shareholder class meeting, the amended Incentive Scheme shall be considered and approved by the Remuneration and Appraisal Committee and the Board.
- (II) In the event that the Company intends to amend the Incentive Scheme after it is considered and approved at the general meeting and A shareholder class meeting and H shareholder class meeting, the amended Incentive Scheme (after consideration and approval by the Remuneration and Appraisal Committee and the Board) shall be considered and determined at the general meeting and A shareholder class meeting and H shareholder class meeting (if required) in accordance with the Management Measures and other laws, regulations, administrative documents and the Articles of Association given that such amendment shall not result in the following:
1. accelerating the Attribution;
  2. reducing the Grant Price (except for circumstances where the Grant Price is lowered due to capitalisation issue, bonus issue, rights issue and other reasons).
- (III) The independent Directors and the Supervisory Committee shall express their independent opinions on whether the amended Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the

interests of the Company and the shareholders as a whole. The law firm shall issue professional opinions on whether the amended scheme complies with the provisions of the Management Measures and relevant laws and regulations, and whether there is any obvious damage to the interests of the Company and its shareholders as a whole.

#### V. Procedures for Termination of the Incentive Scheme

- (I) If the Company intends to terminate the implementation of the Incentive Scheme before it is considered at the general meeting and A shareholder class meeting and H shareholder class meeting, such termination shall be considered and approved by the Board.
- (II) If the Company intends to terminate the implementation of the Incentive Scheme after it is considered and approved at the general meeting and A shareholder class meeting and H shareholder class meeting, such termination shall be considered and approved at general meeting and A shareholder class meeting and H shareholder class meeting (if required).
- (III) The law firm shall issue professional opinions on whether the Company's termination of the Incentive Scheme complies with the provisions of the Management Measures and relevant laws and regulations, and whether there is any obvious damage to the interests of the Company and its shareholders as a whole.

### CHAPTER X ADJUSTMENT METHOD AND PROCEDURES OF THE RESTRICTED SHARE INCENTIVE SCHEME

#### I. Adjustment method of the number of Restricted Shares granted and the number attributed

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company in the period from the date of announcement on the Incentive Scheme to the completion of Attribution and registration of Restricted Shares by the Incentive Participants, the number of Restricted Shares granted/attribution shall be adjusted accordingly. The adjustment method is as follows:

- (I) *Capitalisation issue, bonus issue and sub-division of share capital*

$$Q = Q_0 \times (1 + n)$$

Where:  $Q_0$  represents the number of Restricted Shares granted/attribution before the adjustment;  $n$  represents the ratio of increase per Share resulting from the capitalisation issue, bonus issue or sub-division of Shares (i.e., the number of Shares increased per Share upon capitalisation issue, bonus issue or sub-division of Shares);  $Q$  represents the adjusted number of Restricted Shares granted/attribution.

*(II) Rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where:  $Q_0$  represents the number of Restricted Shares granted/attributed before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number of Shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $Q$  represents the adjusted number of Restricted Shares granted/attributed.

*(III) Share consolidation*

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of Restricted Shares granted/attributed before the adjustment;  $n$  represents the ratio of consolidation of shares (i.e., one share shall be consolidated into  $n$  shares);  $Q$  represents the adjusted number of Restricted Shares granted/attributed.

*(IV) Issue of new shares*

In the event of issue of new shares, no adjustment shall be made to the number of Restricted Shares granted/attributed.

**II. Adjustment method of the Grant Price of the Restricted Shares**

In the event of any capitalisation issue, bonus issue, sub-division, rights issue, share consolidation or dividend distribution of the Company in the period from the date of announcement of the Incentive Scheme to the completion of Attribution and registration of Restricted Shares by the Incentive Participants, an adjustment to the Grant Price of Restricted Shares shall be made by the Company accordingly. The adjustment method is as follows:

*(I) Capitalisation issue, bonus issue and sub-division of share capital*

$$P = P_0 \div (1 + n)$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $n$  represents the ratio of increase per share resulting from the capitalisation issue, bonus issue and sub-division of share capital to each share;  $P$  represents the adjusted Grant Price.

*(II) Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $P$  represents the adjusted Grant Price.

*(III) Share consolidation*

$$P = P_0 \div n$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $n$  represents the ratio of share consolidation;  $P$  represents the adjusted Grant Price.

*(IV) Dividend distribution*

$$P = P_0 - V$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $V$  represents the dividend per share;  $P$  represents the adjusted Grant Price.  $P$  shall be greater than 1 after the dividend distribution.

*(V) Issue of new shares*

In the event of issue of new shares, no adjustment will be made on the Grant Price of the Restricted Shares.

### **III. Adjustment procedures of the Restricted Share Incentive Scheme**

In the event of the above circumstances, the Board shall consider and approve the resolution on the adjustment of the number of Restricted Shares to be granted/attributed and the Grant Price (if the number and price of Restricted Shares to be granted/attributed needs to be adjusted for matters other than the above circumstances, such resolution shall be submitted to the general meeting and A shareholder class meeting and H shareholder class meeting of the Company (if required) in accordance with the Management Measures and other laws, regulations, administrative documents and the Articles of Association for consideration, except for the Board's consideration of the relevant resolution). The Company shall engage a law firm to issue professional opinions to the Board on whether the above adjustments are in compliance with the Management Measures, the Articles of Association and the Incentive Scheme. After the adjustment proposal is considered and approved by the Board, the Company shall timely disclose the announcement of the resolutions of the Board and the legal opinion.

## **CHAPTER XI ACCOUNTING TREATMENT ON THE RESTRICTED SHARES**

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號—股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of

Financial Instruments (《企業會計準則第22號—金融工具確認和計量》), the Company shall, on each balance sheet date during the period from the Grant Date to the Attribution Date, revise the number of Restricted Shares expected to be attributed according to the latest information such as the change in the number of persons entitled to be attributed and the completion of performance indicators, and recognise the services obtained in the current period in relevant costs or expenses and capital reserve according to the fair value of the Restricted Shares on the Grant Date.

### **I. Fair value of the Restricted Shares and the determination method**

With reference to the “Application of Share-based Payment Standards — Grant of Restricted Shares (《股份支付準則應用案例 — 授予限制性股票》)” issued by the Accounting Department of the Ministry of Finance of the People’s Republic of China, the measurement of the share-based payment expenses for Type II Restricted Shares is based on share options. In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號 — 金融工具確認和計量》), the Company selected the Black-Scholes model to calculate the fair value of the Type II Restricted Shares, and made a preliminary measurement of the fair value of the 1,432,450 Restricted Shares under the First Grant on November 17, 2023 (official measurement will be conducted at the time of grant). Specific parameters are as follows:

- (I) Underlying share price: RMB64.41/share (assuming the closing price on the date of the First Grant is the closing price on November 17, 2023);
- (II) Validity Period: 24 months, 36 months, 48 months and 60 months (the period from the Grant Date of the Restricted Shares to the date of Attribution of each tranche);
- (III) Historical volatility: 34.8386%, 37.0726%, 40.1225%, 39.9724% (adpoting the average annualized volatility of comparable companies in the same industry for the past two, three, four, five years);
- (IV) Risk-free interest rate: 2.3381%, 2.3938%, 2.4513%, 2.5027% (using the 2-year, 3-year, 4-year and 5-year-yield rate of treasury bonds disclosed on ChinaBond.com.cn, respectively).

### **II. Estimated impact on operating performance in each period due to implementation of the Restricted Shares**

The fair value of the Restricted Shares on the Grant Date will be determined by the Company in accordance with the requirements of accounting standards, and the share-based payments under the Incentive Scheme will be further determined accordingly, which will be

amortised according to the percentage as set out in the Attribution arrangement during the implementation of the Incentive Scheme. The costs of incentive arising from the Incentive Scheme will be charged to the recurring profit and loss.

According to the requirements of the PRC Accounting Standards, the impact of the Restricted Shares under the First Grant of the Incentive Scheme on the accounting costs for each period is as follows (assuming the Company makes the grant at the end of December 2023):

Number of Restricted Shares under the First Grant (0'000 shares)	Total costs to be amortised (RMB0'000)	2024 (RMB0'000)	2025 (RMB0'000)	2026 (RMB0'000)	2027 (RMB0'000)	2028 (RMB0'000)
143.2450	3,709.14	1,154.14	1,154.14	849.00	377.14	174.72

*Notes:*

1. The above calculation results do not represent the final accounting costs. The actual accounting costs are related to the Grant Date, the Grant Price and the number of Restricted Shares attributed. If an Incentive Participant resigns before Attribution, or fails to meet the corresponding standards of the performance assessment of the Company or personal performance assessment, the actual number of shares attributed will be reduced accordingly and thus lower the share payment. Besides, the possible dilutive effects are brought to the attention of shareholders.
2. The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

The above calculation does not include the Reserved Grant of Restricted Shares, and additional share payment fees will be incurred when the reserved shares are granted.

According to the preliminary evaluation by the Company based on the information available, the amortisation of expenses of the Restricted Shares will have an impact on the net profit each year within the Validity Period. However, at the same time, the implementation of the Restricted Share Incentive Scheme will further enhance the cohesion of employees and team stability, and effectively motivate the management team, thereby improving operating efficiency and bringing higher operating performance and intrinsic value to the Company.

## CHAPTER XII RIGHTS AND OBLIGATIONS OF THE COMPANY/THE INCENTIVE PARTICIPANTS

### I. Rights and Obligations of the Company

- (I) The Company shall have the right to construe and execute the Incentive Scheme and shall appraise the performance of Incentive Participants based on the requirements under the Incentive Scheme. If an Incentive Participant fails to fulfil the Attribution Conditions required under the Incentive Scheme, the Restricted Shares that have been granted to Incentive Participants but not yet attributed shall not be attributed and shall lapse.

- (II) The Company undertakes not to provide loans and any other forms of financial assistance, including providing guarantee for their loans, to the Incentive Participants to obtain relevant Restricted Shares according to the Incentive Scheme.
- (III) The Company shall make timely, true, accurate and complete disclosure of information disclosure documents related to the Incentive Scheme in accordance with relevant laws, regulations and regulatory documents, and ensure that there are no false records, misleading statements or material omissions, and timely fulfil the relevant reporting obligations of the Incentive Scheme.
- (IV) The Company shall proactively procure the Attribution of Restricted Shares for Incentive Participants who have satisfied with the Attribution Conditions pursuant to the Incentive Scheme and the relevant requirements of the CSRC, the SSE and China Securities Depository and Clearing Corporation Limited Shanghai Branch. The Company shall not be held liable for losses incurred by the Incentive Participants who fail to complete the Attribution of their Restricted Shares due to reasons caused by the CSRC, the SSE and China Securities Depository and Clearing Corporation Limited.
- (V) If the Incentive Participants violate the laws and professional ethics, leak confidential information of the Company, and are negligent or have gross misconduct in performance of duties which may cause serious damage to the interests or reputation of the Company, upon being reviewed by the Remuneration and Appraisal Committee of the Board and reported to the Board for approval, the Restricted Shares that have been granted to Incentive Participants but not yet attributed shall not be attributed and shall lapse. At the same time, in the event of serious circumstances, the Company may also recover the losses suffered by the Company in accordance with relevant laws and regulations.
- (VI) In accordance with the relevant provisions of the national tax laws and regulations, the Company shall withhold and pay the individual income tax and other taxes payable by the Incentive Participants for participation in the Incentive Scheme.
- (VII) The Company's determination of the Incentive Participants under the Incentive Scheme does not mean to ensure that the Incentive Participants enjoy the right to continue to serve the Company, and does not constitute the Company's commitment to the term of employment of employees. The Company's employment and employment management of employees are still implemented in accordance with the employment contract or labour contract signed between the Company and the Incentive Participants.
- (VIII) Other relevant rights and obligations as stipulated by laws, administrative regulations and regulatory documents.

**II. Rights and obligations of the Incentive Participants**

- (I) Incentive Participants shall, based on the requirement of the position, perform their responsibilities diligently in compliance with professional ethic and strive to contribute to the development of the Company.
- (II) The source of funding of Incentive Participants shall derive from their own funds.
- (III) The Restricted Shares granted to the Incentive Participants shall not be transferred or used to guarantee or repay debts.
- (IV) Restricted Shares granted to the Incentive Participants according to the requirements of the Incentive Scheme are not entitled to voting power before Attribution and registration, and they are not entitled to participate in the distribution of share bonuses and dividends.
- (V) The gains acquired by the Incentive Participants as a result of the Incentive Scheme shall be subject to individual income tax and other taxes and fees according to tax laws and regulations of the PRC.
- (VI) Incentive Participants undertake that where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or Attribution arrangements, Incentive Participants concerned shall return to the Company all interests gained through the Incentive Scheme calculated from the date when it's confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.
- (VII) Upon consideration and approval of the Incentive Scheme at the general meeting and A shareholder class meeting and H shareholder class meeting, and passing the resolution of granting interest to the Incentive Participants at the Board meeting, the Company shall sign an "Agreement on Grant of Restricted Shares" with the Incentive Participants in order to set out their respective rights and obligations as well as other matters.
- (VIII) Other relevant rights and obligations under the laws, regulations and the Incentive Scheme.



**CHAPTER XIII HANDLING UNUSUAL CHANGES TO  
THE COMPANY/THE INCENTIVE PARTICIPANTS**

**I. Handling unusual changes to the Company**

- (I) In the event that any of the circumstances below occurs in respect of the Company, the Incentive Scheme shall be terminated and the Restricted Shares that have been granted to the Incentive Participants but not yet attributed shall not be attributed:
1. issue of the Company's financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  2. issue of the Company's financial internal control report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  4. laws and regulations stipulate that equity incentives shall not be implemented;
  5. other circumstances where the Incentive Scheme should be terminated as determined by the CSRC.
- (II) The Incentive Scheme shall remain unchanged if any of the following events occurs to the Company:
1. a change of control of the Company without reorganisation of major assets;
  2. a merger or division of the Company, where the Company continues to exist.
- (III) If any of the following events occurs to the Company, the general meeting and A shareholder class meeting and H shareholder class meeting of the Company (if required) shall decide whether to amend or adjust the Incentive Scheme in accordance with the Management Measures and other laws, regulations, administrative documents and the Articles of Association:
1. a change of control of the Company involving reorganisation of major assets;
  2. a merger or division of the Company, where Company no longer exists.
- (IV) Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions for the grant or Attribution of Restricted Shares, the Restricted Shares

granted to Incentive Participants but not yet attributed shall not be attributed and shall lapse. In respect of the Restricted Shares already attributed, the Incentive Participants concerned shall return to the Company all equities granted. The Board shall recover the income of Incentive Participants in accordance with the provisions of the preceding paragraph. The Incentive Participants who bear no responsibility for the aforesaid matters and who incur losses as a result of the return of interests granted may seek compensation from the Company or responsible parties.

## **II. Change in personal particulars of the Incentive Participants**

- (I) If an Incentive Participant ceases to be eligible to participate in the Incentive Scheme due to the occurrence of any of the following circumstances, the Board may decide that the Restricted Shares granted to the Incentive Participant but not yet attributed shall not be attributed and shall lapse on the date of occurrence of the circumstances under the Incentive Scheme:
1. being identified as an inappropriate candidate by the SSE within the most recent 12 months;
  2. being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  3. subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations in the last 12 months;
  4. being prohibited from acting as a director or a member of the senior management of the Company under the Company Law;
  5. being prohibited from participation in Share Incentive Schemes of listed companies by laws and regulations;
  6. other circumstances as determined by the CSRC.
- (II) If an Incentive Participant's position(s) has been changed but he/she still works in the Company, the Restricted Shares granted to him/her shall be carried out in full accordance with the procedures stipulated in the Incentive Scheme prior to the change of his/her position(s); however, if the Incentive Participant's position(s) has changed due to his/her incompetence to his/her position, violation of laws, violation of professional ethics, leakage of confidential information of the Company, dereliction of duty or malfeasance, serious violation of the Company's system and other acts that damage the interests or reputation of the Company, or the Company terminates his/her labour relationship or employment relationship with the Incentive Participant due to the above reasons, the Restricted Shares that have been granted to the Incentive Participant but not yet attributed shall not be attributed and shall lapse.

(III) Where an Incentive Participant resigns, including circumstances of voluntary resignation, resignation due to layoffs of the Company, labour contract/employment agreement expired and no longer renewed, dismissal by the Company due to personal fault, negotiated termination of labour contract or employment agreement, Restricted Shares that have been granted to the Incentive Participant but not yet attributed since the date of resignation shall not be attributed and shall lapse. The Incentive Participant shall pay the Company the individual income tax involved in the attributed Restricted Shares before resignation.

The Company has the right to recover the losses incurred from an Incentive Participant in accordance with the provisions of relevant laws, depending on the seriousness of the circumstances when he/she conducts personal faults including but not limited to:

Violation of the employment contract, confidentiality agreement, non-competition agreement or any other similar agreements signed with the Company or its affiliates; violation of the laws of the country of residence, resulting in criminal offenses or other bad conditions that affect the performance of the job; collection of remuneration from companies other than the Company or individuals, which has not been disclosed to the Company in advance.

(IV) If an Incentive Participant retires normally in accordance with national regulations and the Company's requirements, the Restricted Shares granted to him/her shall remain valid and shall be attributed in accordance with the procedures stipulated in the Incentive Scheme.

(V) The resignation of an Incentive Participant due to his/her incapacity shall be dealt with in the following two circumstances:

1. When an Incentive Participant resigns due to incapacity in performing his/her duties, the Restricted Shares granted to him/her shall be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to the incapacity. The Board may determine that his/her personal performance assessment conditions shall not be included in the Attribution Conditions. The Incentive Participant shall pay to the Company the individual income tax in relation to the Restricted Shares that have been attributed before they leave the Company, and shall pay the individual income tax in relation to the Restricted Shares that will be attributed in the current period in advance of each Attribution thereafter.
2. When an Incentive Participant leaves the Company due to incapacity not resulting from performance of duties, the Restricted Shares that have been granted to the Incentive Participant but not yet attributed shall not be attributed

and shall lapse. Prior to the resignation of the Incentive Participants, the Incentive Participants shall pay to the Company the individual income tax involved in the Restricted Shares that have been attributed.

(VI) The death of an Incentive Participant shall be dealt with in the following two circumstances:

1. If an Incentive Participant dies in the course of performing his/her duties, the Restricted Shares granted to him/her shall be inherited by his/her successor and shall be attributed in accordance with the procedures stipulated in the Scheme prior to the death of the Incentive Participant. The Board may determine that his/her personal performance assessment conditions shall no longer be included in the Attribution Conditions. The successor shall pay to the Company the individual income tax in respect of the Restricted Shares attributed before the inheritance, and shall pay the individual income tax in respect of the Restricted Shares attributed for the current period in advance of each Attribution thereafter.
2. If an Incentive Participant dies other than due to his/her duty, the Restricted Shares that have been granted to the Incentive Participant but have not yet been attributed shall not be attributed and shall lapse on the date of occurrence of such event. If the Board, at its discretion, allows the Restricted Shares that have been granted but have not yet been attributed to be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to the death of the Incentive Participants, the Board may determine that their personal performance assessment will no longer be included in the Attribution Conditions, and the successors shall pay the individual income tax in respect of the Restricted Shares that have been attributed before the inheritance, and shall pay the individual income tax in respect of the Restricted Shares that will be attributed in the current period in advance of each Attribution thereafter.

(VII) Other unspecified circumstances shall be determined by the Board and its treatment method shall be determined.

### **III. Settlement mechanism for relevant disputes between the Company and Incentive Participants**

The disputes between the Company and the Incentive Participants arising from the execution of the Incentive Scheme and/or the “Agreement on the Grant of Restricted Shares” signed by the parties or in relation to the Incentive Scheme and/or the “Agreement on the Grant of Restricted Shares” shall be solved through negotiation and communication by both parties, or mediation by the Remuneration and Appraisal Committee. If relevant disputes are not solved through the above-mentioned methods within 60 days from the date of occurrence of the disputes, either party is entitled to file a lawsuit with the people’s court with jurisdiction in the place where the Company is located.

**CHAPTER XIV SUPPLEMENTARY PROVISIONS**

- I. The Incentive Scheme shall become effective upon consideration and approval at the general meeting and A shareholder class meeting and H shareholder class meeting of the Company.
- II. The Incentive Scheme shall be interpreted by the Board of the Company.
- III. If the provisions of the Incentive Scheme conflict with relevant national laws, regulations, administrative rules and regulatory documents, it shall be implemented or adjusted in accordance with the relevant national laws, regulations, administrative rules and regulatory documents. If there is no provision stipulated in the Incentive Scheme, it shall be implemented or adjusted in accordance with the relevant national laws, regulations, administrative rules and regulatory documents.

**The Board of RemeGen Co., Ltd.\***

November 17, 2023

## THE MANAGEMENT MEASURES FOR ASSESSMENT FOR THE IMPLEMENTATION OF THE 2023 RESTRICTED A SHARE INCENTIVE SCHEME OF REMEGEN CO., LTD.\*

RemeGen Co., Ltd.\* (the “**Company**”) intends to implement the 2023 A Share Restricted Share Incentive Scheme (the “**Share Incentive Scheme**” or the “**Restricted Share Incentive Scheme**”), in order to further improve the corporate governance structure, solidify the incentive and restraint mechanism of the Company, form a well-balanced value distribution system, fully mobilise the motivation of the employees of the Company such that they can conduct their work in a more honest and diligent manner, so as to secure the steady improvement of the Company’s performance and the achievement of the Company’s development strategy and operating objectives.

In order to ensure the smooth implementation of the Share Incentive Scheme, the Measures are hereby formulated based on the actual situation of the Company in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Guidelines for Self-discipline Supervision of Companies Listed on the STAR Market No. 4 — Disclosure of Information on Share Incentives (《科創板上市公司自律監管指南第4號 — 股權激勵信息披露》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》) and other relevant laws, regulations and regulatory documents, as well as the Articles of Association of RemeGen Co., Ltd (《榮昌生物製藥(煙台)股份有限公司章程》) and relevant provisions of the Restricted Share Incentive Scheme of the Company.

### I. Purpose of the Assessment

The purpose of the assessment is to further improve the corporate governance structure, establish and solidify the incentive constraint mechanism of the Company, ensure the smooth implementation of the 2023 A Share Restricted Share Incentive Scheme of the Company and maximise the effect of share incentive to ensure the achievement of the development strategy and business objectives of the Company.

### II. Principles of Assessment

The assessment and evaluation must adhere to the principles of impartiality, openness and fairness, and be carried out in strict accordance with the Measures and the performance of the Incentive Participants, to realise the close combination of the 2023 A Share Incentive Scheme with the work performance and contribution of the Incentive Participants, so as to improve the overall performance of the Company and maximise the interests of the Company and shareholders as a whole.

### III. Scope of Assessment

The Measures shall apply to all Incentive Participants involved in the Company's Restricted Share Incentive Scheme, i.e., all Incentive Participants identified by the Remuneration and Appraisal Committee and approved by the Board, including the Directors, senior management, core technical personnel and other employees (excluding independent Directors and Supervisors) who the Board considers necessary to be incentivised when the Company announces the Incentive Scheme. All Incentive Participants must have an employment or labour relationship with the Company (or its subsidiaries or branches) at the time of the grant of the Restricted Shares and during the assessment period specified in the Restricted Share Incentive Scheme.

### IV. Assessment Body

- (I) The Remuneration and Appraisal Committee of the Board is responsible for leading and organising the assessment of the Incentive Participants.
- (II) The human resources department of the Company is responsible for the implementation of specific assessment work. The human resources department of the Company is responsible for and will report to the Remuneration and Appraisal Committee.
- (III) The human resources department, the finance department and other relevant departments of the Company are responsible for the collection and provision of relevant assessment data, as well as the authenticity and reliability of the data.
- (IV) The Board of the Company is responsible for reviewing the Measures and the assessment results.

## V. Assessment Indicators and Standards

### (I) Performance assessment requirements at the Company level

- (1) The assessment year of the First Grant is for the four accounting years from 2024 to 2027, and the assessment shall be conducted once in each accounting year. The performance assessment targets for each year are set out in the table below:

Attribution Arrangements	Assessment year	Performance assessment target A 100% of company Attribution	Performance assessment target B 80% of company Attribution	Performance assessment target C 70% of company Attribution
First Attribution Period	2024	The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB2 billion. 2. In 2024, the Group shall launch 8 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB1.8 billion. 2. In 2024, the Group shall launch 7 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB1.7 billion. 2. In 2024, the Group shall launch 6 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).
Second Attribution Period	2025	The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB5 billion. 2. From 2024 to 2025, the Group shall launch a total of 16 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB4.7 billion. 2. From 2024 to 2025, the Group shall launch a total of 14 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB4.4 billion. 2. From 2024 to 2025, the Group shall launch a total of 12 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).



Attribution Arrangements	Assessment year	Performance assessment target A 100% of company Attribution	Performance assessment target B 80% of company Attribution	Performance assessment target C 70% of company Attribution
Third Attribution Period	2026	The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB9 billion. 2. From 2024 to 2026, the Group shall launch a total of 24 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB8.2 billion. 2. From 2024 to 2026, the Group shall launch a total of 21 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB7.4 billion. 2. From 2024 to 2026, the Group shall launch a total of 18 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).
Fourth Attribution Period	2027	The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB14 billion. 2. From 2024 to 2027, the Group shall launch a total of 32 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB13.2 billion. 2. From 2024 to 2027, the Group shall launch a total of 28 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB12.4 billion. 2. From 2024 to 2027, the Group shall launch a total of 24 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).

*Note:* The above “revenue” is calculated based on the data set out in the consolidated statements audited by the accounting firm engaged by the Company, excluding the overseas licencing income of telitacicept. (same below)

- (2) If the Restricted Shares under the Reserved Grant are granted prior to the disclosure of the third quarterly report for 2024, the assessment year and assessment targets will be consistent with those under the First Grant. On the contrary, the performance for the four accounting years from 2025 to 2028 will be assessed, which shall be assessed once in each accounting year. The performance assessment targets for each year are set out in the table below:

<b>Attribution Arrangements</b>	<b>Assessment year</b>	<b>Performance assessment target A 100% of company Attribution</b>	<b>Performance assessment target B 80% of company Attribution</b>	<b>Performance assessment target C 70% of company Attribution</b>
Attribution Period of first tranche under the Reserved Grant	2025	The Company satisfies any one of the following conditions: 1. In 2025, the revenue shall not be less than RMB3 billion. 2. In 2025, the Group shall launch 8 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. In 2025, the revenue shall not be less than RMB2.9 billion. 2. In 2025, the Group shall launch 7 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. In 2025, the revenue shall not be less than RMB2.7 billion. 2. In 2025, the Group shall launch 6 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).
Attribution Period of second tranche under the Reserved Grant	2026	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB7 billion. 2. From 2025 to 2026, the Group shall launch a total of 16 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB6.4 billion. 2. From 2025 to 2026, the Group shall launch a total of 14 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2025 to 2026, the cumulative revenue shall not be less than RMB5.7 billion. 2. From 2025 to 2026, the Group shall launch a total of 12 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).

Attribution Arrangements	Assessment year	Performance assessment target A 100% of company Attribution	Performance assessment target B 80% of company Attribution	Performance assessment target C 70% of company Attribution
Attribution Period of third tranche under the Reserved Grant	2027	The Company satisfies any one of the following conditions: 1. From 2025 to 2027, the cumulative revenue shall not be less than RMB12 billion. 2. From 2025 to 2027, the Group shall launch a total of 24 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2025 to 2027, the cumulative revenue shall not be less than RMB14.4 billion. 2. From 2025 to 2027, the Group shall launch a total of 21 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2025 to 2027, the cumulative revenue shall not be less than RMB10.7 billion. 2. From 2025 to 2027, the Group shall launch a total of 18 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).
Attribution Period of fourth tranche under the Reserved Grant	2028	The Company satisfies any one of the following conditions: 1. From 2025 to 2028, the cumulative revenue shall not be less than RMB18.5 billion. 2. From 2025 to 2028, the Group shall launch a total of 32 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2025 to 2028, the cumulative revenue shall not be less than RMB16.6 billion. 2. From 2025 to 2028, the Group shall launch a total of 28 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).	The Company satisfies any one of the following conditions: 1. From 2025 to 2028, the cumulative revenue shall not be less than RMB15.3 billion. 2. From 2025 to 2028, the Group shall launch a total of 24 new clinical trials (including I-III phase clinical trials, achieving the first patient enrolment).

If the Company fails to meet the above performance indicators, all the Restricted Shares that are not attributed to the Incentive Participants for the current period shall not be attributed or deferred to the next Attribution Period, and shall lapse.

***(II) Performance assessment requirements at the Incentive Participant's individual level***

The Company conducts individual performance assessment on the Incentive Participants during the assessment year and determines the number of Shares actually attributed to the Incentive Participants based on their assessment results. The performance assessment results of the Incentive Participants are divided into four levels, namely A, B, C and D, and the actual number of Shares to be attributed to the Incentive Participants will be determined according to the proportion of Attribution at the individual level corresponding to the following assessment rating table:

<b>Assessment results</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Individual Attribution ratio	<u>100%</u>			<u>0%</u>

The number of Restricted Shares actually attributed to the Incentive Participants in the current year = the number of Restricted Shares planned to be attributed to individuals in the current year × Company-level Attribution ratio × Individual-level Attribution ratio.

If the Restricted Shares attributed to the Incentive Participants for the current period cannot be attributed or cannot be fully attributed due to assessment reasons, the Restricted Shares shall lapse and shall not be deferred to the following years.

**VI. Period and Times of Assessment*****(I) Period of Assessment:***

For the First Grant, the assessment period is four accounting years from 2024 to 2027.

For the Reserved Grant, if the Restricted Shares under the Reserved Grant are granted prior to the disclosure of the third quarterly report for 2024, the assessment year and assessment targets will be consistent with those under the First Grant. On the contrary, the performance for the four accounting years from 2025 to 2028 will be assessed.

***(II) Times of Assessment***

The results assessment at the Company level and performance assessment at the individual level shall be conducted at annual basis.

**VII. Assessment Procedures**

The human resources department of the Company is responsible for the specific assessment work under the guidance of the Remuneration and Appraisal Committee and retaining the assessment results. On this basis, a performance assessment report shall be prepared and submitted to the Remuneration and Appraisal Committee.

**VIII. Management of Assessment Results*****(I) Feedback and appealing of assessment results***

The Incentive Participants are entitled to know their own assessment results. The Remuneration and Appraisal Committee shall inform the Incentive Participants of the assessment results within 15 working days after the completion of the assessment.

If the Incentive Participants have objections against the assessment results, they can communicate with the human resources department to resolve within 5 days after receiving the results of the assessment. If the objections cannot be resolved through communication, the Incentive Participants may appeal to the Remuneration and Appraisal Committee which shall review and determine the final assessment result within 20 working days.

***(II) Record of assessment results***

After the completion of the assessment, the human resources department shall retain all the records of the performance assessment as confidential information, and the assessment results shall be kept for 10 years. Documents and records that exceed the storage period shall be uniformly destroyed by the human resources department upon approval by the Remuneration and Appraisal Committee.

**IX. Supplementary Provisions**

- (I) The Board is responsible for the formulation, interpretation and revision of the Measures. If the relevant provisions of the Measures conflict with the relevant laws, administrative regulations and departmental rules, the relevant laws, administrative regulations and departmental rule shall prevail.
- (II) The Measures shall be subject to consideration and approval at the general meeting and A shareholder class meeting and H shareholder class meeting and become effective upon the 2023 Restricted A Share Incentive Scheme becoming effective.

**The Board of RemeGen Co., Ltd.\***

November 17, 2023

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 1</b> In order to protect the legal interests of the Company, its shareholders and creditors and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “<b>Company Law</b>”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “<b>Special Provisions</b>”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong jointly promulgated by the overseas listing department of the China Securities Regulatory Commission (the “<b>CSRC</b>”) and the production system department of the former State Commission for Restructuring the Economic System, the Opinions on Further Assistance in Regulated Operation and In-depth Reform of Companies Listed outside the PRC, the Reply of the State Council on the Adjustment to the Provisions of the Notice Period for Convening the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “<b>Hong Kong Listing Rules</b>”), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (“<b>Rules Governing the Listing of Stocks on Science and Technology Innovation Board</b>”), the Code of Corporate Governance for Listed Companies and other relevant provisions of laws, regulations and regulatory documents.</p>	<p><b>Article 1</b> In order to protect the legal interests of the Company, its shareholders and creditors and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “<b>Company Law</b>”), the Securities Law of the People’s Republic of China, <del>the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “<b>Special Provisions</b>”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas</del><u>the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u> (到境外上市公司章程必備條款<u>境內企業境外發行證券和上市管理試行辦法</u>), the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong jointly promulgated by the overseas listing department of the China Securities Regulatory Commission (the “<b>CSRC</b>”) and the production system department of the former State Commission for Restructuring the Economic System, the Opinions on Further Assistance in Regulated Operation and In-depth Reform of Companies Listed outside the PRC, the Reply of the State Council on the Adjustment to the Provisions of the Notice Period for Convening the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “<b>Hong Kong Listing Rules</b>”), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (“<b>Rules Governing the Listing of Stocks on Science and Technology Innovation Board</b>”), the Code of Corporate</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
	Governance for Listed Companies, <u>the Measures for the Management of Independent Directors of Listed Companies</u> (the “ <u>Management Measures</u> ”), <u>the Self-Regulatory Guideline for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange No. 1 — Regularization of Operation</u> , and other relevant provisions of laws, regulations and regulatory documents.
<b>Article 2</b> The Company is a joint stock limited company (the “ <b>Company</b> ”) established in accordance with the Company Law, the Special Provisions and other relevant provisions.	<b>Article 2</b> The Company is a joint stock limited company (the “ <b>Company</b> ”) established in accordance with the Company Law, <del>the Special Provisions</del> and other relevant provisions.
<b>Article 11</b> “Senior management members” referred to in the Articles of Association include general manager, president, senior deputy president, chief medical officer, chief financial officer and the secretary to the Board of the Company.	<b>Article 11</b> “Senior management members” referred to in the Articles of Association include general manager, president, <del>senior deputy president</del> , chief medical officer, chief financial officer and the secretary to the Board of the Company.
<b>New Article</b>	<b><u>Article 12</u></b> <u>In accordance with the relevant provisions under the Constitution of the Communist Party of China, the Company shall establish a Communist Party of China organisation to carry out the activities of the Party. The Company shall provide necessary conditions for activities organized by the Party.</u>
<b>Article 20</b> The Board of the Company may make arrangement for the Company’s separate issuance of overseas listed foreign shares and domestic shares according to the issue scheme approved by the securities regulatory authority under the State Council.  According to the aforesaid scheme for separate issuance of overseas listed foreign shares and domestic shares, the Company may issue the shares separately within 15 months after approval of the securities regulatory authority under the State Council.	<b>Article 21</b> The Board of the Company may make arrangement for the Company’s separate issuance of overseas listed foreign shares and domestic shares according to the issue scheme approved by the securities regulatory authority under the State Council.  <del>According to the aforesaid scheme for separate issuance of overseas listed foreign shares and domestic shares, the Company may issue the shares separately within 15 months after approval of the securities regulatory authority under the State Council.</del>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 24</b> The Company may, in the following circumstances, buy back its outstanding shares in accordance with the law, administrative regulations, department rules and requirement of this Articles of Associations:</p> <p>(I) When decreasing the registered capital of the Company;</p> <p>(II) When merging with other companies holding shares of the Company;</p> <p>(III) When shares are being used in the employee stock ownership plan or as equity incentive;</p> <p>(IV) When shareholders objecting to resolutions of the general meeting concerning merger or division of the Company require the Company to buy their shares;</p> <p>(V) When shares are being used to satisfy the conversion of corporate bonds convertible into shares issued by the Company;</p> <p>(VI) When safeguarding corporate value and shareholders’ equity as the Company deems necessary;</p> <p>(VII) Other circumstances permitted by laws and administrative regulations.</p> <p>Except for the abovementioned circumstances, the Company will not conduct any activities buying or selling its shares.</p> <p>Where the Company repurchases its shares in the circumstances set out in items (I) and (II) above, it shall be subject to approval at the general meeting; where the Company repurchases its shares in the circumstances set out in items (III), (V) and (VI) above, it may be resolved by more than two-thirds of directors present at a meeting of the Board in accordance with the authorization of the general meeting.</p>	<p><b>Article 25</b> The Company may, in the following circumstances, buy back its outstanding shares in accordance with the law, administrative regulations, department rules and requirement of this Articles of Associations:</p> <p>(I) When decreasing the registered capital of the Company;</p> <p>(II) When merging with other companies holding shares of the Company;</p> <p>(III) When shares are being used in the employee stock ownership plan or as equity incentive;</p> <p>(IV) When shareholders objecting to resolutions of the general meeting concerning merger or division of the Company require the Company to buy their shares;</p> <p>(V) When shares are being used to satisfy the conversion of corporate bonds convertible into shares issued by the Company;</p> <p>(VI) When safeguarding corporate value and shareholders’ equity as the Company deems necessary;</p> <p>(VII) Other circumstances permitted by laws and administrative regulations.</p> <p>Except for the abovementioned circumstances, the Company will not conduct any activities buying or selling its shares.</p> <p>Where the Company repurchases its shares in the circumstances set out in items (I) and (II) above, it shall be subject to approval at the general meeting; where the Company repurchases its shares in the circumstances set out in items (III), (V) and (VI) above, it <del>may</del><b>shall</b> be resolved by more than two-thirds of directors present at a meeting of the Board <del>in accordance with the authorization of the general meeting.</del></p>



Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>In the event that the Company repurchases its shares in accordance with the above provisions, such Shares shall be cancelled within ten days upon such repurchase in the circumstance set out in item (I); shall be transferred or cancelled within 6 months in the circumstances set out in items (II) and (IV); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years in the circumstances set out in items (III), (V) and (VI).</p> <p>Where the Company repurchases its shares, it shall perform its information disclosure obligations in accordance with laws.</p>	<p>In the event that the Company repurchases its shares in accordance with the above provisions, such Shares shall be cancelled within ten days upon such repurchase in the circumstance set out in item (I); shall be transferred or cancelled within 6 months in the circumstances set out in items (II) and (IV); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years in the circumstances set out in items (III), (V) and (VI).</p> <p>Where the Company repurchases its shares, it shall perform its information disclosure obligations in accordance with laws.</p>
<p><b>Article 25</b> The Company may buy back its shares in any of the following ways:</p> <p>(I) Issuing a buyback offer to all shareholders according to an equal percentage;</p> <p>(II) Buying back through the open transaction in the stock exchange;</p> <p>(III) Buying back through agreement outside the stock exchange;</p> <p>(IV) Other methods as permitted by laws and administrative regulations and approved by regulatory authorities.</p> <p>If the Company acquires its shares due to the circumstances specified in Paragraph 1 (3), (5) and (6) of Article 24 of the Articles of Association, the acquisition shall be made through a public centralized transaction.</p>	<p><b>Article 26</b> The Company may buy back its shares in any of the following ways:</p> <p>(I) Issuing a buyback offer to all shareholders according to an equal percentage;</p> <p>(II) Buying back through the open transaction in the stock exchange;</p> <p>(III) Buying back through agreement outside the stock exchange;</p> <p>(IV) Other methods as permitted by laws and administrative regulations and approved by regulatory authorities.</p> <p>If the Company acquires its shares due to the circumstances specified in <del>Paragraph 1 items</del> <u>Paragraph 1 items</u> (3), (5) and (6) of Article <del>24</del><u>25</u> of the Articles of Association, the acquisition shall be made through a public centralized transaction.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 26</b> In buying back shares through agreement outside the stock exchange, the Company shall seek prior approval at a general meeting in accordance with the Articles of Association. With prior approval at the general meeting, in the same way, the Company may cancel or change the contract already concluded in an aforesaid manner or waive any right under the contract.</p> <p>The share buyback contract mentioned in the preceding paragraph includes (but is not limited to) agreement to undertake share buyback obligations and obtain share buyback rights.</p> <p>The Company shall not transfer the share buyback contract or any right thereunder.</p> <p>As far as the Company's right to repurchase the redeemable shares is concerned, the repurchased price shall not exceed the certain upper limit if such shares are not repurchased in the market or by bidding; whereas in the event of repurchase by bidding, relative bids must be equally issued to all its shareholders.</p>	<p><b>Article 27</b> In buying back shares through agreement outside the stock exchange, the Company shall seek prior approval at a general meeting in accordance with the Articles of Association. With prior approval at the general meeting, in the same way, the Company may cancel or change the contract already concluded in an aforesaid manner or waive any right under the contract.</p> <p>The share buyback contract mentioned in the preceding paragraph includes (but is not limited to) agreement to undertake share buyback obligations and obtain share buyback rights.</p> <p>The Company shall not transfer the share buyback contract or any right thereunder.</p> <p><del>As far as the Company's right to repurchase the redeemable shares is concerned, the repurchased price shall not exceed the certain upper limit if such shares are not repurchased in the market or by bidding; whereas in the event of repurchase by bidding, relative bids must be equally issued to all its shareholders.</del></p>
<p><b>Article 30</b> All paid up H shares shall be freely transferable in accordance with the Articles of Association; unless the following conditions are satisfied, the Board may refuse to recognize any transfer documents without giving any reasons:</p> <p>(I) The transfer instrument and other documents relating to or likely affecting the ownership of any shares shall be registered, and the payment therefor shall not exceed the maximum payment specified in the Hong Kong Listing Rules by the Hong Kong Stock Exchange from time to time;</p>	<p><del><b>Article 31</b> All paid up H shares shall be freely transferable in accordance with the Articles of Association; unless the following conditions are satisfied, the Board may refuse to recognize any transfer documents</del> <b>of H shares</b> <del>without giving any reasons:</del></p> <p>(I) <del>The transfer instrument and other documents relating to or likely affecting the ownership of any shares shall be registered, and the payment therefor shall not exceed the maximum payment specified in the Hong Kong Listing Rules by the Hong Kong Stock Exchange from time to time;</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(II) The transfer document only involves H shares;</p> <p>(III) The stamp tax payable on the transfer instrument has been paid;</p> <p>(IV) The relevant share certificate, together with the evidence as reasonably required by the Board showing that the transferor is entitled to transfer the shares are produced;</p> <p>(V) If the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;</p> <p>(VI) No company shall have any lien over the relevant shares; and</p> <p>(VII) No transfer shall be made to minors or persons of unsound mind or others under legal disability.</p>	<p>(I) The transfer document only involves H shares;</p> <p>(II) The stamp tax payable on the transfer instrument has been paid;</p> <p>(III) The relevant share certificate, together with the evidence as reasonably required by the Board showing that the transferor is entitled to transfer the shares are produced;</p> <p><del>(V) If the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;</del></p> <p>(IV) No company shall have any lien over the relevant shares; and</p> <p>(V) No transfer shall be made to minors or persons of unsound mind or others under legal disability.</p>
<p>If the Board refuses to register the share transfer, the Company shall send a written notice of the transferor and transferee within two months from the date of the transfer application. All transfers of H shares shall be effected by transfer document in writing in a general or common form or in any other form acceptable to the Board, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The transfer document in writing may be signed by hand or (where the transferor or transferee is a corporation) stamped with the Company's seal. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (the "<b>Recognized Clearing House</b>") or its nominee, the transfer document in writing may be signed by hand or in printed form.</p>	<p>If the Board refuses to register the share transfer, the Company shall send a written notice of the transferor and transferee within two months from the date of the transfer application. All transfers of H shares shall be effected by transfer document in writing in a general or common form or in any other form acceptable to the Board, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The transfer document in writing may be signed by hand or (where the transferor or transferee is a corporation) stamped with the Company's seal. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (the "<b>Recognized Clearing House</b>") or its nominee, the transfer document in writing may be signed by hand or in printed form.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>All transfer documents shall be maintained in the legal address of the Company or such places as the Board may designate from time to time.</p>	<p>All transfer documents shall be maintained in the legal address of the Company or such places as the Board may designate from time to time.</p>
<p><b>Article 38</b> The Company’s shares are all registered shares. The particulars specified on the share certificates of the Company shall, in addition to those provided in the Company Law, contain other particulars required to be specified by the stock exchange where the shares of the Company are listed.</p> <p>The registered depository of the shares held by the shareholders of the Company’s domestic shares is China Securities Depository and Clearing Corporation Limited. The register of shareholders of the domestic shares and the shares held by them are based on the data recorded in the securities book keeping system of China Securities Depository and Clearing Corporation Limited.</p> <p>The Company may issue overseas listed shares in the form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place of listing.</p> <p>If the share capital of the Company includes non-voting shares, the name of such shares must be denoted by the wordings of “non-voting”. If the share capital includes shares with different voting rights, the name of each category of shares (except for shares with the most preferential voting rights) must be denoted by the wordings of “restricted voting right” or “limited voting right”.</p>	<p><b>Article 39</b> The Company’s shares are all registered shares. The particulars specified on the share certificates of the Company shall, in addition to those provided in the Company Law, contain other particulars required to be specified by the stock exchange where the shares of the Company are listed.</p> <p>The registered depository of the shares held by the shareholders of the Company’s domestic shares is China Securities Depository and Clearing Corporation Limited. The register of shareholders of the domestic shares and the shares held by them are based on the data recorded in the securities book keeping system of China Securities Depository and Clearing Corporation Limited.</p> <p>The Company may issue overseas listed shares in the form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place of listing.</p> <p><del>If the share capital of the Company includes non-voting shares, the name of such shares must be denoted by the wordings of “non-voting”. If the share capital includes shares with different voting rights, the name of each category of shares (except for shares with the most preferential voting rights) must be denoted by the wordings of “restricted voting right” or “limited voting right”.</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 39</b> During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that its H Shares documents (including H Share certificates) shall include the following statements, and shall instruct and procure its share registrar to reject any subscription, purchase or transfer of the shares registered in the name of any individual holder, unless and until the said individual holder has submitted to the share registrar the duly signed form relating to the said shares, and such form shall include the following statements:</p> <p>(I) The share buyer agrees with the Company and each of its shareholders, and the Company agrees with each shareholder, to observe and comply with the provisions of the Company Law, Special Provisions and other relevant laws, administrative regulations and the Articles of Association.</p> <p>(II) The share buyer agrees with the Company and the Company's every shareholder, director, supervisor, general manager and other senior management officers, and the Company acting on its own behalf and for each director, supervisor, general manager and other and senior management officer also agrees with each shareholder, to refer all disputes or claims arising from the Articles of Association or from the rights and obligations specified in the Company Law or other relevant laws or administrative regulations with respect to the Company's affairs to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct an open hearing session and to publish its arbitral award, and the arbitral award shall be final and conclusive.</p>	<p><del><b>Article 39</b> During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that its H Shares documents (including H Share certificates) shall include the following statements, and shall instruct and procure its share registrar to reject any subscription, purchase or transfer of the shares registered in the name of any individual holder, unless and until the said individual holder has submitted to the share registrar the duly signed form relating to the said shares, and such form shall include the following statements:</del></p> <p><del>(I) The share buyer agrees with the Company and each of its shareholders, and the Company agrees with each shareholder, to observe and comply with the provisions of the Company Law, Special Provisions and other relevant laws, administrative regulations and the Articles of Association.</del></p> <p><del>(II) The share buyer agrees with the Company and the Company's every shareholder, director, supervisor, general manager and other senior management officers, and the Company acting on its own behalf and for each director, supervisor, general manager and other and senior management officer also agrees with each shareholder, to refer all disputes or claims arising from the Articles of Association or from the rights and obligations specified in the Company Law or other relevant laws or administrative regulations with respect to the Company's affairs to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct an open hearing session and to publish its arbitral award, and the arbitral award shall be final and conclusive.</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(III) The share buyer agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders.</p> <p>(IV) The share buyer authorizes the Company to conclude the contract on his behalf with each director, general manager and other senior management officers, and such director, general manager and other senior management officers shall undertake to observe and fulfill their duties for shareholders as specified in the Articles of Association.</p>	<p><del>(III) The share buyer agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders.</del></p> <p><del>(IV) The share buyer authorizes the Company to conclude the contract on his behalf with each director, general manager and other senior management officers, and such director, general manager and other senior management officers shall undertake to observe and fulfill their duties for shareholders as specified in the Articles of Association.</del> <del>Association.</del><b>Deleted</b></p>
<p><b>Article 42</b> Transfer of shares shall be recorded in the register of members. The Company may keep overseas the register of holders of overseas listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the Securities Regulatory Authorities of the State Council and the overseas Securities Regulatory Authorities. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.</p> <p>The Company shall keep at its domicile a copy of the register of holders of overseas listed foreign shares. The entrusted overseas agent shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.</p> <p>Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.</p>	<p><b>Article 42</b> Transfer of shares shall be recorded in the register of members. The Company may keep overseas the register of holders of overseas listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the Securities Regulatory Authorities of the State Council and the overseas Securities Regulatory Authorities. <del>The original register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.</del><b><u>The Hong Kong branch register of members must be open to inspection by members but may be closed in accordance with the applicable provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time.</u></b></p> <p>The Company shall keep at its domicile a copy of the register of holders of overseas listed foreign shares. The entrusted overseas agent shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.</p> <p>Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 50</b> A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is registered in the register of members. Shareholders shall enjoy rights and have obligations in accordance with the class and amount of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.</p> <p>Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:</p> <p>(I) the Company shall not need to register more than four persons as joint shareholders of any shares;</p> <p>(II) the joint holders of any share shall jointly and individually assume the liabilities for all amounts payable for relevant share;</p> <p>(III) where any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as having title to the relevant shares, but the Board may, for the purpose of modifying the register of members, require the provision of a death certificate of the relevant shareholder as it deems appropriate;</p>	<p><b>Article 50</b> A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is registered in the register of members. Shareholders shall enjoy rights and have obligations in accordance with the class and amount of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.</p> <p>Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:</p> <p><del>(I) the Company shall not need to register more than four persons as joint shareholders of any shares;</del></p> <p>(I) the joint holders of any share shall jointly and individually assume the liabilities for all amounts payable for relevant share;</p> <p>(II) where any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as having title to the relevant shares, but the Board may, for the purpose of modifying the register of members, require the provision of a death certificate of the relevant shareholder as it deems appropriate;</p>

<b>Original Articles of the Articles of Association</b>	<b>Amended Articles of the Articles of Association</b>
<p>(IV) for joint shareholders of any share, only the person whose name stands first in the register of members shall be entitled to receive such certificate of the relevant share or receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. Where there are more than one joint shareholders present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register;</p> <p>(V) where one of the joint shareholders delivers a receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as a valid receipt from such joint shareholders to the Company.</p>	<p>(III) for joint shareholders of any share, only the person whose name stands first in the register of members shall be entitled to receive such certificate of the relevant share or receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. Where there are more than one joint shareholders present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register;</p> <p>(IV) where one of the joint shareholders delivers a receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as a valid receipt from such joint shareholders to the Company.</p>



<b>Original Articles of the Articles of Association</b>	<b>Amended Articles of the Articles of Association</b>
<p><b>Article 52</b> Ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(I) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;</p> <p>(II) The rights to request, convene, chair, attend or appoint proxy to attend general meetings and exercise corresponding voting rights in accordance with laws;</p> <p>(III) The rights to supervise the operation of the Company and to put forward proposals and raise inquiries;</p> <p>(IV) The rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;</p> <p>(V) The rights to obtain relevant information in accordance with the Articles of Association of the Company, including:</p> <ol style="list-style-type: none"> <li>1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;</li> <li>2. to inspect and copy, subject to payment of a reasonable charge:               <ol style="list-style-type: none"> <li>(1) all parts of the register of members (the list of all shareholders at the close of trading on the record date of the Company’s latest periodic report);</li> </ol> </li> </ol>	<p><b>Article 52</b> Ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(I) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;</p> <p>(II) The rights to request, convene, chair, attend or appoint proxy to attend general meetings and exercise corresponding voting rights in accordance with laws;</p> <p>(III) The rights to supervise the operation of the Company and to put forward proposals and raise inquiries;</p> <p>(IV) The rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;</p> <p>(V) The rights to obtain relevant information in accordance with the Articles of Association of the Company, including:</p> <ol style="list-style-type: none"> <li>1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;</li> <li>2. to inspect and copy, subject to payment of a reasonable charge:               <ol style="list-style-type: none"> <li><del>(1) all parts of the register of members (the list of all shareholders at the close of trading on the record date of the Company’s latest periodic report);</del></li> </ol> </li> </ol>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(2) personal particulars of each of the directors, supervisors, general manager and other senior management of the Company, including:</p> <p>(a) current and previous names and aliases;</p> <p>(b) main address (domicile);</p> <p>(c) nationality;</p> <p>(d) full-time and all other part-time occupations and duties;</p> <p>(e) identification documents and their numbers.</p> <p>(3) the status of the Company's share capital;</p> <p>(4) reports (breakdown by domestic shares and foreign shares (and, if applicable, H Shares)) of the aggregate par value, number of shares, highest and lowest prices paid by the Company in respect of each class of shares bought back by the Company since the end of the last accounting year and all the expenses paid by the Company therefor;</p> <p>(5) minutes of general meetings (only available for shareholders' inspection) and copies of the Company's resolutions of general meetings, Board meetings and meeting of Supervisory Committee;</p>	<p><del>(2)</del> personal particulars of each of the directors, supervisors, general manager and other senior management of the Company, including:</p> <p>(a) current and previous names and aliases;</p> <p>(b) main address (domicile);</p> <p>(c) nationality;</p> <p>(d) full-time and all other part-time occupations and duties;</p> <p>(e) identification documents and their numbers.</p> <p><del>(3)</del> <del>the status of the Company's share capital;</del></p> <p><del>(4)</del> <del>reports (breakdown by domestic shares and foreign shares (and, if applicable, H Shares)) of the aggregate par value, number of shares, highest and lowest prices paid by the Company in respect of each class of shares bought back by the Company since the end of the last accounting year and all the expenses paid by the Company therefor;</del></p> <p><del>(5)</del> <del>minutes of general meetings (only available for shareholders' inspection) and copies of the Company's resolutions of general meetings, Board meetings and meeting of Supervisory Committee;</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(6) the latest audited financial statements of the Company, and the reports of the Board, auditors, and supervisors;</p> <p>(7) copy of the latest annual return filed with the PRC Administration for Industry and Commerce or other competent authorities;</p> <p>(8) special resolutions of the Company.</p> <p>3. To consult resolutions of Board of Directors' meetings, resolutions of supervisory committee meetings, financial and accounting reports, counterfoils of corporate bonds.</p> <p>Documents of item 2 (1), (3), (4), (5), (6), (7) and (8) mentioned above shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and the H shareholders to inspect free of charge (provided that paragraph 2 (5) above are available for inspection by the shareholders only). When a shareholder requests to inspect the relevant information mentioned above or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of shares he/she holds in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity.</p> <p>(VI) The rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;</p>	<p><del>(6) the latest audited financial statements of the Company, and the reports of the Board, auditors, and supervisors;</del></p> <p><del>(7) copy of the latest annual return filed with the PRC Administration for Industry and Commerce or other competent authorities;</del></p> <p><del>(8) special resolutions of the Company.</del></p> <p>3. To consult resolutions of Board of Directors' meetings, resolutions of supervisory committee meetings, financial and accounting reports, counterfoils of corporate bonds.</p> <p><del>Documents of item 2 (1), (3), (4), (5), (6), (7) and (8) mentioned above shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and the H shareholders to inspect free of charge (provided that paragraph 2 (5) above are available for inspection by the shareholders only). When a shareholder requests to inspect the relevant information mentioned above or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of shares he/she holds in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity.</del></p> <p>(VI) The rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(VII) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the general meeting on the merger or division of the Company;</p> <p>(VIII) Other rights under the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p>If any person holding an interest in the shares either directly or indirectly exercises their rights without disclosing their rights to the Company, the Company shall not compromise the rights of such persons by freezing it or in any other manner only on this ground.</p>	<p>(VII) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the general meeting on the merger or division of the Company;</p> <p>(VIII) Other rights under the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p><del>If any person holding an interest in the shares either directly or indirectly exercises their rights without disclosing their rights to the Company, the Company shall not compromise the rights of such persons by freezing it or in any other manner only on this ground.</del></p>
<p><b>Article 61</b> The general meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with laws:</p> <p>(I) to decide on operational policies and investment plans of the Company;</p> <p>(II) to elect and replace the directors who are not employee representatives and supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of directors and supervisors;</p> <p>(III) to consider and approve reports of the Board;</p> <p>(IV) to consider and approve reports of the supervisory committee;</p> <p>(V) to consider and approve annual financial budget plans and final accounting plans of the Company;</p>	<p><b>Article 61</b> The general meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with laws:</p> <p>(I) to decide on operational policies and investment plans of the Company;</p> <p>(II) to elect and replace the directors who are not employee representatives and supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of directors and supervisors;</p> <p>(III) to consider and approve reports of the Board;</p> <p>(IV) to consider and approve reports of the supervisory committee;</p> <p>(V) to consider and approve annual financial budget plans and final accounting plans of the Company;</p>

<b>Original Articles of the Articles of Association</b>	<b>Amended Articles of the Articles of Association</b>
(VI) to consider and approve the profit distribution plan and loss recovery plan of the Company;	(VI) to consider and approve the profit distribution plan and loss recovery plan of the Company;
(VII) to determine the increase or decrease of the registered capital of the Company;	(VII) to determine the increase or decrease of the registered capital of the Company;
(VIII) to determine the issuance of corporate bonds or other securities by the Company and listing plan;	(VIII) to determine the issuance of corporate bonds or other securities by the Company and listing plan;
(IX) to determine matters such as the merger, division, dissolution, liquidation or change;	(IX) to determine matters such as the merger, division, dissolution, liquidation or change;
(X) to amend the Articles of Association the rules of procedure for the general meeting of shareholders, the Board of Directors and the supervisory committee;	(X) to amend the Articles of Association the rules of procedure for the general meeting of shareholders, the Board of Directors and the supervisory committee;
(XI) to determine the appointment of, removal of and non-reappointment of an auditor by the Company;	(XI) to determine the appointment of, removal of and non-reappointment of an auditor by the Company;
(XII) to consider and approve the provision of guarantees to third parties that shall be approved at a general meeting required by the Articles of Association;	(XII) to consider and approve the provision of guarantees to third parties that shall be approved at a general meeting required by the Articles of Association;
(XIII) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;	(XIII) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;
(XIV) to consider and approve the material transaction and connected and related transactions that shall be considered and approved at a general meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;	(XIV) to consider and approve the material transaction and connected and related transactions that shall be considered and approved at a general meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(XV) to consider and approve the change in use of proceeds</p> <p>(XVI) to consider the formulation, amendment and implementation of share incentive plans;</p> <p>(XVII) to consider and approve the proposal raised by shareholders who, individually or in the aggregate, hold 3% or more of the total number of voting shares of the Company;</p> <p>(XVIII) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the regulatory rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a general meeting.</p> <p>The general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed are not violated.</p>	<p>(XV) to consider and approve the change in use of proceeds;</p> <p>(XVI) to consider the formulation, amendment and implementation of share incentive plans <b><u>and employee stock ownership plans;</u></b></p> <p>(XVII) to consider and approve the proposal raised by shareholders who, individually or in the aggregate, hold 3% or more of the total number of voting shares of the Company;</p> <p>(XVIII) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the regulatory rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a general meeting.</p> <p>The general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed are not violated.</p>
<p><b>Article 63</b> The following guarantees to third parties to be provided by the Company shall be considered and approved by the general meeting.</p> <p>(I) A single guarantee for an amount in excess of 10% of the Company’s latest audited net assets;</p> <p>(II) Any guarantee provided after the total amount of guarantee to third parties provided by the Company, and its controlling subsidiary exceeds 50% of the Company’s latest audited net assets;</p>	<p><b>Article 63</b> The following guarantees to third parties to be provided by the Company shall be considered and approved by the general meeting.</p> <p>(I) A single guarantee for an amount in excess of 10% of the Company’s latest audited net assets;</p> <p>(II) Any guarantee provided after the total amount of guarantee to third parties provided by the Company, and its controlling subsidiary exceeds 50% of the Company’s latest audited net assets;</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(III) A guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;</p> <p>(IV) Any guarantee provided after the amount of guarantee exceeds 30% of the Company’s latest audited net assets based on cumulative calculation for 12 consecutive months;</p> <p>(V) Guarantee to be provided to shareholders, de facto controllers and their (connected) related parties;</p> <p>(VI) Other guarantees as prescribed by laws, regulations, normative documents, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p>The above guarantees to third parties that shall be approved at a general meeting shall be considered and approved by the Board before submission to the general meeting for approval. Matters of guarantee within the authority of the Board of Directors shall also be subject to the approval of at least 2/3 of the directors present at a meeting of the Board of Directors, in addition to the approval by a majority of all directors. When the guarantee specified in item (IV) above is considered at the general meeting, it shall be approved by more than two-thirds of voting rights held by the shareholders attending the general meeting.</p>	<p>(III) A guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;</p> <p><b><u>(IV) Any guarantee provided after the total amount of guarantee exceeds 30% of the Company’s latest audited net assets;</u></b></p> <p>(V) Any guarantee provided after the amount of guarantee exceeds 30% of the Company’s latest audited net assets based on cumulative calculation for 12 consecutive months;</p> <p>(VI) Guarantee to be provided to shareholders, de facto controllers and their (connected) related parties;</p> <p>(VII) Other guarantees as prescribed by laws, regulations, normative documents, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p>The above guarantees to third parties that shall be approved at a general meeting shall be considered and approved by the Board before submission to the general meeting for approval. Matters of guarantee within the authority of the Board of Directors shall also be subject to the approval of at least 2/3 of the directors present at a meeting of the Board of Directors, in addition to the approval by a majority of all directors. When the guarantee specified in item <del>(IV)</del> above is considered at the general meeting, it shall be approved by more than two-thirds of voting rights held by the shareholders attending the general meeting.</p>

<b>Original Articles of the Articles of Association</b>	<b>Amended Articles of the Articles of Association</b>
<p>If the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a holding subsidiary and other shareholders of the holding subsidiary provide an equivalent guarantee in proportion to the interests enjoyed by them, which is not detrimental to the interests of the Company, it may be exempted from the provisions of items (I), (II) and (III) above, except as otherwise provided in the Articles of Association. The Company shall summarize and disclose the aforementioned guarantees in the annual and semi-annual reports. The Board is entitled to consider and approve the guarantees to third parties other than the above guarantees that shall be approved at a general meeting.</p>	<p>If the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a holding subsidiary and other shareholders of the holding subsidiary provide an equivalent guarantee in proportion to the interests enjoyed by them, which is not detrimental to the interests of the Company, it may be exempted from the provisions of items (I), (II) and (III) above, except as otherwise provided in the Articles of Association. The Company shall summarize and disclose the aforementioned guarantees in the annual and semi-annual reports. The Board is entitled to consider and approve the guarantees to third parties other than the above guarantees that shall be approved at a general meeting.</p>
<p>If the Company provides guarantee for related (connected) parties, it should have reasonable business logic, disclose it in time after the consideration and approval of Board of Directors, and submit it to the shareholders' meeting for consideration. If the Company provides guarantee for the controlling shareholder, the actual controller and their related (connected) parties, they shall provide counter-guarantee.</p>	<p>If the Company provides guarantee for related (connected) parties, it should have reasonable business logic, disclose it in time after the consideration and approval of Board of Directors, and submit it to the shareholders' meeting for consideration. If the Company provides guarantee for the controlling shareholder, the actual controller and their related (connected) parties, they shall provide counter-guarantee.</p>
<p>When considering the resolution of providing guarantee to shareholders, de facto controllers and their related (connected) parties at the general meeting, such shareholders or shareholders controlled by such de facto controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the general meeting to be passed.</p>	<p>When considering the resolution of providing guarantee to shareholders, de facto controllers and their related (connected) parties at the general meeting, such shareholders or shareholders controlled by such de facto controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the general meeting to be passed.</p>



Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 70</b> An independent director has the right to propose the Board to convene an extraordinary general meeting. In respect to the proposal by the independent director for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.</p> <p>In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after the Board resolution is passed. In the event that the Board disagrees to convene an extraordinary general meeting, an explanation shall be given and an announcement shall be made.</p> <p>If the securities regulatory authorities in the place where the shares of the Company are listed have special provisions, such provisions shall apply.</p>	<p><b>Article 70</b> An independent director has the right to propose the Board to convene an extraordinary general meeting. <u>Where independent directors propose to the Board for the convening of an extraordinary general meeting, it shall be approved by the majority of all independent directors.</u> In respect to the proposal by the independent director for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.</p> <p>In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after the Board resolution is passed. In the event that the Board disagrees to convene an extraordinary general meeting, an explanation shall be given and an announcement shall be made.</p> <p>If the securities regulatory authorities in the place where the shares of the Company are listed have special provisions, such provisions shall apply.</p>
<p><b>Article 79</b> The notice of the general meeting shall be given in writing and contain the following:</p> <p>(I) the date, venue and duration of the meeting;</p> <p>(II) matters and proposals submitted for consideration at the meeting;</p>	<p><b>Article 79</b> The notice of the general meeting shall be given in writing and contain the following:</p> <p>(I) the date, venue and duration of the meeting;</p> <p>(II) matters and proposals submitted for consideration at the meeting;</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
(III) an obvious statement that all shareholders are entitled to attend the general meeting in person, or appoint in writing proxies to attend and vote on his or her behalf and that such proxies need not be shareholders of the Company;	(III) an obvious statement that all shareholders are entitled to attend the general meeting in person, or appoint in writing proxies to attend and vote on his or her behalf and that such proxies need not be shareholders of the Company;
(IV) name and telephone number of permanent contact person;	(IV) name and telephone number of permanent contact person;
(V) such information and explanation as necessary for shareholders to make informed decisions in connection with the matters to be discussed; this principle shall apply (but not be limited to) when proposals are made to merge the Company, to repurchase shares of the Company, to reorganize its share capital or to effect any other reorganization of the Company and specific conditions and contracts (if any) of the proposed transaction together with proper explanations of the causes and consequences of any such proposals;	<del>(V) such information and explanation as necessary for shareholders to make informed decisions in connection with the matters to be discussed; this principle shall apply (but not be limited to) when proposals are made to merge the Company, to repurchase shares of the Company, to reorganize its share capital or to effect any other reorganization of the Company and specific conditions and contracts (if any) of the proposed transaction together with proper explanations of the causes and consequences of any such proposals;</del>
(VI) the nature and extent of the material interests of any director, supervisor or senior management members in the transaction to be discussed and the difference in case of the effect of the transaction to be discussed on such director, supervisor or senior management member as shareholders insofar as it differs from the effect on the shareholders of the same class;	(V) the nature and extent of the material interests of any director, supervisor or senior management members in the transaction to be discussed and the difference in case of the effect of the transaction to be discussed on such director, supervisor or senior management member as shareholders insofar as it differs from the effect on the shareholders of the same class;
(VII) the full text of any special resolution proposed to be passed at the meeting;	<del>(VII) the full text of any special resolution proposed to be passed at the meeting;</del>
(VIII) the date and place for serving the power of attorney authorizing the proxy to vote;	(VI) the date and place for serving the power of attorney authorizing the proxy to vote;

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(IX) the record date for the determination of the entitlements of shareholders to the general meeting.</p> <p>The notice and supplementary notice of a general meeting shall adequately and completely disclose the specific contents of all proposals. Where the opinions of the independent directors are required on the issues to be discussed, such opinions and reasons thereof shall be disclosed when the notice or supplementary notice of the general meeting is served.</p> <p>If the general meeting of shareholders adopts other means of voting, the notice shall also set out the voting time and voting matters of such other means. If the general meeting of shareholders is held by network or other means, the notice of the general meeting of shareholders shall clearly set out the voting time and voting procedures. The commencement time of voting by network or other means at a general meeting of shareholders shall not be earlier than 3:00 p.m. on the day before the on-site general meeting of shareholders and shall not be later than 9:30 a.m. on the day of the on-site general meeting of shareholders, and its ending time shall not be earlier than 3:00 p.m. on the day of the conclusion of the on-site general meeting of shareholders.</p> <p>The interval between the share registration date and the meeting date shall be no more than 7 working days. Once the share registration date is confirmed, it shall not be changed.</p>	<p>(VII) the record date for the determination of the entitlements of shareholders to the general meeting;</p> <p><b><u>(VIII) other contents as stipulated by relevant laws, rules, regulations, regulatory documents, the listing rules of the place where the Company’s shares are listed, and provisions of the Articles of Association.</u></b></p> <p>The notice and supplementary notice of a general meeting shall adequately and completely disclose the specific contents of all proposals. Where the opinions of the independent directors are required on the issues to be discussed, such opinions and reasons thereof shall be disclosed when the notice or supplementary notice of the general meeting is served.</p> <p>If the general meeting of shareholders adopts other means of voting, the notice shall also set out the voting time and voting matters of such other means. If the general meeting of shareholders is held by network or other means, the notice of the general meeting of shareholders shall clearly set out the voting time and voting procedures. The commencement time of voting by network or other means at a general meeting of shareholders shall not be earlier than 3:00 p.m. on the day before the on-site general meeting of shareholders and shall not be later than 9:30 a.m. on the day of the on- site general meeting of shareholders, and its ending time shall not be earlier than 3:00 p.m. on the day of the conclusion of the on-site general meeting of shareholders.</p> <p>The interval between the share registration date and the meeting date shall be no more than 7 working days. Once the share registration date is confirmed, it shall not be changed.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 80</b> If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of the meeting shall adequately specify the detailed information on the director or supervisor candidates, which shall at least include:</p> <p>(I) personal particulars, including academic qualifications, working experience and concurrent positions;</p> <p>(II) whether or not such candidate has any connected (related party) relationship with the Company, its controlling shareholders and de facto controller;</p> <p>(III) the number of shares of the Company held by such candidate.</p> <p>(IV) whether they have been punished by the CSRC and other relevant authorities or disciplined by the stock exchange.</p> <p>Each candidate for a director or a supervisor shall be proposed via a single proposal.</p>	<p><b>Article 80</b> If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of the meeting shall adequately specify the detailed information on the director or supervisor candidates, which shall at least include:</p> <p>(I) personal particulars, including academic qualifications, working experience and concurrent positions;</p> <p>(II) whether or not such candidate has any connected (related party) relationship with the Company, its controlling shareholders and de facto controller;</p> <p>(III) the number of shares of the Company held by such candidate;</p> <p>(IV) whether they have been punished by the CSRC and other relevant authorities or disciplined by the stock exchange, <b><u>or have major breach of trust or other adverse records.</u></b></p> <p>Each candidate for a director or a supervisor shall be proposed via a single proposal. <b><u>Where two or more independent directors are to be elected at a general meeting, the cumulative voting mechanism shall be adopted.</u></b></p>
<p><b>Article 83</b> After issuing a notice of the general meeting, the general meeting shall not be delayed or cancelled without justified reasons, and proposals, as set out in the notice, shall not be called off. Once delay or cancellation occurs, the convener shall make announcement and explanation at least 2 working days before the original convening date.</p>	<p><b>Article 83</b> After issuing a notice of the general meeting, the general meeting shall not be delayed or cancelled without justified reasons, and proposals, as set out in the notice, shall not be called off. Once delay or cancellation occurs, the convener shall make <b><u>an</u></b> announcement and explanation at least 2 working days before the original convening date.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 85</b> When a general meeting is held, all shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.</p>	<p><b>Article 85</b> When a general meeting is held, all shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting, <u>have the right to speak at the general meeting,</u> and exercise their voting rights in accordance with the relevant laws, regulations, <u>the rules governing the listing of securities in the place where the Company's securities are listed</u> and the Articles of Association, <u>unless individual shareholders are required by relevant laws, regulations or the rules governing the listing of securities in the place where the Company's securities are listed to abstain from voting on certain matters.</u></p>
<p><b>Article 95</b> A general meeting shall be convened by the Board and presided over by the chairman of the Board. Where the chairman of the Board is unable or fails to perform his duties, a director shall be jointly elected by more than half of the directors to preside over the meeting. In the event that no such designation is made, a Shareholder as elected from the attending Shareholders may preside over the meeting. If, for any reason, shareholders fail to elect the presider of the meeting, the shareholder (including proxy thereof, other than Hong Kong Securities Clearing Company Limited) holding the most voting shares thereat shall act as the presider of the meeting to preside over the meeting.</p> <p>A general meeting convened by the supervisory committee on its own shall be presided over by the chief supervisor. Where the chief supervisor is unable or fails to perform its duties, a supervisor shall be jointly elected by more than half of the supervisors to perform relevant duties.</p>	<p><b>Article 95</b> A general meeting shall be convened by the Board and presided over by the chairman of the Board. Where the chairman of the Board is unable or fails to perform his duties, a director shall be jointly elected by more than half of the directors to preside over the meeting. In the event that no such designation is made, a Shareholder as elected from the attending Shareholders may preside over the meeting. If, for any reason, shareholders fail to elect the presider of the meeting, the shareholder (including proxy thereof, other than Hong Kong Securities Clearing Company Limited) holding the most voting shares thereat shall act as the presider of the meeting to preside over the meeting.</p> <p>A general meeting convened by the supervisory committee on its own shall be presided over by the <del>chief supervisor</del> <u>chairman of the supervisory committee</u>. Where the <del>chief supervisor</del> <u>chairman of the supervisory committee</u> is unable or fails to perform its duties, a supervisor shall be jointly elected by more than half of the supervisors to perform relevant duties.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>A general meeting convened by shareholders on their own shall be presided over by a representative elected by the convener.</p> <p>When a general meeting is held and the presider violates the rules of procedures of the general meeting which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider, subject to the approval of more than half of the attending shareholders having the voting rights.</p>	<p>A general meeting convened by shareholders on their own shall be presided over by a representative elected by the convener.</p> <p>When a general meeting is held and the presider violates the rules of procedures of the general meeting which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider, subject to the approval of more than half of the attending shareholders having the voting rights.</p>
<p><b>Article 96</b> The Company shall formulate the rules of procedures of the general meeting to specify in details the convening and voting procedures of the general meeting, including notice, registration, deliberation of proposal, votes, vote counting, announcement of voting results, formation of resolutions, minutes and the signatures thereon, as well as the principles of authorization by the general meeting to the Board, the contents of such authorization shall be expressly specified. The rules of procedures of the general meeting shall be an appendix to the Articles of Association and shall be formulated by the Board and approved at the general meeting.</p>	<p><b>Article 96</b> The Company shall formulate the rules of procedures of the general meeting to specify in details the convening and voting procedures of the general meeting, including notice, registration, deliberation of proposal, votes, vote counting, announcement of voting results, formation of resolutions, minutes and the signatures thereon, as well as the principles of authorization by the general meeting to the Board, the contents of such authorization shall be expressly specified. The rules of procedures of the general meeting <del>shall be an appendix to the Articles of Association and</del> shall be formulated by the Board and approved at the general meeting.</p>
<p><b>Article 97</b> At the annual general meeting, the Board and the supervisory committee shall report their respective work of the previous year to the general meeting.</p>	<p><b>Article 97</b> At the annual general meeting, the Board and the supervisory committee shall report their respective work of the previous year to the general meeting. <b><u>Each independent director shall also prepare a work report. The annual work report of independent directors shall be disclosed no later than when the listed company issues notice of its annual general meeting.</u></b></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 105</b> The following matters shall be approved by special resolution at a general meeting:</p> <p>(I) to increase or reduce the registered capital of the Company and issue any type of shares, options and other similar types of securities;</p> <p>(II) to resolve on the issuance of corporate bonds or other securities and listing plan thereof;</p> <p>(III) to resolve on the division, merger, dissolution, liquidation or transformation of the Company;</p> <p>(IV) to make amendments to the Articles of Association;</p> <p>(V) to consider purchase or sale of material assets by the Company within one year, or a guarantee amount exceeding 30% of the total assets in the most recent audit period of the Company;</p> <p>(VI) to formulate, revise and implement a share incentive scheme;</p> <p>(VII) other matters as stipulated by the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and matters deemed by the general meeting by ordinary resolution to have material effect on the Company and necessary for passing by special resolution.</p>	<p><b>Article 105</b> The following matters shall be approved by special resolution at a general meeting:</p> <p>(I) to increase or reduce the registered capital of the Company and issue any type of shares, options and other similar types of securities;</p> <p>(II) to resolve on the issuance of corporate bonds or other securities and listing plan thereof;</p> <p>(III) to resolve on the division, <b>spin-off</b>, merger, dissolution, liquidation or transformation of the Company;</p> <p>(IV) to make amendments to the Articles of Association;</p> <p>(V) to consider purchase or sale of material assets by the Company within one year, or a guarantee amount exceeding 30% of the total assets in the most recent audit period of the Company;</p> <p>(VI) to formulate, revise and implement a share incentive scheme;</p> <p>(VII) other matters as stipulated by the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and matters deemed by the general meeting by ordinary resolution to have material effect on the Company and necessary for passing by special resolution.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>New Article</b></p>	<p><b><u>Article 115</u></b> <b><u>Prior to the voting on proposals at a general meeting, two shareholders' representatives shall be elected to perform vote counting and scrutiny. For the related party/connected shareholders having interests in the item to be considered, such shareholders and their proxies shall not participate in vote counting and scrutiny.</u></b></p>
<p><b>Article 115</b> When proposals are voted on at the general meeting, the shareholders' representative and supervisors' representative and other relevant persons appointed according to the Hong Kong Listing Rules shall be jointly responsible for the counting and monitoring of the ballots and shall announce the voting results on the spot, voting results of which shall be recorded in the meeting minutes according to the Hong Kong Listing Rules.</p>	<p><b>Article 116</b> When proposals are voted on at the general meeting, <b><u>solicitors,</u></b> the shareholders' representative and supervisors' representative and other relevant persons appointed according to the Hong Kong Listing Rules shall be jointly responsible for the counting and monitoring of the ballots and shall announce the voting results on the spot, voting results of which shall be recorded in the meeting minutes according to the Hong Kong Listing Rules.</p>
<p><b>Article 116</b> A general meeting shall be held by the venue meeting or other means permitted by laws and regulations.</p> <p>The presider shall announce the voting result of every proposal and announce whether the proposal is passed or not according to the voting result.</p> <p>Before the voting result is announced, the relevant parties including the company, counting officer, monitoring officer and major shareholders involved at general meeting shall have the confidentiality obligation.</p>	<p><b>Article 117</b> A general meeting shall be held by the venue meeting or other means permitted by laws and regulations.</p> <p><b><u>The conclusion time of general meeting on-site shall not be earlier than that of online or other methods.</u></b> The presider shall announce the voting result of every proposal and announce whether the proposal is passed or not according to the voting result.</p> <p>Before the voting result is announced, the relevant parties including the company, counting officer, monitoring officer and major shareholders involved at general meeting shall have the confidentiality obligation.</p>



Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 117</b> A shareholder attending a general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention. As an exception, the securities registration and clearing institutions, as the notional holder of the shares traded under the Interconnection Mechanism for Mainland and Hong Kong Stock Markets, may make declaration in accordance with the intentions of the actual holders.</p> <p>Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".</p> <p>At the time of voting, any shareholder who has two or more votes (including the proxies of such shareholders) needs not to use all votes for or against any resolution or to abstain from voting on such resolution.</p> <p>The first vote shall prevail in cases when a given voting rights is exercised repeatedly.</p>	<p><b>Article 118</b> A shareholder attending a general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention. As an exception, the securities registration and clearing institutions, as the notional holder of the shares traded under the Interconnection Mechanism for Mainland and Hong Kong Stock Markets, may make declaration in accordance with the intentions of the actual holders.</p> <p>Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".</p> <p>At the time of voting, any shareholder who has two or more votes (including the proxies of such shareholders) needs not to use all votes for or against any resolution or to abstain from voting on such resolution.</p> <p><b><u>The same voting rights shall be exercised in one manner only, i.e. on-site, online, or other voting methods.</u></b> The first vote shall prevail in cases when a given voting rights is exercised repeatedly.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 130</b> Directors shall be elected or replaced at the general meeting and serve a term of three years. The term of a Director is renewable by re-election after its expiry.</p> <p>That the minimum length of the period, during which notice to the Company of the intention to propose a person for election as a director and during which notice to the Company by such person of his willingness to be elected may be given, will be at least 7 days (the period will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than 7 days prior to the date of such meeting). A director’s term of service commences from the date he takes office, until the current term of service of the Board ends. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.</p> <p>Any person appointed by the Board to fill a temporary vacancy on or as an addition to the Board shall hold office only until the next following general meeting of the Company, and shall then be eligible for re-election.</p> <p>Where not otherwise provided by laws, regulations and regulatory rules of the place where the shares of the Company are listed, the Company shall have power by ordinary resolution at the general meeting to remove any director (including a managing or other executive director), but without prejudice to any claim for damages under any contract before the expiration of his/her term of office.</p>	<p><b>Article 131</b> Directors shall be elected or replaced at the general meeting and serve a term of three years. The term of a Director is renewable by re-election after its expiry.</p> <p><del>That the minimum length of the period, during which notice to the Company of the intention to propose a person for election as a director and during which notice to the Company by such person of his willingness to be elected may be given, will be at least 7 days (the period will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than 7 days prior to the date of such meeting).</del> A director’s term of service commences from the date he takes office, until the current term of service of the Board ends. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.</p> <p>Any person appointed by the Board to fill a temporary vacancy on or as an addition to the Board shall hold office only until the <b><u>next first</u></b> annual general meeting of the Company <b><u>after his/her appointment</u></b>, and shall then be eligible for re-election.</p> <p>Where not otherwise provided by laws, regulations and regulatory rules of the place where the shares of the Company are listed, the Company shall have power by ordinary resolution at the general meeting to remove any director (including a managing or other executive director), but without prejudice to any claim for damages under any contract before the expiration of his/her term of office.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>While observing relevant laws and administrative regulations, Shareholders may remove any director whose term does not expire from his position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) in the general meeting.</p> <p>The general manager or other senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management shall not exceed one half of all the directors of the Company.</p>	<p>While observing relevant laws and administrative regulations, Shareholders may remove any director whose term does not expire from his position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) in the general meeting.</p> <p>The general manager or other senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management shall not exceed one half of all the directors of the Company.</p>
<p><b>Article 134</b> A director may resign before expiry of his/her term of service. When a director resigns, he shall submit a written resignation notice to the Board.</p> <p>If the member of directors falls below the minimum statutory requirement due to a director’s resignation, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected directors.</p> <p>Save for the circumstances referred to in the preceding Article, the director’s resignation takes effect upon delivery of his/her resignation report to the Board.</p>	<p><b>Article 135</b> A director may resign before expiry of his/her term of service. When a director resigns, he shall submit a written resignation notice to the Board. <b><u>The Board shall make a relevant disclosure within two days.</u></b></p> <p>If the member of directors falls below the minimum statutory requirement due to a director’s resignation, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected directors. <b><u>The Company shall complete a by-election within 60 days after a director tenders his resignation, to ensure that the Board composition is in compliance with laws and regulations as well as the provisions of the Articles of Association.</u></b></p> <p>Save for the circumstances referred to in the preceding Article, the director’s resignation takes effect upon delivery of his/her resignation report to the Board.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 140</b> The Company shall have a Board accountable to the general meeting.</p>	<p><b>Article 141</b> The Company shall have a Board accountable to the general meeting. <u>The Company convenes ad hoc meetings of independent directors from time to time, all of which shall be attended by independent directors.</u></p>
<p><b>Article 141</b> The Board shall comprise 9 directors and shall have one Chairman. More than one third of the members of the Board shall be independent directors and at least one of them shall be an accounting professional (the accounting professional shall mean a person who holds senior accountant title or is qualified as a certified accountant).</p>	<p><b>Article 142</b> The Board shall comprise 9 directors and shall have one Chairman. More than one third of the members of the Board shall be independent directors and at least one of them shall be an accounting professional <del>(the accounting professional shall mean a person who holds senior accountant title or is qualified as a certified accountant).</del></p> <p><u>Those who are nominated as independent director candidates in their capacity as accounting professionals shall possess extensive accounting expertise and experience with appropriate accounting or relevant financial management expertise as required by the Hong Kong Listing Rules, and meet at least one of the following criteria:</u></p> <p><u>(I) being qualified to practice as a Certified Public Accountant;</u></p> <p><u>(II) possessing a senior title, associate professor title or doctoral degree in accounting, auditing or financial management;</u></p> <p><u>(III) possessing a senior title in economic management with at least 5 years of full-time working experience in professional positions in accounting, auditing or financial management.</u></p> <p><u>At least one independent director of the Company is ordinarily resident in Hong Kong.</u></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
New Articles	<p data-bbox="810 300 1393 442"><u>Article 143 The following matters of Company shall be submitted to the Board for deliberation after being approved by a majority of all independent directors:</u></p> <p data-bbox="810 485 1393 555"><u>(I) related (connected) transactions that shall be disclosed;</u></p> <p data-bbox="810 591 1393 661"><u>(II) plans for the Company and related parties to change or waive commitments;</u></p> <p data-bbox="810 697 1393 810"><u>(III) decisions made and measures taken by the board of directors of the acquired company in relation to the acquisition;</u></p> <p data-bbox="810 846 1393 1023"><u>(IV) other matters as stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.</u></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 142</b> The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to implement resolutions of general meetings;</p> <p>(III) to resolve on the Company’s business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;</p> <p>(VII) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;</p> <p>(VIII) to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected (related party) transactions, external financing, etc.;</p> <p>(IX) to approve the matters in relation to investment, acquisition or disposal of assets, financing and connected (related party) transactions as required by the listing rules of the stock exchange where the shares of the Company are listed;</p> <p>(X) to decide on the establishment of internal management organizations of the Company;</p>	<p><b>Article 144</b> The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to implement resolutions of general meetings;</p> <p>(III) to resolve on the Company’s business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;</p> <p>(VII) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;</p> <p>(VIII) to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected (related party) transactions, external financing, etc.;</p> <p>(IX) to approve the matters in relation to investment, acquisition or disposal of assets, financing and connected (related party) transactions as required by the listing rules of the stock exchange where the shares of the Company are listed;</p> <p>(X) to decide on the establishment of internal management organizations of the Company;</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(XI) to appoint or dismiss the general manager and secretary to the Board of the Company; to appoint or dismiss senior management officers including president, senior vice president, chief medical officer and the chief finance officer of the Company in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;</p> <p>(XII) to set up the basic management system of the Company;</p> <p>(XIII) to formulate the proposals for any amendment to the Articles of Association;</p> <p>(XIV) to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;</p> <p>(XV) to listen to work reports of the general manager and review his/her work;</p> <p>(XVI) to manage the information disclosure of the Company;</p> <p>(XVII) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.</p> <p>The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XIII), for which approval of more than two-thirds of the directors is required.</p>	<p>(XI) to appoint or dismiss the general manager and secretary to the Board of the Company; to appoint or dismiss senior management officers including president, <del>senior vice president</del>, chief medical officer and the chief finance officer of the Company in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;</p> <p>(XII) to set up the basic management system of the Company;</p> <p>(XIII) to formulate the proposals for any amendment to the Articles of Association;</p> <p>(XIV) to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;</p> <p>(XV) to listen to work reports of the general manager and review his/her work;</p> <p>(XVI) to manage the information disclosure of the Company;</p> <p>(XVII) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.</p> <p>The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XIII), for which approval of more than two-thirds of the directors is required.</p>
<p><b>Article 144</b> The Board shall formulate the rules of procedure for meetings of the Board to ensure the implementation by the Board of the resolutions of general meeting, to improve efficiency and to have scientific decision-making. The rules of procedures for the Board shall be appended to the Articles of Association. It shall be formulated by the Board and approved by the general meeting.</p>	<p><b>Article 146</b> The Board shall formulate the rules of procedure for meetings of the Board to ensure the implementation by the Board of the resolutions of general meeting, to improve efficiency and to have scientific decision-making. The rules of procedures for the Board <del>shall be appended to the Articles of Association.</del> <del>It</del> shall be formulated by the Board and approved by the general meeting.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 152</b> The notice of an interim Board meeting shall be served on all directors and supervisors in writing three days before the meeting. In case of emergency, the service of notices for an interim Board meeting shall not be subject to the time-limit stated in the preceding paragraph.</p>	<p><b>Article 154</b> <u>Notice of meetings of the Board shall be given by personal delivery, express mail, facsimile, electronic mail, telephone or other means of communication or in such other manner as may be provided for in these Articles.</u> The notice of an interim Board meeting shall be served on all directors and supervisors <del>in writing</del> three days before the meeting. In case of emergency, the service of notices for an interim Board meeting shall not be subject to the time-limit stated in the preceding paragraph.</p>
<p><b>Article 156</b> Voting at Board meetings shall be conducted by open ballot or by a show of hands.</p> <p>Board meetings may be held by a meeting on-site or by circulation of a written resolution.</p> <p>For the convenience of directors attending a Board meeting, Board meetings may be held on-site, or by means of telephone, video or other real-time means of communication. Directors who participated in a Board meeting by the aforementioned means shall be deemed to have attended such on-site meeting.</p> <p>If a Board meeting is convened by means of telephone, video or other real-time means of communication, the Company shall ensure that speeches by other directors can be heard clearly by directors present at the meeting participating in the meeting and can communicate with each other. Board meetings convened by such means shall be audio recorded or videotaped. If directors are unable to sign resolutions at such meetings, a voice vote shall be used and the signing of resolutions shall be performed as soon as possible. The effectiveness of the voice vote by the directors shall have equal effect with signed resolutions provided that the subsequent resolution signed is consistent with the voice vote made at the meeting. If there is any inconsistency between the voice vote and the signed resolution, the voice vote shall prevail.</p>	<p><b>Article 158</b> Voting at Board meetings shall be conducted by open ballot or by a show of hands.</p> <p>Board meetings may be held by a meeting on-site <del>or by circulation of a written resolution,</del> <u>by a communications conference or by a combination of both.</u></p> <p>For the convenience of directors attending a Board meeting, Board meetings <u>convened by a communications conference</u> may be held <del>on-site,</del> <u>or by means of telephone, video, written resolution</u> or other real-time means of communication. Directors who participated in a Board meeting by the aforementioned means shall be deemed to have attended such <del>on-site</del> meeting.</p> <p>If a Board meeting is convened by means of telephone, video or other real-time means of communication, the Company shall ensure that speeches by other directors can be heard clearly by directors present at the meeting participating in the meeting and can communicate with each other. Board meetings convened by such means shall be audio recorded or videotaped. If directors are unable to sign resolutions at such meetings, a voice vote shall be used and the signing of resolutions shall be performed as soon as possible. The effectiveness of the voice vote by the directors shall have equal effect with signed resolutions provided that the subsequent resolution signed is consistent with the voice vote made at the meeting. If there is any inconsistency between the voice vote and the signed resolution, the voice vote shall prevail.</p>



Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>If a Board meeting is convened by means of circulation of a written resolution, namely by serving the resolutions for review individually or by circulating the resolutions among the directors for review, the directors or other directors appointed by them shall express their opinions for, against or abstain on the resolution or on the ballot paper clearly in writing. Once the number of directors who sign in favor reaches the quorum for a resolution as required by the Articles, the proposal shall take effect. The Company shall provide explanations if a Board meeting is convened by means of circulation of a written resolution and matters to be voted and the related background materials shall be served on all directors at least three days before voting.</p>	<p>If a Board meeting is convened by means of circulation of a written resolution, namely by serving the resolutions for review individually or by circulating the resolutions among the directors for review, the directors or other directors appointed by them shall express their opinions for, against or abstain on the resolution or on the ballot paper clearly in writing. Once the number of directors who sign in favor reaches the quorum for a resolution as required by the Articles, the proposal shall take effect. The Company shall provide explanations if a Board meeting is convened by means of circulation of a written resolution and matters to be voted and the related background materials shall be served on all directors at least three days before voting.</p>
<p><b>Article 158</b> The Board shall keep minutes of resolutions passed at the Board meetings. The minutes shall be signed by the directors present at the meeting.</p> <p>If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and the Company suffers serious losses as a result thereof, the directors who participated in the passing of such resolution are liable to compensate the Company therefor. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability.</p> <p>Minutes of the Board meeting shall be kept as the Company’s record for a period of no less than 10 years.</p>	<p><b>Article 160</b> The Board shall keep minutes of resolutions passed at the Board meetings. The minutes shall be signed by the directors present , <u>the secretary to the Board and by the recorder</u> at the meeting.</p> <p>If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and the Company suffers serious losses as a result thereof, the directors who participated in the passing of such resolution are liable to compensate the Company therefor. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability.</p> <p>Minutes of the Board meeting shall be kept as the Company’s record for a period of no less than 10 years.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 160</b> The Board of the Company has established the strategy committee, the audit committee, the nomination committee and the remuneration and appraisal committee, which are all comprised of directors. In particular, more than half of the members of the audit committee, the nomination committee, the remuneration and appraisal committee are independent directors, the conveners of the audit committee, the remuneration and appraisal committee and the convener of the nomination committee shall be held by an independent director. All members of the audit committee shall be non-executive directors or independent directors, at least one of whom shall be an independent director who possesses appropriate professional qualifications provided in the Hong Kong Listing Rules or possesses appropriate accounting or relevant financial management expertise, the convener shall be accounting professional. Chairman of each of the special committees shall be appointed and dismissed by the Board.</p>	<p><b>Article 162</b> The Board of the Company has established the strategy committee, the audit committee, the nomination committee and the remuneration and appraisal committee, which are all comprised of directors. In particular, <del>more than half</del> <u>the majority</u> of the members of the audit committee, the nomination committee, the remuneration and appraisal committee are independent directors, the conveners of the audit committee, the remuneration and appraisal committee and the convener of the nomination committee shall be held by an independent director. All members of the audit committee shall be non-executive directors or independent directors, <u>who are not senior management of the Company</u>, at least one of whom shall be an independent director who possesses appropriate professional qualifications provided in the Hong Kong Listing Rules or possesses appropriate accounting or relevant financial management expertise, the convener shall be accounting professional. Chairman of each of the special committees shall be appointed and dismissed by the Board.</p>
<p><b>Article 164</b> The Company shall have 1 general manager, 1 president, 1 chief medical officer, 1 chief financial officer, 1 secretary to the Board and the senior vice president may be set up according to actual needs, who shall be appointed and dismissed by the Board.</p>	<p><b>Article 166</b> The Company shall have 1 general manager, 1 president, 1 chief medical officer, 1 chief financial officer, <u>and</u> 1 secretary to the Board <del>and the senior vice president may be set up according to actual needs</del>, who shall be appointed and dismissed by the Board.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 168</b> The general manager, who reports to the Board, may exercise his/her functions and powers:</p> <p>(I) to manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the Board, and report to the Board;</p> <p>(II) to arrange for the implementation of the Company's annual operation plans and investment proposals;</p> <p>(III) to formulate proposals for the establishment of the Company's internal management organs;</p> <p>(IV) to formulate the fundamental management system of the Company;</p> <p>(V) to formulate the specific rules and regulations of the Company;</p> <p>(VI) to recommend the appointment or dismissal of any president, senior vice president, chief medical officer and chief financial officer of the Company by the Board;</p> <p>(VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board);</p> <p>(VIII) to exercise any other functions and powers conferred by the Articles of Association or the Board.</p> <p>The general manager shall be present at meetings of the Board. However, the general manager shall have no voting rights at meetings of the Board unless he/she concurrently serves as a director.</p>	<p><b>Article 170</b> The general manager, who reports to the Board, may exercise his/her functions and powers:</p> <p>(I) to manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the Board, and report to the Board;</p> <p>(II) to arrange for the implementation of the Company's annual operation plans and investment proposals;</p> <p>(III) to formulate proposals for the establishment of the Company's internal management organs;</p> <p>(IV) to formulate the fundamental management system of the Company;</p> <p>(V) to formulate the specific rules and regulations of the Company;</p> <p>(VI) to recommend the appointment or dismissal of any president, <del>senior vice president,</del> chief medical officer and chief financial officer of the Company by the Board;</p> <p>(VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board);</p> <p>(VIII) to exercise any other functions and powers conferred by the Articles of Association or the Board.</p> <p>The general manager shall be present at meetings of the Board. However, the general manager shall have no voting rights at meetings of the Board unless he/she concurrently serves as a director.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 172</b> The president and senior vice president shall be nominated by the general manager, and shall be appointed or dismissed by the Board. The president and senior vice president shall provide assistances to the work of the general manager. The functions and powers of the president and senior vice president shall be specified in the working rules of the general manager.</p> <p>Chief medical officer and chief financial officer shall be nominated by the general manager, and shall be appointed or dismissed by the Board.</p>	<p><b>Article 174</b> The president <del>and senior vice president</del> shall be nominated by the general manager, and shall be appointed or dismissed by the Board. The president <del>and senior vice president</del> shall provide assistances to the work of the general manager. The functions and powers of the president <del>and senior vice president</del> shall be specified in the working rules of the general manager.</p> <p>Chief medical officer and chief financial officer shall be nominated by the general manager, and shall be appointed or dismissed by the Board.</p>
<p><b>Article 183</b> The Company shall have a supervisory committee. The supervisory committee comprises three supervisors. It shall have one chairman. The election or removal of the chief supervisor shall be determined by two-thirds or more of the members of the supervisory committee. The chief supervisor shall convene and preside over supervisory committee meetings. Where the chief supervisor is incapable of performing, or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over supervisory committee meetings.</p> <p>The supervisory committee shall include shareholder representative supervisors and a proper proportion of employee representative supervisors. The proportion of employee representative supervisors in the supervisory committee shall be no less than one third of the supervisors appointed. The employee representatives of the supervisory committee shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically.</p>	<p><b>Article 185</b> The Company shall have a supervisory committee. The supervisory committee comprises three supervisors. It shall have one chairman. The election or removal of the <del>chief supervisor</del><b>chairman of the supervisory committee</b> shall be determined by two-thirds or more of the members of the supervisory committee. The <del>chief supervisor</del><b>chairman of the supervisory committee</b> shall convene and preside over supervisory committee meetings. Where the <del>chief supervisor</del><b>chairman of the supervisory committee</b> is incapable of performing, or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over supervisory committee meetings.</p> <p>The supervisory committee shall include shareholder representative supervisors and a proper proportion of employee representative supervisors. The proportion of employee representative supervisors in the supervisory committee shall be no less than one third of the supervisors appointed. The employee representatives of the supervisory committee shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 187</b> The notice convening a regular meeting or an extraordinary general meeting of the supervisory committee shall be served to all supervisor ten days and five days in advance respectively.</p>	<p><b>Article 189</b> The notice convening a regular meeting or an extraordinary general meeting of the supervisory committee shall be served to all supervisor ten days and <del>five</del><b>three</b> days in advance respectively.</p>
<p><b>Article 189</b> Supervisory committee meetings may be held by a meeting on-site or by circulation of a written resolution.</p> <p>For the convenience of supervisor attending a supervisory committee meeting, supervisory committee meetings may be held on-site, or by means of telephone, video or other real-time means of communication. Supervisor who participated in a supervisory committee meeting by the aforementioned means shall be deemed to have attended such on-site meeting.</p>	<p><b>Article 191</b> Supervisory committee meetings may be held by a meeting on-site <del>or by circulation of a written resolution,</del> <b><u>or by a communications conference or by a combination of both.</u></b></p> <p>For the convenience of supervisor attending a supervisory committee meeting, supervisory committee meetings <b><u>convened by a communications conference</u></b> may be held <del>on-site, or by</del> means of telephone, video, <b><u>written resolution</u></b> or other real-time means of communication. Supervisor who participated in a supervisory committee meeting by the aforementioned means shall be deemed to have attended such <del>on-site</del> meeting.</p>

<b>Original Articles of the Articles of Association</b>	<b>Amended Articles of the Articles of Association</b>
<p>If a supervisory committee meeting is convened by means of telephone, video or other real-time means of communication, the Company shall ensure that speeches by other supervisors can be heard clearly by supervisors present at the meeting participating in the meeting and can communicate with each other. Supervisory committee meetings convened by such means shall be audio recorded or videotaped. If supervisors are unable to sign resolutions at such meetings, a voice vote shall be used and the signing of resolutions shall be performed as soon as possible. The effectiveness of the voice vote by the supervisors shall have equal effect with signed resolutions provided that the subsequent resolution signed is consistent with the voice vote made at the meeting. If there is any inconsistency between the voice vote and the signed resolution, the voice vote shall prevail.</p> <p>If a supervisory committee meeting is convened by means of circulation of a written resolution, namely by serving the resolutions for review individually or by circulating the resolutions among the supervisors for review, the supervisors or other supervisors appointed by them shall express their opinions for, against or abstain on the resolution or on the ballot paper clearly in writing. Once the number of supervisors who sign in favor reaches the quorum for a resolution as required by the Articles, the proposal shall take effect. The Company shall provide explanations if a supervisory committee meeting is convened by means of circulation of a written resolution and matters to be voted and the related background materials shall be served on all supervisors at least three days before voting.</p> <p>A resolution of the supervisory committee must be approved by two-thirds or more of the supervisors.</p>	<p>If a supervisory committee meeting is convened by means of telephone, video or other real-time means of communication, the Company shall ensure that speeches by other supervisors can be heard clearly by supervisors present at the meeting participating in the meeting and can communicate with each other. Supervisory committee meetings convened by such means shall be audio recorded or videotaped. If supervisors are unable to sign resolutions at such meetings, a voice vote shall be used and the signing of resolutions shall be performed as soon as possible. The effectiveness of the voice vote by the supervisors shall have equal effect with signed resolutions provided that the subsequent resolution signed is consistent with the voice vote made at the meeting. If there is any inconsistency between the voice vote and the signed resolution, the voice vote shall prevail.</p> <p>If a supervisory committee meeting is convened by means of circulation of a written resolution, namely by serving the resolutions for review individually or by circulating the resolutions among the supervisors for review, the supervisors or other supervisors appointed by them shall express their opinions for, against or abstain on the resolution or on the ballot paper clearly in writing. Once the number of supervisors who sign in favor reaches the quorum for a resolution as required by the Articles, the proposal shall take effect. The Company shall provide explanations if a supervisory committee meeting is convened by means of circulation of a written resolution and matters to be voted and the related background materials shall be served on all supervisors at least three days before voting.</p> <p>A resolution of the supervisory committee must be approved by two-thirds or more of the supervisors.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 191</b> The supervisory committee shall record decision on matters discussed in the minutes for the meeting. Supervisors who attended the meeting shall sign on the minutes for the meeting.</p> <p>A supervisor is entitled to request for some descriptive record to be made with regard to his/her speech in the meeting. The minutes of the supervisory committee meeting shall be kept for at least ten years as document of the Company.</p>	<p><b>Article 193</b> The supervisory committee shall record decision on matters discussed in the minutes for the meeting. Supervisors <b><u>and the recorder</u></b> who attended the meeting shall sign on the minutes for the meeting.</p> <p>A supervisor is entitled to request for some descriptive record to be made with regard to his/her speech in the meeting. The minutes of the supervisory committee meeting shall be kept for at least ten years as document of the Company.</p>
<p><b>Article 199</b> Where a director, supervisor, general manager and other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not such contract, transaction or arrangement therefor is otherwise subject to the approval of the Board.</p> <p>Unless under the exceptional circumstances specified in Note 1 to Appendix 3 of the Hong Kong Listing Rules or permitted by the Hong Kong Stock Exchange, directors shall not vote on any resolutions of the Board in respect of any contract or arrangement or any other suggestion in which he/she or his/her close associates (as defined in the Hong Kong Listing Rules) have a material interest. When determining whether the quorum is reached, such directors shall not be counted.</p>	<p><b>Article 201</b> Where a director, supervisor, general manager and other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not such contract, transaction or arrangement therefor is otherwise subject to the approval of the Board.</p> <p><del>Unless under the exceptional circumstances specified in Note 1 to Appendix 3 of the Hong Kong Listing Rules or permitted by the Hong Kong Stock Exchange, directors shall not vote on any resolutions of the Board in respect of any contract or arrangement or any other suggestion in which he/she or his/her close associates (as defined in the Hong Kong Listing Rules) have a material interest. When determining whether the quorum is reached, such directors shall not be counted.</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>Unless the interested director, supervisor, general manager and other senior management discloses his interests in accordance with the requirements of the preceding paragraph of this article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested director, supervisor, general manager and other senior management is not counted in the quorum and refrains from voting, such contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested director, supervisor, general manager and other senior management.</p> <p>A director, supervisor, general manager and other senior management of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.</p>	<p>Unless the interested director, supervisor, general manager and other senior management discloses his interests in accordance with the requirements of the preceding paragraph of this article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested director, supervisor, general manager and other senior management is not counted in the quorum and refrains from voting, such contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested director, supervisor, general manager and other senior management.</p> <p>A director, supervisor, general manager and other senior management of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.</p>
<p><b>Article 207</b> The Company shall enter into a contract in writing with each of the directors, supervisors and senior management of the Company. The contract in writing shall cover at least the following matters:</p> <p>(I) Directors, supervisors and senior management shall undertake to the Company to observe Company Law, Special Provisions, the Articles of Association, and Code on Takeovers and Mergers and Code on Share Repurchase and other provisions stipulated by the Hong Kong Stock Exchange, and agree that the Company is entitled to remedial measures under the Articles of Association and that the said contract and their positions as director, supervisor or senior officer shall not be transferred;</p>	<p><del><b>Article 207</b> The Company shall enter into a contract in writing with each of the directors, supervisors and senior management of the Company. The contract in writing shall cover at least the following matters:</del></p> <p><del>(I) Directors, supervisors and senior management shall undertake to the Company to observe Company Law, Special Provisions, the Articles of Association, and Code on Takeovers and Mergers and Code on Share Repurchase and other provisions stipulated by the Hong Kong Stock Exchange, and agree that the Company is entitled to remedial measures under the Articles of Association and that the said contract and their positions as director, supervisor or senior officer shall not be transferred;</del></p>



Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(II) Directors, supervisors and senior management shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in the Articles of Association;</p> <p>(III) Arbitration clauses specified in the Articles of Association.</p>	<p><del>(II) Directors, supervisors and senior management shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in the Articles of Association;</del></p> <p><del>(III) Arbitration clauses specified in the Articles of Association.</del> <b>Deleted</b></p>
<p><b>Article 225</b> The Company shall appoint a payment receiving agent for holders of overseas listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.</p> <p>The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.</p> <p>The payment receiving agent appointed by the Company for holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong. The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.</p> <p>In relation to the exercise of right to issue warrants to unregistered bearer, no warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed.</p>	<p><b>Article 226</b> The Company shall appoint a payment receiving agent for holders of overseas listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.</p> <p>The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.</p> <p><del>The payment receiving agent appointed by the Company for holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong. The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.</del></p> <p><del>In relation to the exercise of right to issue warrants to unregistered bearer, no warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed.</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>The Company has the power to sell by a method deemed fit by the Board the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:</p> <p>(I) Dividends on such foreign shares have been distributed at least three times in twelve years, which dividends are not claimed by anybody during the period; and</p> <p>(II) upon expiration of the 12-year period, the Company makes an announcement of its intention to sell such shares in one or more newspapers at the place where the shares of the Company are listed, and notify the Hong Kong Stock Exchange.</p> <p>Subject to the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised after the expiration of relevant period.</p> <p>Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.</p>	<p><del>The Company has the power to sell by a method deemed fit by the Board the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:</del></p> <p><del>(I) Dividends on such foreign shares have been distributed at least three times in twelve years, which dividends are not claimed by anybody during the period; and</del></p> <p><del>(II) upon expiration of the 12-year period, the Company makes an announcement of its intention to sell such shares in one or more newspapers at the place where the shares of the Company are listed, and notify the Hong Kong Stock Exchange.</del></p> <p><del>Subject to the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised after the expiration of relevant period.</del></p> <p><del>Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.</del></p>
<p><b>Article 229</b> If there is a vacancy in the position of accounting firm of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of the general meeting, but the appointment shall be confirmed by the shareholders in the next general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of existence of such vacancy.</p>	<p><del><b>Article 229</b> If there is a vacancy in the position of accounting firm of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of the general meeting, but the appointment shall be confirmed by the shareholders in the next general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of existence of such vacancy.</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>In the event that the general meeting intends to pass and approve a resolution for hiring an accounting firm which is not being hired to fill in any vacancy of an accounting firm, or for re-hiring an accounting firm appointed by the Board to fill in any vacancy of an accounting firm, or for dismissing an accounting firm prior to the expiry of the term of office, the following provisions shall be met:</p> <p>(I) Prior to the delivery of the notice of the general meeting, such proposal regarding the appointment or dismissal shall be delivered to such accounting firm which is to be appointed or to leave, or which has left during the relevant accounting year. Leaving the office shall include the dismissal or resignation of appointment and leaving of its position.</p> <p>(II) In the event that the accounting firm leaving the position has made a written statement and requests the Company to inform the shareholders of such statement, the Company should adopt the following measures unless it has received the written statement too late:</p> <ol style="list-style-type: none"> <li>1. In the notice issued for making a resolution, it is expressly stated about the accounting firm leaving the position having made a statement;</li> <li>2. A photocopy of such statement shall be made as an attachment to the notice delivered to each shareholder who is entitled to receive the notice of the general meeting in the manner as provided in the Articles of Association.</li> </ol>	<p><del>In the event that the general meeting intends to pass and approve a resolution for hiring an accounting firm which is not being hired to fill in any vacancy of an accounting firm, or for re-hiring an accounting firm appointed by the Board to fill in any vacancy of an accounting firm, or for dismissing an accounting firm prior to the expiry of the term of office, the following provisions shall be met:</del></p> <p><del>(I) Prior to the delivery of the notice of the general meeting, such proposal regarding the appointment or dismissal shall be delivered to such accounting firm which is to be appointed or to leave, or which has left during the relevant accounting year. Leaving the office shall include the dismissal or resignation of appointment and leaving of its position.</del></p> <p><del>(II) In the event that the accounting firm leaving the position has made a written statement and requests the Company to inform the shareholders of such statement, the Company should adopt the following measures unless it has received the written statement too late:</del></p> <ol style="list-style-type: none"> <li><del>1. In the notice issued for making a resolution, it is expressly stated about the accounting firm leaving the position having made a statement;</del></li> <li><del>2. A photocopy of such statement shall be made as an attachment to the notice delivered to each shareholder who is entitled to receive the notice of the general meeting in the manner as provided in the Articles of Association.</del></li> </ol>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(III) Should the Company fail to deliver the statement of the relevant accounting firm pursuant to the provisions of clause (II) above, the relevant accounting firm may request to read out such statement at the general meeting and shall further make an appeal.</p> <p>(IV) The accounting firm leaving its position shall have the right to attend the following meetings:</p> <ol style="list-style-type: none"> <li>1. the general meeting during its term of office which is to expire;</li> <li>2. the general meeting for filling a vacancy caused by the dismissal of such accounting firm;</li> <li>3. the general meeting convened due to the active resignation of such accounting firm.</li> </ol> <p>Such accounting firm leaving the position shall have the right to receive all notices regarding the foregoing meetings and other information related to the meetings and shall have the right to speak at the foregoing meetings about the matters involving such firm being the previous accounting firm of the Company.</p>	<p><del>(III) Should the Company fail to deliver the statement of the relevant accounting firm pursuant to the provisions of clause (II) above, the relevant accounting firm may request to read out such statement at the general meeting and shall further make an appeal.</del></p> <p><del>(IV) The accounting firm leaving its position shall have the right to attend the following meetings:</del></p> <ol style="list-style-type: none"> <li><del>1. the general meeting during its term of office which is to expire;</del></li> <li><del>2. the general meeting for filling a vacancy caused by the dismissal of such accounting firm;</del></li> <li><del>3. the general meeting convened due to the active resignation of such accounting firm.</del></li> </ol> <p><del>Such accounting firm leaving the position shall have the right to receive all notices regarding the foregoing meetings and other information related to the meetings and shall have the right to speak at the foregoing meetings about the matters involving such firm being the previous accounting firm of the Company.</del> <b>Deleted</b></p>
<p><b>Article 234</b> Should the Company dismiss or no longer re-appoint the accounting firm, it shall notify such accounting firm thirty days in advance. When the general meeting votes for the dismissal of such accounting firm, such accounting firm shall be allowed to express their opinions.</p> <p>Where the accounting firm resigns its office, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p>	<p><b>Article 234</b> Should the Company dismiss or no longer re-appoint the accounting firm, it shall notify such accounting firm thirty days in advance. When the general meeting votes for the dismissal of such accounting firm, such accounting firm shall be allowed to express their opinions.</p> <p>Where the accounting firm resigns its office, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>An accounting firm may resign its office by depositing a resignation notice at the Company's registered office. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:</p> <p>(I) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or</p> <p>(II) a statement of any other circumstances requiring an explanation.</p> <p>The Company shall send a copy of the written notice referred to in the preceding paragraph to the relevant governing authority within fourteen days after receipt. If the notice contains a statement as mentioned in clause (II) of the preceding paragraph, a copy of such statement shall be placed at the Company for the inspection of shareholders and the Company shall send a copy of such statement to each shareholder who is entitled to receive the report regarding financial conditions of the issuer.</p> <p>Except as otherwise provided in the Articles of Association, the Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed shares at the address recorded in the register of members; or the Company shall, within the aforesaid period, issue or publish such statement through the website of the stock exchange where the shares of the Company are listed or on one or more newspapers designated thereby and stipulated in the Articles of Association, subject to compliance with the laws, regulations and the Hong Kong Listing Rules.</p>	<p><del>An accounting firm may resign its office by depositing a resignation notice at the Company's registered office. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:</del></p> <p><del>(I) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or</del></p> <p><del>(II) a statement of any other circumstances requiring an explanation.</del></p> <p><del>The Company shall send a copy of the written notice referred to in the preceding paragraph to the relevant governing authority within fourteen days after receipt. If the notice contains a statement as mentioned in clause (II) of the preceding paragraph, a copy of such statement shall be placed at the Company for the inspection of shareholders and the Company shall send a copy of such statement to each shareholder who is entitled to receive the report regarding financial conditions of the issuer.</del></p> <p><del>Except as otherwise provided in the Articles of Association, the Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed shares at the address recorded in the register of members; or the Company shall, within the aforesaid period, issue or publish such statement through the website of the stock exchange where the shares of the Company are listed or on one or more newspapers designated thereby and stipulated in the Articles of Association, subject to compliance with the laws, regulations and the Hong Kong Listing Rules.</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>If the notice of resignation of accounting firm contains a statement as referred to in item (II) of this Article, it may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.</p>	<p><del>If the notice of resignation of accounting firm contains a statement as referred to in item (II) of this Article, it may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.</del></p>
<p><b>Article 235</b> The notices of the Company (including but not limited to the notice of convening the general meeting, the meeting of the Board and the meeting of the supervisory committee) shall be sent out in the following ways:</p> <p>(I) by hand;</p> <p>(II) by facsimile;</p> <p>(III) by post;</p> <p>(IV) by email;</p> <p>(V) by way of announcement;</p> <p>(VI) by announcement on the newspaper or other designated media;</p> <p>(VII) by publishing on the website designated by the Company and the stock exchange in the place where the shares of the Company are listed in compliance with laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association;</p> <p>(VIII) by other means approved by the securities regulatory authority at the location where the shares of the Company are listed or specified in the Articles of Association.</p> <p>There is no restriction in the Articles of Association on giving notice to shareholders with registered addresses outside Hong Kong.</p>	<p><b>Article 235</b> The notices of the Company (including but not limited to the notice of convening the general meeting, the meeting of the Board and the meeting of the supervisory committee) shall be sent out in the following ways:</p> <p>(I) by hand;</p> <p>(II) by facsimile;</p> <p>(III) by post;</p> <p>(IV) by email <u>or telephone</u>;</p> <p>(V) by way of announcement;</p> <p>(VI) by announcement on the newspaper or other designated media;</p> <p>(VII) by publishing on the website designated by the Company and the stock exchange in the place where the shares of the Company are listed in compliance with laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association;</p> <p>(VIII) by other means approved by the securities regulatory authority at the location where the shares of the Company are listed or specified in the Articles of Association.</p> <p>There is no restriction in the Articles of Association on giving notice to shareholders with registered addresses outside Hong Kong.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once such announcement is published. Where the securities regulatory authority of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.</p> <p>Even if there are provisions as otherwise stated in the Articles of Association in respect to the form of any other documents, announcements, or other newsletters or notices, as permitted by relevant provisions of the securities regulatory authority at the location where the shares of the Company are listed, the Company may publish newsletters by the form specified in item (VII) of this Article, instead of serving written documents to holders of overseas listed shares by personal delivery or pre-paid mail. The abovementioned newsletters refer to any documents published or to be published by the Company for reference or action guidance for shareholders, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), directors' reports (together with balance sheet and income statement), notices of general meeting, circulars and other communication files.</p> <p>If the Company is empowered to give notice by advertisement, such advertisements may be published in the newspapers and there is no prohibition on giving notice to shareholders with registered addresses outside Hong Kong.</p>	<p>Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once such announcement is published. Where the securities regulatory authority of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.</p> <p>Even if there are provisions as otherwise stated in the Articles of Association in respect to the form of any other documents, announcements, or other newsletters or notices, as permitted by relevant provisions of the securities regulatory authority at the location where the shares of the Company are listed, the Company may publish newsletters by the form specified in item (VII) of this Article, instead of serving written documents to holders of overseas listed shares by personal delivery or pre-paid mail. The abovementioned newsletters refer to any documents published or to be published by the Company for reference or action guidance for shareholders, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), directors' reports (together with balance sheet and income statement), notices of general meeting, circulars, <u>authorizations</u> and other communication files.</p> <p>If the Company is empowered to give notice by advertisement, such advertisements may be published in the newspapers and there is no prohibition on giving notice to shareholders with registered addresses outside Hong Kong.</p>
<p><b>Article 259</b> The Company may amend the Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association.</p>	<p><b>Article 259</b> The Company may amend the Articles of Association in accordance with the requirements of laws, administrative regulations, <u>the Hong Kong Listing Rules</u> and the Articles of Association.</p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 260</b> Under any one of the following circumstances, the Company shall amend its articles of association:</p> <p>(I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association shall conflict with the amended laws or administrative regulations;</p> <p>(II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;</p> <p>(III) the general meeting decides that the Article of Association should be amended.</p> <p>The shareholders may authorize the Board of the Company by ordinary resolution at the general meeting:</p> <p>(I) in case of increase of registered share capital of the Company, the Board of the Company is entitled to amend the relevant content regarding the registered capital of the Company in the Articles of Association in accordance with the actual circumstances;</p>	<p><b>Article 260</b> Under any one of the following circumstances, the Company shall amend its articles of association:</p> <p>(I) after amendment has been made to the Company Law or relevant laws<del> or</del>, administrative regulations <u>and the Hong Kong Listing Rules</u>, the contents of the Articles of Association shall conflict with the amended laws<del> or</del> administrative regulations <u>and the Hong Kong Listing Rules</u>;</p> <p>(II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;</p> <p>(III) the general meeting decides that the Article of Association should be amended<del>;</del>;</p> <p><b><u>(IV) amendments shall be made in accordance with the requirements of the securities regulatory authorities in the place where the Company's shares are listed (including but not limited to the amendment to these Articles as required by the Hong Kong Stock Exchange being also in compliance with the core shareholder protection standards as set out in the Hong Kong Listing Rules).</u></b></p> <p>The shareholders may authorize the Board of the Company by ordinary resolution at the general meeting:</p> <p>(I) in case of increase of registered share capital of the Company, the Board of the Company is entitled to amend the relevant content regarding the registered capital of the Company in the Articles of Association in accordance with the actual circumstances;</p>



Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>(II) in case of alteration of the text or order of the provisions required by the relevant regulatory authority during the registration, audit and approval of the Articles of Association of the Company approved by the general meeting, the Board of the Company is entitled to make the corresponding amendments according to the requirements of the relevant regulatory authority.</p>	<p>(II) in case of alteration of the text or order of the provisions required by the relevant regulatory authority during the registration, audit and approval of the Articles of Association of the Company approved by the general meeting, the Board of the Company is entitled to make the corresponding amendments according to the requirements of the relevant regulatory authority.</p>
<p><b>CHAPTER 13 DISPUTE RESOLUTIONS</b></p>	<p><del><b>CHAPTER 13 DISPUTE RESOLUTIONS</b></del></p>
<p><b>Article 262</b> The Company shall abide by the following principles for dispute resolution:</p> <p>(I) Whenever any disputes or claims of rights arise between: holders of the overseas listed foreign shares and the Company; holders of the overseas listed foreign shares and the Company’s directors, supervisors, managing directors or other senior management; or holders of the overseas listed foreign shares and holders of domestic shares, in respect of any rights or obligations as provided in the Articles of Association, the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>Where a dispute or claim referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company, the shareholders, directors, supervisors, managing directors (president) or other senior management of the Company, comply with the arbitration.</p>	<p><del><b>Article 262</b> The Company shall abide by the following principles for dispute resolution:</del></p> <p><del>(I) Whenever any disputes or claims of rights arise between: holders of the overseas listed foreign shares and the Company; holders of the overseas listed foreign shares and the Company’s directors, supervisors, managing directors or other senior management; or holders of the overseas listed foreign shares and holders of domestic shares, in respect of any rights or obligations as provided in the Articles of Association, the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.</del></p> <p><del>Where a dispute or claim referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company, the shareholders, directors, supervisors, managing directors (president) or other senior management of the Company, comply with the arbitration.</del></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p>Disputes in respect of the definition of shareholders and disputes in relation to the register of members need not be resolved by arbitration.</p> <p>(II) A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its Rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>If a claimant elects for arbitration to be carried out at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</p> <p>(III) If any disputes or claims of rights are settled by way of arbitration in accordance with paragraph (I), the laws of the PRC shall apply, save as otherwise provided in the laws, administrative regulations.</p> <p>(IV) The award of an arbitral body shall be final and conclusive and binding on all parties.</p>	<p><del>Disputes in respect of the definition of shareholders and disputes in relation to the register of members need not be resolved by arbitration.</del></p> <p><del>(II) A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its Rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</del></p> <p><del>If a claimant elects for arbitration to be carried out at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</del></p> <p><del>(III) If any disputes or claims of rights are settled by way of arbitration in accordance with paragraph (I), the laws of the PRC shall apply, save as otherwise provided in the laws, administrative regulations.</del></p> <p><del>(IV) The award of an arbitral body shall be final and conclusive and binding on all parties.</del> <b><u>Deleted</u></b></p>
<p><b>Article 270</b> Annexes to the Articles of Association include the Rules of Procedure for General Meetings, the Rules of Procedure for Meetings of the Board and the Rules of Procedure for the Supervisory Committee.</p>	<p><del><b>Article 270</b> Annexes to the Articles of Association include the Rules of Procedure for General Meetings, the Rules of Procedure for Meetings of the Board and the Rules of Procedure for the Supervisory Committee.</del> <b><u>Deleted</u></b></p>

Original Articles of the Articles of Association	Amended Articles of the Articles of Association
<p><b>Article 268</b> After adoption by special resolution on the general meeting of the Company, the Articles of Association shall take effect and put into force from the date on which the A Shares first publicly issued by the Company are listed on Shanghai Stock Exchange. Since the effective date of the Articles of Association, the original Articles of Association of the Company shall be automatically invalidated.</p>	<p><b>Article 268</b> <del>After adoption by special resolution on the general meeting of the Company, the</del> <u>The</u> Articles of Association shall take effect and put into force from the date <u>of adoption by special resolution on the general meeting of the Company</u> <del>on which the A Shares first publicly issued by the Company are listed on Shanghai Stock Exchange.</del> Since the effective date of the Articles of Association, the original Articles of Association of the Company shall be automatically invalidated.</p>

*Note:* With addition, removal and sequential adjustment of Articles, the numbering of original Articles of these Articles of Association is adjusted accordingly, so as for the Articles with cross-reference. For others such as conversion of numbers between uppercase and lowercase, there is no separate explanation.

**REMEGEN CO., LTD.**  
**RULES OF PROCEDURES FOR THE MEETING OF SHAREHOLDERS**

**Chapter 1 General Provisions**

**Article 1** In order to safeguard the lawful rights and interests of shareholders and creditors of RemeGen Co., Ltd. (the “**Company**”) and standardize the organization and behavior of the general meeting of shareholders of the company, in accordance with the relevant laws, regulations and regulatory documents of the Company Law of the People’s Republic of China (the “**Company Law**”), Rules of General Meeting of Listed Companies, Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchanges, Self-Regulatory Guideline for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange No. 1 — Regularization of Operation, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), and Articles of Association of RemeGen Co., Ltd. (the “**Articles of Association**”), these rules and procedures (hereinafter referred to as the “**Rules**”) are formulated.

**Chapter 2 General Provisions**

**Article 2** The general meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with laws:

- (1) to decide on operational policies and investment plans of the Company;
- (2) to elect and replace the directors and supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of directors and supervisors;
- (3) to consider and approve reports of the board;
- (4) to consider and approve reports of the supervisory committee;
- (5) to consider and approve annual financial budget plans and final accounting plans of the Company;
- (6) to consider and approve the profit distribution plan and loss recovery plan of the Company;
- (7) to determine the increase or decrease of the registered capital of the Company;

- (8) to determine the issuance of corporate bonds or other securities by the Company and listing plan;
- (9) to determine matters such as the merger, division, dissolution, liquidation or change;
- (10) to amend the Articles of Association and rules of procedures for general meeting, board meeting and the supervisory committee;
- (11) to determine the appointment of, removal of and non-reappointment of an auditor by the Company;
- (12) to consider and approve the provision of guarantees to third parties that shall be approved at a general meeting;
- (13) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;
- (14) to consider and approve the related significant transactions and related party/connected party transactions that shall be considered and approved at a general meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (15) to consider and approve any change in the use of proceeds;
- (16) to consider the formulation, amendment and implementation of share incentive plans and employee stock ownership plans;
- (17) to consider and approve the proposal raised by shareholders who, individually or in the aggregate, hold 3% or more of the total number of voting shares of the Company;
- (18) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the regulatory rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a general meeting.

The general meeting can authorize or entrust the board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed are not violated.

**Article 3** The following external guarantees provided by the Company are subject to:

- (1) a single guarantee for an amount in excess of 10% of the Company's latest audited net assets;
- (2) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlling subsidiary exceeds 50% of the Company's latest audited net assets;
- (3) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;
- (4) any guarantee provided after the total amount of guarantee exceeds 30% of the Company's latest audited net assets;
- ~~(45)~~ any guarantee provided after the amount of guarantee exceeds 30% of the Company's latest audited net assets based on cumulative calculation for 12 consecutive months;
- ~~(56)~~ guarantee to be provided to shareholders, actual controllers and their related party/connected parties;
- ~~(67)~~ other guarantees as prescribed by laws, regulations, normative documents, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

When the guarantee specified in item ~~(45)~~ above is considered at the general meeting, it shall be approved by more than two-thirds of voting rights held by the shareholders attending the general meeting.

When considering the resolution of providing guarantee to shareholders, actual controllers and their related party/connected parties at the general meeting, such shareholders or shareholders controlled by such actual controller shall not vote on such resolution.

**Article 4** General meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings shall be held once every year and within 6 months from the end of the preceding accounting year.

The board shall convene an extraordinary general meeting within two months after the occurrence of any one of the following circumstances:

- (1) when the number of directors is less than two thirds of the number specified in the Company Law or the Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of its total paid up share capital;
- (3) where shareholder(s), individually or jointly, holding 10% or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing for the convening of an extraordinary general meeting (the number of shares held shall be calculated as at the date when the shareholder(s) provide(s) the written request);
- (4) where the board considers it necessary;
- (5) where the supervisory committee proposes to call for such a meeting;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

### Chapter 3 Convening of General Meetings

#### Article 5

The general meeting of shareholders shall be convened by the board. If the board of directors is unable or fails to perform the duty of convening the general meeting, the supervisory committee shall convene it in time. If the supervisory committee does not convene the meeting, any shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene the meeting on their own.

#### Article 6

Independent directors are entitled to propose to the board to convene general meeting. If an independent director proposes to convene an extraordinary general meeting to the board of directors, it should obtain the consent of a majority of all independent directors. In respect to the proposal by the independent director for convening an extraordinary general meeting, the board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.

In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of general meeting shall be issued within five days after the passing of the relevant board resolution. In the event that the board disagrees to convene an extraordinary general meeting, an explanation shall be given and an announcement shall be made.

Any other requirements as required by the securities regulatory authority at the place where the shares of the Company are listed shall prevail.

**Article 7**

The supervisory committee has the right to propose in writing the board to convene an extraordinary general meeting. The board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.

In the event that the board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within five days after the relevant board resolution is passed and consent of the supervisory committee shall be obtained in case of any changes to the original proposal in the notice.

In the event that the board disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days after having received such proposal, the board is deemed to be unable or unwilling to perform the duty of convening a general meeting, in which case the supervisory committee may convene and preside over such meeting by itself.

**Article 8**

Shareholders individually or jointly holding more than 10% of shares of the Company are entitled to request the board of directors in writing to convene an extraordinary general meeting. The board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such request for convening an extraordinary general meeting within 10 days upon receipt of such proposal.

In the event that the board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within five days after the board resolution is passed and consent of the shareholders shall be obtained in case of any changes to the original proposal in the notice.



Where the board of directors does not agree to convene an extraordinary general meeting or does not reply within 10 days of its receipt of the request, shareholders holding, individually or in aggregate, 10% or more of the shares of the Company, shall have the right to request the supervisory committee in writing to convene an extraordinary general meeting.

In the event that the supervisory committee agrees to convene an extraordinary general meeting, a notice of the shareholders' general meeting shall be provided within 5 days of such resolution by the board of directors and no change shall be made to the original request in the notice unless approved by the relevant shareholders.

In the event that the supervisory committee fails to serve any notice of an extraordinary general meeting within the prescribed period, the supervisory committee is deemed not to convene and preside over such meeting, in which case the shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over such a meeting by himself/herself/themselves.

**Article 9** Where the supervisory committee or shareholders decide to convene a general meeting on its/their own, it/they shall send a written notice to the board.

**Article 10** Where a general meeting is convened by the supervisory committee or shareholders on its/their own, the board and the secretary to the board shall work in a cooperative manner.

Where a general meeting is convened by the supervisory committee or shareholders on its/their own, the expenses necessary for the general meeting shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting directors.

#### **Chapter 4 Proposals and Notices of General Meetings**

**Article 11** The contents of a proposal shall be within the functions and powers of the general meeting, shall have definite issues for discussion and specific resolutions, and shall comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.

Shareholder(s) individually or jointly holding more than 3% of the shares of the Company may submit written provisional proposals to the convener 10 days before the general meeting. The convener shall serve a

supplemental notice of the general meeting within 2 days after receipt of the provisional proposals and notify the contents of the said provisional proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the general meeting or not complying with the Articles of Association shall not be voted on or resolved at the general meeting.

**Article 12**

Where the Company convenes an annual general meeting, a written notice shall be issued at least 20 business days (excluding both the date of notice and the date of meeting) prior to the annual general meeting and at least 15 days or 10 business days (whichever is longer, and excluding both the date of notice and the date of meeting) prior to the extraordinary general meeting. If the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 13**

The notice of the general meeting shall be given in writing and contain the following:

- (1) the date, venue and duration of the meeting;
- (2) matters and proposals submitted for consideration at the meeting;
- (3) an obvious statement that: all shareholders are entitled to attend the general meeting in person, or appoint in writing proxies to attend and vote on his or her behalf and that such proxies need not be shareholders of the Company;
- (4) name and telephone number of permanent contact person;
- (5) ~~such information and explanation as necessary for shareholders to make informed decisions in connection with the matters to be discussed. This principle shall apply (but not be limited to) when proposals are made to merge the Company, to repurchase shares of the Company, to reorganize its share capital or to effect any other reorganization of the Company and specific conditions and contracts (if any) of the proposed transaction together with proper explanations of the causes and consequences of any such proposals;~~

- ~~(65)~~ the nature and extent of the material interests of any director, supervisor or senior management members in the transaction to be discussed, and the difference in case of the effect of the transaction to be discussed on such director, supervisor or senior management member as shareholders insofar as it differs from the effect on the shareholders of the same class;
- ~~(7)~~ ~~the full text of any special resolution proposed to be passed at the meeting;~~
- ~~(8)~~~~(6)~~ the date and place for serving the power of attorney authorizing the proxy to vote;
- ~~(97)~~ the record date for the determination of the entitlements of shareholders to the general meeting;
- (8) other contents as stipulated by relevant laws, rules, regulations, regulatory documents, the listing rules of the place where the Company's shares are listed, and provisions of the Articles of Association.

The notice and supplementary notice of a general meeting shall adequately and completely disclose the specific contents of all proposals. Where the opinions of the independent directors are required on the issues to be discussed, such opinions and reasons thereof shall be disclosed when the notice or supplementary notice of the general meeting is served.

Where a general meeting is held over other means, the notice shall specify the voting time and voting matters of other means.

There shall be not more than 7 business days between the date of record and the date of the general meeting. The equity registration date shall not be changed once confirmed.

#### Article 14

If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of the meeting shall adequately specify the detailed information on the director or supervisor candidates, which shall at least include:

- (1) personal particulars, including academic qualifications, working experience and concurrent positions;
- (2) whether or not have any related party/connected relationship with the Company, its controlling shareholders and actual controller;

- (3) the number of shares of the Company held by such candidate;
- (4) whether or not such candidates have ever been penalized by the CSRC and other relevant authorities or disciplined by a stock exchange, or have other material dishonest conducts or other adverse records.

Each candidate of director or supervisor shall be proposed in a separate proposal. Where two or more independent directors are to be elected at a general meeting, the cumulative voting mechanism shall be adopted.

**Article 15**

Unless otherwise stipulated by the laws, regulations and the Articles of Association, the notice of a general meeting shall be delivered by hand or prepaid mail to addresses shown in the register of members to be received by shareholders (whether they are entitled to vote at the general meeting or not). For the shareholders of domestic shares, announcement of the meeting may be issued by way of public announcement.

The announcement referred to in the preceding paragraph shall be published on the website designated by the securities regulatory authorities under the State Council. Once announced, it is deemed that all domestic shareholders have received the notice of the general meeting.

The notice of general meeting to H-share shareholders can be published through the website designated by the Hong Kong Stock Exchange and the website of the company. All holders of overseas listed shares shall be deemed as having received the notice of the general meeting once the announcement is published.

**Article 16**

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice, shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 17**

Once the notice of general meeting is issued, the meeting shall not be postponed or cancelled without proper reasons, and proposals contained in the notice shall not be withdrawn. Once delay or cancellation occurs, the convener shall ~~notify shareholders~~ make an announcement and explanation at least two working days before the original convening date.

**Chapter 5 Holding of General Meetings****Article 18**

The venue of a general meetings of the Company shall be the place where the Company is located or the place specified in the notice of the general meeting.

The general meeting shall have a venue for convening the meeting, and the venue of the meeting shall be clear and specific. The Company may also provide online voting means for the convenience of shareholders' attendance. Shareholders attending the meeting by the aforesaid means shall be deemed as present.

**Article 19**

The board and other conveners shall take necessary measures to ensure normal order of the general meeting. Behavior such as disruption of the meeting, provocation of trouble and infringement on the legitimate rights and interests of shareholders shall be prevented and promptly reported to relevant authorities for investigation.

**Article 20**

All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting, have the right to speak at the general meeting, and exercise their voting rights in accordance with the relevant laws, regulations, the rules governing the listing of securities in the place where the Company's securities are listed and the Articles of Association, unless individual shareholders are required by relevant laws, regulations or the rules governing the listing of securities in the place where the Company's securities are listed to abstain from voting on certain matters. The Company and the convener shall not refuse for any reason.

Shareholders may attend a general meeting in person or appoint a proxy to attend and vote on their behalf within the scope of authorization.

**Article 21**

Individual shareholders who attend the meeting in person shall show the identification card, or other valid documents or certificates to show their identity. The proxy entrusted by shareholders to attend the meeting shall provide his/her identification card and the power of attorney of the shareholder.

An institutional shareholder shall entrust its legal representative (person in charge) or agent entrusted by such representative (person in charge) to attend the general meeting. When a legal representative (person in charge) attends the meeting, he/she shall present his/her identification card and an effective evidence of his/her qualification as a legal representative (person in charge); when an entrusted proxy attends the meeting, he/she shall present his/her identification card and the power of attorney in writing issued to him/her by the legal representative (person in charge) of a institutional person shareholder.

**Article 22** The power of attorney issued by the shareholder authorizing his or her proxy to attend the general meeting should contain the following:

- (1) the name of and number of shares represented by the proxy;
- (2) whether or not the proxy has any voting right;
- (3) instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the general meeting;
- (4) the date of issue and validity period of the power of attorney;
- (5) the signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.

**Article 23** Any blank instrument of proxy sent to a shareholder by the board for use by him/her for appointing a proxy shall be in such form to enable the shareholder to freely instruct the proxy to vote in favor or against the related resolution(s), and to instruct separately in respect of each resolution dealing with business to be voted at the meeting. A power of attorney shall contain a statement that, in default of specific instructions from the shareholder, the shareholder's proxy may vote in his/her discretion.

**Article 24** The power of attorney for voting shall be deposited at the Company's domicile or such other place as specified in the notice of the meeting at least 24 hours before the time appointed for holding the meeting at which the instrument proposes to vote, or 24 hours before the time appointed for the vote. Where such power of attorney for voting is signed by a person under a power of attorney on behalf of the appointer, that power of attorney or other authorization document shall be notarized. A notarized copy of that power of attorney or other authorization document together with the power of attorney for voting shall be deposited at the Company's domicile or such other place as specified in the notice of the meeting. If the appointer is an institutional shareholder, the legal representative (person in charge) or such person who is authorized by the resolution of its board or other governing body to act as its representative may attend the general meeting of the Company.

Where such shareholder is a recognized clearing house determined by relevant regulations formulated from time to time in Hong Kong (or its nominee), such shareholder shall be entitled to appoint one or more persons as it deems fit to act on its behalf at any general meeting or any other class meetings, provided in the event of more than one person are

authorized, the power of attorney shall specify the number and class of shares represented by each person so authorized and shall be executed by the recognized clearing house. Such persons so authorized shall be entitled to exercise the rights on behalf of the recognized clearing house (or its nominee) without presenting evidence of their shareholding, notarized authorization and/or further proof showing their due authorization as if they were individual shareholders of the Company.

- Article 25** A vote given by a proxy in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer or revocation of the proxy or power of authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid has been received by the Company before the commencement of the meeting at which the proxy is used.
- Article 26** The Company shall be responsible for preparing the meeting's register. Such register shall specify information such as the name of the persons (or organizations) attending the general meeting, identity card number, residential address, number of shares or voting shares held, name of the persons (or organizations) the proxy represents.
- Article 27** The convener shall verify the qualification of shareholders with the register of members provided by the securities depository and clearing authority, and shall register the name of the shareholders as well as the number of their voting shares. The registration process shall end before the chairman of the meeting announces on site the number of shareholders and proxies that attend the meeting, and the number of their voting shares.
- Article 28** When a general meeting is held, all directors, supervisors and secretary to the board of the Company shall attend the meeting, and the general manager and other senior management members shall also be present at the meeting.
- Article 29** A general meeting shall be convened by the board and presided over by the chairman of the board. Where the chairman of the board is unable or fails to perform his duties, a director shall be jointly elected by more than half of the directors to preside over the meeting. In the event that no such designation is made, a Shareholder as elected from the attending shareholders may preside over the meeting. If, for any reason, shareholders fail to elect the presider of the meeting, the shareholder

(including proxy thereof, other than Hong Kong Securities Clearing Company Limited) holding the most voting shares thereat shall act as the presider of the meeting to preside over the meeting.

A general meeting convened by the supervisory committee on its own shall be presided over by the ~~chief supervisor. Where the chief supervisor~~ chairman of the supervisory committee. Where the chairman of the supervisory committee is unable or fails to perform its duties, a supervisor shall be jointly elected by more than half of the supervisors to perform relevant duties.

A general meeting convened by shareholders on their own shall be presided over by a representative elected by the convener.

When a general meeting is held and the presider violates these rules of the general meeting which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider, subject to the approval of more than half of the attending shareholders having the voting rights.

**Article 30** At an annual general meeting, the board of directors and the supervisory committee shall report to general meeting on their work in the past year, and each independent director shall also make a work report. Annual work reports of independent directors shall be disclosed no later than when the listing company issues its notice of annual general meeting.

**Article 31** Directors, supervisors and senior management members shall provide explanation and clarification to the inquiries raised by the shareholders at the general meeting.

**Article 32** The presider of the general meeting shall, before voting begins, announce the number of attending shareholders and proxies and the total number of their voting shares according to the register of the meeting.

#### **Chapter 6 Voting Procedures and Resolutions of General Meeting**

**Article 33** Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed by more than one half of the voting rights held by the shareholders (including proxies) present at the meeting.



A special resolution of a general meeting shall be passed by two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

**Article 34**

The following matters shall be approved by ordinary resolution at a general meeting:

- (1) report on the work of the board and the supervisory committee;
- (2) profit distribution plan and loss recovery plan formulated by the board;
- (3) removal of members of the board and the supervisory committee, their remuneration and method of payment;
- (4) annual financial budgets and statements of final accounts, balance sheet, income statement and other financial statements of the Company;
- (5) the annual report of the Company;
- (6) any matters not otherwise required by the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or these Articles of Association to be passed by special resolution.

**Article 35**

The following matters shall be approved by special resolution at a general meeting:

- (1) to increase or reduce the registered capital of the Company and issue any type of shares, options and other similar types of securities;
- (2) to resolve on the issuance of corporate bonds or other securities and listing plan thereof;
- (3) to resolve on the division, spin-off, merger, dissolution, liquidation or transformation of the Company;
- (4) to make amendments to these Articles of Association;
- (5) to consider purchase or sale of material assets by the Company within one year, or a guarantee amount exceeding 30% of the total assets in the most recent audit period of the Company;

- (6) to formulate, revise and implement a share incentive scheme;
- (7) other matters as stipulated by the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or these Articles of Association, and matters deemed by the general meeting by ordinary resolution to have material effect on the Company and necessary for passing by special resolution.

**Article 36**

A shareholder (including his/her proxy) shall exercise his/her voting rights based on the number of shares held. Each share shall have one vote.

No voting rights shall attach to the shares held by the Company, and such shares shall not be counted among the total number of shares with voting rights present at a general meeting.

**Article 37**

If the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed stipulate that any shareholder shall waive his/her voting right on a certain resolution or limit any shareholder to cast an affirmative or negative vote on a certain matter, and in case of any violation of such relevant stipulation or limitations, votes casted by such shareholders or proxies thereof shall not be adopted. When a shareholders' general meeting reviews related party/connected transactions, the related party/connected shareholders and their contacts shall not participate in voting and the number of shares with voting rights represented by them shall not be counted in the total number of valid votes. The voting result announcement of the shareholders' general meeting shall fully disclose the voting by non-related party/connected persons.

Before the general meeting considers matters relating to related party/connected transactions, the Company shall determine the scope of related party/connected shareholders in accordance with relevant laws, regulations and regulatory documents. Related party/connected persons or their authorized representatives may attend the general meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting in a poll.

Where the general meeting considers matters relating to related party/connected transactions, related party/connected shareholders shall abstain from voting. If related party/connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After related party/connected persons have abstained from voting, other shareholders shall vote

according to their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association and rules herein. The presider of the meeting shall announce the number of shareholders and proxies except related party/connected persons present at the general meeting and the total number of their voting shares.

In order to be valid, the resolutions made at the general meeting on matters relating to related party/connected transactions shall be passed by more than half of the votes cast by the non-related party/connected shareholders attending the general meeting. However, when the related party/connected transaction involves matters that need to be passed by special resolution as stipulated in the Articles of association and rules herein, the resolution of the general meeting, in order to become valid, has to be passed by more than 2/3 of the voting rights held by the non-related/connected parties attending the general meeting.

If a related party/connected party or its contact person violates the provisions of this article and participates in voting, the voting on the relevant related party/connected transaction shall be invalid.

**Article 38** The general meeting shall vote on all proposals one by one. In the event that there are different proposals on the same matter, they shall be voted and resolved in a chronological order of proposing such proposals. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

**Article 39** When a proposal is put forward for discussion at the shareholders' general meeting, no modification of the proposal shall be made, or the relevant change shall be deemed as a new proposal which may not be voted at the meeting.

**Article 40** Regarding proposals submitted for resolution, shareholders attending the general meeting shall present: agreement, disagreement or abstaining.

Any voter with a vote that is not filled in, incorrectly filled in or in unrecognizable writing or not cast shall be deemed as having waived the voting right and the corresponding voting shall be counted as "abstention".

At the time of voting, any shareholder who has two or more votes (including the proxies of such shareholders) needs not to use all votes for or against any resolution or to abstain from voting on such resolution.

The same voting rights shall be exercised in one manner only, i.e. on-site, online, or other voting methods. If the same voting power repeats in voting, the first voting result shall prevail.

**Article 41** A general meeting shall be held by the venue meeting or other means permitted by laws and regulations.

**Article 42** Unless the resolutions on relevant procedures of a general meeting or administrative matters which can be decided by the chairman in the spirit of honesty and credibility and shall be voted on by show of hands, voting for a general meeting shall be made by ballot.

**Article 43** If the matter on which voting by ballot is requested is to elect a meeting chairman or discontinue the meeting, voting by ballot shall be conducted at once; for other matters on which voting by ballot is requested, the meeting chairman will decide on when to conduct the voting, and the meeting may be continued to discuss other matters, and the voting results will still be deemed as resolutions passed at the meeting.

**Article 44** Prior to the voting on proposals at a general meeting, two shareholders' representatives shall be elected to perform vote counting and scrutiny. For the related party/connected shareholders having interests in the item to be considered, such shareholders and their proxies shall not participate in vote counting and scrutiny.

**Article 4445** When proposals are voted on at the general meeting, solicitors, the shareholders' representative and supervisors' representative and other relevant persons appointed according to the Hong Kong Listing Rules shall be jointly responsible for the counting and monitoring of the ballots according to the Hong Kong Listing Rules. ~~For the related party/connected shareholders having interests in the item to be considered, such shareholders and their proxies shall not participate in vote counting and scrutiny.~~ and announce voting results of resolutions on the spot, which shall be recorded in minutes.

**Article 4546** The conclusion time of general meeting on-site shall not be earlier than that of online or other methods. The presider shall announce the voting result of every proposal on the spot and announce whether the proposal is passed or not according to the voting result.

Before the voting result is announced, the relevant parties including the company, counting officer, monitoring officer and major shareholders involved at general meeting shall have the confidentiality obligation.

- Article 4647** If the chairperson of the meeting has any doubt about the submitted result of the voting, he/she may organize a recount of the cast votes. If the chairperson of the meeting fails to count the votes, and the shareholders or proxies attending the meeting have any doubt about the result announced by the chairperson of the meeting, he/she has the right to demand a vote recount immediately following the announcement of the result, in which case the chairman of the meeting shall promptly organize a recount of the votes.
- If ballots are counted at a general meeting, the counting result shall be recorded in the meeting minutes. The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company.
- Article 4748** Resolutions of the general meeting shall be announced in due time according to the relevant laws, regulations, departmental rules, regulatory documents, regulatory rules of the place where the shares of the Company are listed or the Articles of Association. The announcement of resolutions shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the regulatory rules of the place where the shares of the Company are listed (as specific to certain proposals, if any), whether the shareholder who is required to abstain from voting has given up the voting right, the voting method, the voting result of each resolution and the details of each of the resolutions passed.
- Article 4849** Proposals not adopted or resolutions of the former general meeting changed in this general meeting shall be specially pointed out in the resolution of the general meeting.
- Article 4950** The general meetings shall have meeting minutes, which shall be recorded by the secretary to the board, and shall contain the following:
- (1) the date, venue and agenda of the meeting, and the name of the convener;
  - (2) the names of the presider, and the directors, supervisors, general manager and other senior management members attending or present at the meeting;

- (3) the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the shares of the Company;
- (4) the consideration process of each proposal, summaries of the speeches and the voting result;
- (5) details of the inquiries or recommendations of the shareholders, and the corresponding response or explanations;
- (6) the name of solicitors, vote counters and scrutineer;
- (7) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

**Article 5051**

The convener shall ensure the meeting minutes are true, accurate and complete. The attending directors, supervisors, Secretary to the board of directors, convener or their representatives and the chairman of the meeting shall sign on the minutes, and ensure that the minutes are truthful, accurate and complete. The meeting minutes and the signed attendance record of the shareholders who attended in person, the proxy forms for the proxies present at the meeting and voting results obtained online or through other means shall be kept together for at least 10 years.

**Article 5152**

A convener shall ensure that the meeting continues until a resolution is formed. Where the general meeting is suspended or no resolution can be made due to force majeure, or any other special reasons, necessary measures shall be taken to resume or directly terminate the general meeting.

**Article 5253**

Where a proposal on election of directors or supervisors is passed at the general meeting, the new directors and supervisors shall take office in accordance with the Articles of Association.

**Article 5354**

The resolution of the general meeting is invalid if it violates laws and administrative regulations.

Where the procedures for convening and voting of general meetings are in violation of laws, administrative regulations or the Articles of Association, or the resolutions violate the Articles of Association, shareholders are entitled to request the People's Court to revoke such resolutions within 60 days since the day they are made.

**Chapter 7 Special Procedures for Voting at Class Meetings**

- Article ~~54~~55** Holders of different classes of shares are class shareholders. Class shareholders are entitled to rights and are subject to the obligations pursuant to the laws, administrative regulations and the Articles of Association. All class shareholders shall enjoy equal rights to receive dividends or other forms of distributions.
- Article ~~55~~56** Rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders at a general meeting and by the class shareholders so affected at a separate meeting convened in accordance with Articles ~~56~~57 to ~~60~~61 herein.
- Article ~~56~~57** The following circumstances shall be deemed to be variation or abrogation of the rights of a class shareholder:
- (1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of class having voting or equity rights or privileges equal or superior to those of the shares of such class;
  - (2) to convert all or part of the shares of such class into shares of another class or to convert all or part of the shares of another class into the shares of such class or grant such conversion right;
  - (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
  - (4) to reduce or remove a dividend preference or a liquidation preference attached to shares of such class;
  - (5) to add, remove or reduce conversion privileges, options, voting rights, transfer, pre-emptive rights, or rights to acquire securities of the Company attached to shares of such class;
  - (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;
  - (7) to create a new class having voting or equity right or privileges equal or superior to those of the shares of such class;
  - (8) to restrict the transfer or ownership of the shares of such class or add to such restriction;

- (9) to issue rights to subscribe for, or convert into, shares in the Company of such class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such proposed restructuring;
- (12) an amendment or abrogation of the terms of the Articles.

**Article 5758**

Shareholders of the affected class, whether or not otherwise having the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of matter concerning Articles (2) to (8), (11) and (12) above, but interested shareholder shall not be entitled to vote at class meetings.

The meaning of “interested shareholder” in the preceding paragraph is:

- (1) if the Company has made a buy-back offer to all shareholders in the same proportion or has bought back its own shares through open transactions on a stock exchange in accordance with the Articles of Association, the “interested shareholder” refers to controlling shareholders as defined in the Articles of Association;
- (2) in the case of a repurchase of shares by an off-market contract according to the Articles of Association, the “interested shareholder” refers to a holder of the shares to which the proposed contract relates;
- (3) in the case of a restructuring of the Company, the “interested shareholder” refers to a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

**Article 5859**

Resolutions of a class general meeting shall be approved by more than two-thirds of the voting shares represented by shareholders of that class present at the meeting in accordance with the preceding Article.



A written notice convening a class meeting shall, in accordance with Article 12 herein, be given before its convention, to notify shareholders whose names appear in the register of members for such class shares of the matters proposed to be considered and the date and place of the meeting.

Any other specific requirements as required by the securities regulatory authority at the place where the shares of the Company are listed shall prevail.

**Article ~~5960~~**

Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class general meetings shall follow a procedure most similar to that for general meetings, and the provisions in the Articles of Association and this proposed formulation concerning the procedure for general meetings shall apply to class general meetings.

**Article ~~6061~~**

In addition to holders of other class shares, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes. The special procedures for voting at a class of shareholders shall not apply in the following circumstances:

- (1) where the Company issues domestic shares and overseas-listed foreign invested shares, upon the approval by a special resolution of its general meeting, either separately or concurrently once every 12 months, not exceeding 20% of each of its existing shares externally issued;
- ~~(2) where the Company's plan to issue domestic shares and overseas-listed foreign invested shares at the time of its establishment is carried out within 15 months from the date of approval of the securities regulatory authority under the State Council;~~
- ~~(3)~~(2) Shares (including domestic and foreign shares) already issued but not listed of the Company, after approval from the securities regulatory authority under the State Council, are converted to overseas-listed shares.

**Chapter 8 The Authorization Conferred by the General Meeting  
upon the Board of Directors**

**Article ~~61~~62** On the premise of not violating the laws and legal regulations and the Articles of Association, the board of directors can be authorized by the resolution passed by the general meeting.

**Article ~~62~~63** Matters which, in accordance with laws, administrative regulations, departmental rules or the provisions of the Articles of Association, shall be approved at a general meeting, shall be deliberated by the general meeting to ensure the decision-making power of the shareholders. Under necessary, reasonable and legal circumstances, the general meeting may authorize the board of directors to determine specific issues which cannot or is unnecessary to be decided upon immediately at such general meetings.

For authorization conferred by the general meeting on the board of directors, if it is for an ordinary resolution, it shall be passed by more than one half of the voting rights held by the shareholders (including proxies) present at the meeting. If it is for a special resolution, it shall be passed by two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting. The authorization should be clear and specific.

**Article ~~63~~64** When deciding on issues so authorized, the board of directors shall discuss and verify the matters thoroughly and may appoint intermediaries to provide advice, if necessary, to ensure scientific and reasonable decision-making on the matters.

**Chapter 9 Implementation of Resolutions of General Meetings**

**Article ~~65~~ 65** ~~The board of directors shall make a special report to the general meeting~~ is responsible for the organization and implementation of the matters that should ~~resolutions passed at the general meetings and the resolutions will be handled~~ handed over to the management of the Company to undertake specific tasks according to the content of the resolutions and the division of responsibilities; for resolutions needed to be implemented by the board of directors in the resolution of the previous ~~supervisory committee, they shall be organized and implemented by the supervisory committee directly.~~ supervisory committee directly.

**Article 66** ~~The implementation of the resolutions of the general meeting~~In case the resolution of the shareholders' shall be reported by the general manager to the board, and the board shall report the same to the next general meeting fails to be implemented due to special reasons, the board of directors shall state the reasons; matters involving the implementation by the supervisory committee shall be reported directly to the general meeting by the supervisory committee, and may also be reported to the board first when deemed necessary by the supervisory committee.

**Article 6467** The chairman of the board of the Company shall supervise and inspect the implementation of the resolutions except those required to be executed by the supervisory committee, and may convene an extraordinary meeting of the board to listen to and review the progress of implementation of the resolutions of the general meeting if necessary.

#### Chapter 10 Supplemental Provisions

**Article 6568** In case of any matters not covered in these rules or in conflict with the provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed, or other normative documents, as promulgated after these rules come into effect, or in conflict with the Articles of Association, the said provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed, other normative documents or the said Articles of Association shall prevail.

**Article 6669** ~~These rules shall be annexed to the Articles of Association.~~Unless otherwise specified, terms used herein shall have the same meanings ascribed to them in the Articles of Association.

**Article 6770** ~~The rules shall be reviewed and passed by the general meeting of the Company and shall take effect and be implemented from the date of the Company's initial public offering of A shares and listing on the Shanghai Stock Exchange~~consideration and approval by the general meeting of the Company. Since the effective date of the present Rules, the original Rules of Procedures for General Meetings of the Company shall be automatically invalidated.

**Article 6871** The Rules shall be interpreted by the board.

REMEGEN CO., LTD.  
RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

## Chapter 1 General Provisions

- Article 1** In order to further standardize the discussion methods and decision-making procedures of the Board (the “**Board**”) of RemeGen Co., Ltd., promote the directors and the Board to effectively perform their duties, and improve the standard operation and scientific decision-making level of the Board, in accordance with the relevant laws, regulations and regulatory documents of the Company Law of the People’s Republic of China (the “**Company Law**”), Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchanges (the “**Sci-Tech Innovation Board Listing Rules**”), Measures for the Management of Independent Directors of Listed Companies (the “**Management Measures**”), Self-Regulatory Guideline for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange No. 1 — Regularization of Operation, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), and Articles of Association of the Company (the “**Articles of Association**”), the rules of procedures (hereinafter referred to as the “**Rules**”) are formulated.
- Article 2** The Company shall have a board of directors pursuant to laws. The members of the Board shall be elected by the general meeting of shareholders and entrusted by the general meeting of shareholders. They are responsible for the operation and management of the Company’s corporate property. They are the decision-making centre of the Company and are accountable to the general meeting of shareholders.
- Article 3** The Board shall comprise nine directors and shall have one Chairman. ~~The proportion of the members of the Board shall be independent directors in the Board of the Company shall not be less than one-third and at least one of them shall be an accounting professional (the accounting professional refers to a person who holds senior accountant title or is qualified as a certified accountant).~~
- Those who are nominated as independent director candidates in their capacity as accounting professionals shall possess extensive accounting expertise and experience with appropriate accounting or relevant financial management expertise as required by the Hong Kong Listing Rules, and meet at least one of the following criteria:
- (I) being qualified to practice as a Certified Public Accountant;

- (II) possessing a senior title, associate professor title or doctoral degree in accounting, auditing or financial management;
- (III) possessing a senior title in economic management with at least 5 years of full-time working experience in professional positions in accounting, auditing or financial management.

At least one independent director of the Company is ordinarily resident in Hong Kong.

**Article 4**

The Board of the Company has established the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal ~~committee~~Committee. All members of the special committees shall be directors, among which, ~~half or above~~the majority of the members of Audit Committee, Nomination Committee and Remuneration and Appraisal Committee shall be independent directors. All members of the Audit Committee shall be independent directors, at least one of whom shall be an independent director who possesses appropriate professional qualifications provided in the Hong Kong Listing Rules or possesses appropriate accounting or relevant financial management expertise. The convener of the audit committee shall be an independent director who is an accounting professional. Chairman of each of the special committees shall be appointed and dismissed by the Board.

**Article 5**

The Board of the Company shall explain to the general meeting on the non-standard auditor's opinions issued by certified public accountants on the Company's financial reports.

**Article 6**

The following matters of Company shall be submitted to the Board for deliberation after being approved by a majority of all independent directors:

- (1) related (connected) transactions that shall be disclosed;
- (2) plans for the Company and related parties to change or waive commitments;
- (3) decisions made and measures taken by the board of directors of the acquired company in relation to the acquisition;
- (4) other matters as stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 67**

The Board shall exercise the following functions and powers:

- (1) to convene general meetings and report to general meetings;
- (2) to implement resolutions of general meetings;
- (3) to determine the Company's business and investment plans;
- (4) to prepare the annual financial budgets and final accounting plans of the Company;
- (5) to prepare the profit distribution and loss offset plans of the Company;
- (6) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;
- (7) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;
- (8) to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, related party/connected transactions, external financing, etc.;
- (9) to approve the matters in relation to investment, acquisition or disposal of assets, financing and related party/connected transactions as required by the listing rules of the stock exchange where the shares of the Company are listed;
- (10) to decide the internal management organizations of the Company;
- (11) to appoint or dismiss the general manager and the secretary of the Board of the Company; appoint or dismiss the president, senior vice president, chief medical officer, chief financial officer and other senior managers of the Company according to nomination of the general manager, and decide on their remuneration, rewards and penalties;
- (12) to set up the basic management system of the Company;

- (13) to formulate the proposals for any amendment to the Articles of Association;
- (14) to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;
- (15) to listen to reports on the work of the general manager and review his/her work;
- (16) to manage the information disclosure of the Company;
- (17) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

For the previous resolutions made by the board of directors, except for Article (6), (7) and (13), which must be approved by more than two thirds of the directors, the rest shall be approved by more than half of the directors.

Matters beyond the scope of authorization of the general meeting to the Board shall be submitted to the general meeting for consideration.

The specific powers of the Board stipulated in the Company Law shall be collectively exercised by the Board, shall not be authorized to be exercised by others, and shall not be altered or deprived by means of the Articles of Association, resolutions of the general meeting of shareholders, etc.

Other powers of the Board as stipulated in the Articles of Association shall be subject to collective decision-making approval for major business and matters, and shall not be authorized to single or several directors to make decisions separately.

The Board shall determine the authorization relating to external investment, purchase and disposal of assets, asset mortgage, external guarantee, consigned financial management and party/connected transactions, and shall establish strict examination and decision making procedure; and organize relevant experts and professionals to make assessments on material investment projects and report to the general meeting for approval.

**Article 78**

The Board deliberates the purchase and sale of assets, foreign investment (except for the purchase of bank financial products), transfer or assignment of R&D projects, signing license agreements, leasing in or leasing out of assets, entrusting or entrusted for management of assets and business, donation or receiving donation of assets, creditor's rights, debt restructuring, provision of financial assistance and other transactions; as well as, matters not within the scope of approval of the general meeting, which by referring to the transactions identified by the Shanghai Stock Exchange as, within twelve months in a row, involving single or cumulative transaction amount reaching one of the following standards:

- (1) if the total assets involved in the transaction account for more than 10% of the Company's total assets audited in the latest period, and if the total assets involved in the transaction have both book value and assessed value, the higher one shall be taken as the calculation data;
- (2) that the transaction amount accounts for more than 10% of the Company's market value;
- (3) that the net assets of the transaction subject (such as equity) in the latest accounting year account for more than 10% of the Company's market value;
- (4) that the operating income of the transaction subject (such as equity) in the latest accounting year accounts for more than 10% of the audited operating income of the Company in the latest accounting year, and exceeds RMB 10 million;
- (5) that the profit arising from the transaction represents more than 10% of the audited net profit of the company for the most recent accounting year and the absolute amount exceeds RMB 1 million;
- (6) that the net profits of the transaction object (such as equity) in the latest accounting year account for more than 10% of the audited net profits of the Company in the latest accounting year, and exceed RMB 1 million;

If any data involved in calculation of above (1) to (6) is negative, the absolute value shall apply. The net profit indicator in the above standards can be exempted before the company makes profits.



- (7) Matters relating to external guarantees other than those required by the Articles of Association to be considered by the general meeting;
- (8) Matters relating to related party/connected transactions that should be considered by the Board in accordance with the Sci-Tech Innovation Board Listing Rules and the Hong Kong Listing Rules;

The purchase or sale of assets stated in this Article does not include the purchase of raw materials, fuel and power, and the sale of products or commodities in connection with ordinary operations.

**Article 89**

The chairman of the Board shall convene and chair an extraordinary board meeting within 10 days if:

- (1) when at least one-tenth of the shareholders with voting rights make a proposal;
- (2) when at least one third of the directors make a proposal;
- (3) when half of the independent directors make a proposal;
- (4) when proposed by the supervisory committee;
- (5) when the Chairman considers it necessary;
- (6) when proposed by the General Manager;
- (7) other circumstances as provided for in the Articles of Association.

**Article 910**

More than half of the directors shall be present at a meeting of the Board.

The General Manager and the Secretary of the Board shall attend the meeting; the Supervisor, the President, the Senior Vice President, the Chief Medical Officer and the Chief Financial Officer may attend the meeting as required.

The Board may invite intermediaries or experts in industry, business, law and finance to attend board meetings and provide professional advice.

**Article 1011**

Board meetings shall be attended by the directors themselves or, if they are unable to attend for any reason, they may delegate their attendance in writing to another director in accordance with the provisions of the Rules.

**Chapter 2 Rules for Meeting Proposals**

**Article ~~11~~12** Matters to be considered by the Board shall be decided by way of a proposal. The Secretary of the Board shall be responsible for collecting, collating and submitting proposals to the Board for consideration and resolution.

For the purpose of the Rules, a proposal is a matter to be considered which is formally included in the deliberations of the Board and a matter to be considered and which has been submitted by the proposer, but not yet included in the deliberations of the Board, and the person or entity making the proposal is referred to as the proposer. The proposal includes, but is not limited to, the name of the proposal, its content, the necessary analysis of the arguments, etc. and is signed or sealed by the proposer.

**Article ~~12~~13** Every proposal shall be sent to the Secretary of the Board. The Secretary of the Board shall compile and classify all proposals and submit them to the Chairman for examination. If the Chairman considers that the content of a proposal is unclear or specific or the relevant materials are insufficient, he/she may request the proposer to amend or supplement it.

The contents of the proposal shall be sent to all directors and to those persons required to attend the meeting together with the notice of the meeting.

**Article ~~13~~14** Where a proposal is made to convene an extraordinary meeting of the Board in accordance with the Rules, a written proposal signed (sealed) by the proposer shall be submitted through the Secretary of the Board or directly to the Chairman of the Board. The following should be stated in the written offer:

- (1) the name of the proposer or names;
- (2) the objective grounds on which the proposal or offer is based;
- (3) the time or timeframe, place and manner of holding the proposed meeting;
- (4) a clear and specific proposal;
- (5) contact details of the proposer, date of the proposal, etc.

Proposals should be on matters within the responsibility scope of the Board as set out in the Articles of Association, and documents relating to the proposals should be submitted together with the proposals.

The Secretary of the Board shall, on receipt of the above written proposal and the relevant materials, forward the same to the Chairman on the same day. If the Chairman considers that the content of the proposal is unclear, specific or the relevant material is insufficient, he may request the proposer to amend or supplement it.

**Article 1415**

Proposals of the Board shall be subject to the following conditions:

- (1) the content is not inconsistent with the provisions of laws, regulations and the Articles of Association and is within the scope of the Company's business activities and the responsibilities of the Board;
- (2) the proposal must be in the interests of the company and the shareholders;
- (3) there are clear issues and specific matters;
- (4) shall be submitted in writing.

**Article 1516**

The following persons/organisations may submit proposals to the Board:

- (1) Shareholders who, individually or collectively, hold more than 3% of the total number of voting shares in the company;
- (2) Any one of the directors;
- (3) The supervisory committee;
- (4) General Manager, Chief Financial Officer, and Secretary to the Board.

The proposals in (3) and (4) above should be confined to matters within the scope of their duties.

**Article 1617**

If, in the course of the discussion of a proposal, the directors disagree on a question or part of a proposal, the proposal may be amended at the meeting in accordance with the vote taken, provided that the directors alone vote on the amendment of the question or part of the proposal.

**Chapter 3 Notice of Meetings and Sign-in Rules****Article 1718**

The board meeting are classified as regular meetings and extraordinary ones. Regular meetings of the Board shall be held at least four times a year and shall be convened by the Chairman of the Board.

**Article ~~18~~19** Notice of regular meetings of the Board shall be given to all directors and supervisors 14 days in advance and notice of extraordinary Board meetings shall be sent 3 days in advance.

Notice of meetings of the Board shall be given in writing, by personal delivery, express mail, facsimile, electronic mail, telephone or other means of communication or in such other manner as may be provided for in the Articles of Association.

If the situation is urgent and it is necessary to convene an extraordinary meeting of the Board as soon as possible, notice of the meeting may be given at any time by telephone or other verbal means, but the convenor shall make an explanation to that effect at the meeting.

**Article ~~19~~20** The Secretary of the Board shall be responsible for notifying all directors and personnel concerned and for preparing for the meeting. The notice of the board meeting includes the following:

- (1) the time and venue of the meeting;
- (2) the form of the meeting;
- (3) matters (proposals) to be deliberated;
- (4) convener and chairman of the meeting, proposer of and written proposal for the extraordinary meeting;
- (5) documents needed for voting of directors;
- (6) requirements for the directors to attend the meeting in person or by proxy;
- (7) contact person and contact details;
- (8) the issuance date of the notice.

The verbal notice shall at least include the information of the aforesaid item (1), (2) and (3) and the explanations on holding the extraordinary meeting of the Board under urgent circumstance.

**Article ~~20~~21** After the written notice for the regular meeting of the Board is issued, if the time and venue to convene the meeting shall be changed or the meeting proposal shall be added, changed and cancelled, the written change notice shall be issued three days before the originally scheduled meeting date, specifying the situation and relevant contents and materials

about the new proposal. If it is less than three days in advance, the date of the meeting shall be postponed accordingly or the meeting shall be held as scheduled with the approval of all directors present.

**Article ~~21~~22**

Where, after sending out the notice of the extraordinary Board meeting, there is a need to change the date or place of the meeting, or to add, change or cancel the proposals of the meeting, the approval by all directors attending the meeting shall be obtained in advance and records thereof shall be made.

The person to whom notice of a meeting is given shall inform the Secretary of the Board as soon as possible whether or not he/she is attending the meeting in accordance with the return receipt requested in the notice of the meeting.

**Article ~~22~~23**

A director shall, as a general rule, attend meetings of the Board in person. If a director is unable to attend a meeting for any reason, he/she may appoint another director to attend and vote in his/her stead. To appoint a proxy, it is necessary to set out in writing the following:

- (1) the names of the principal and the trustee;
- (2) a brief comment from the principal on each proposal;
- (3) the scope of the principal's authority and instructions on the intention to vote on the proposal, and the duration of the authority;
- (4) signature of the principal, date, etc.

Directors being appointed shall submit a written power of attorney to the moderator of the meeting, and state the same on the attendance book of the meeting.

The proxy director at the meeting shall exercise the director's right within the scope of authorization. A director who is not present at a meeting of the Board and does not appoint a proxy shall be deemed to have abstained from voting at that meeting.

**Article ~~23~~24**

The following principles shall govern the appointment and attendance at meetings of the Board:

- (1) in the consideration of connected transactions, a non-related director shall not appoint a related director to attend on his behalf; nor shall a related director accept an appointment from a non-related director;
- (2) a director shall not give his/her absolute authority to another director to attend in his stead without stating his personal opinion and intention to vote on the proposal, nor shall such director accept a proxy with full authority and authority which is unclear;
- (3) a director shall not accept a proxy from more than two directors, nor shall a director appoint a director who has accepted a proxy from two other directors to attend the meeting on behalf of him/her.

**Article ~~24~~25**

A rule for signing in at meetings of the Board shall be adopted whereby all persons attending a meeting shall sign in person and shall not be permitted to sign on behalf of others. The meeting attendance book is kept together with other written documents for the meeting.

**Chapter 4 Rules of Procedure and Voting****Article ~~25~~26**

The Board shall conduct its business by convening meetings of the Board. A resolution of the Board shall be passed by a majority of all the directors. If the Board resolves the guarantee matters within its scope of authority in accordance with the Articles of Association, such resolution shall be agreed by more than two-thirds of directors attending the meeting, in addition to as agreed by more than half of all directors of the Company.

**Article ~~26~~27**

Voting at Board meetings shall be conducted by registered voting.

Board meetings may be held by a meeting on-site or by ~~circulation of a written resolution~~ a communications conference or by a combination of both.

For the convenience of directors attending a Board meeting, Board meetings convened by a communications conference may be held ~~on-site, or~~ by means of telephone, video, written resolution or other real-time means of communication. Directors who participated in a Board meeting by the aforementioned means shall be deemed to have attended such ~~on-site~~ meeting.

If the meetings of the Board are convened via telephone, video or other instant communication instruments, it shall be ensured that the participating Directors are able to hear clearly other Directors' speeches and are able to communicate with each other. Sound records and video records shall be made for such meetings. Where the Directors are not able to sign the meeting resolutions immediately at such meetings, they shall cast their votes orally and complete the signing on written resolutions as soon as possible. Oral voting by the Directors shall have the same effect as signature in writing, but the signature in writing shall comply with the earlier oral voting at the meetings. If there is any discrepancy between such signature and oral voting, the oral voting shall prevail.

If a Board meeting is convened by means of circulation of a written resolution, namely by serving the resolutions for review individually or by circulating the resolutions among the directors for review, the directors or other directors appointed by them shall express their opinions for, against or abstain on the resolution or on the ballot paper clearly in writing. Once the number of directors who sign in favor reaches the quorum for a resolution as required by the Articles, the proposal shall take effect. The Company shall provide explanations if a Board meeting is convened by means of circulation of a written resolution and matters to be voted and the related background materials shall be served on all directors at least three days before voting.

**Article ~~27~~28**

Each director shall have one vote. In the case of an equality of votes, the Chairman shall be entitled to an additional vote.

**Article ~~28~~29**

If the method of registered voting is adopted, the secretary of the board of directors shall be responsible for organizing the production of the votes of the board of directors. A vote of the Board shall include the following matters:

- (1) the term, time and place of the Board;
- (2) name of director;
- (3) matters requiring consideration for voting;
- (4) directions for voting in favour, against and abstaining from voting;
- (5) other matters to be noted.

Attending directors shall make one option from “agree”, “against” or “abstain”. Where any director does not make any option or makes two or more options, the presider of the meeting shall ask relevant director to make choice again, and if the director refuses to make choice, or if any director leaves the meeting venue halfway without making a choice, he/she shall be regarded as abstaining from voting.

**Article ~~29~~30** Voting papers shall be distributed to the directors present at a meeting before the Board votes on each matter under consideration and shall be collected after the vote has been taken.

A director appointed by another director to vote on his/her behalf shall, in addition to holding a vote for himself/herself, hold a vote on behalf of the director appointing him/her and shall state in the director name column “Voted on behalf of xxx director” on such vote.

**Article ~~30~~31** The Board shall proceed to vote on each item of business on the agenda and shall not withhold or refrain from voting on any matter for any reason.

**Article ~~31~~32** The Chairman shall preside at meetings of the Board. Whenever the chairman is unable to or fails to exercise his/her powers, a director voted by more than one half of the directors shall perform the duties.

**Article ~~32~~33** Every question to be discussed by the Board shall be presented through a central address delivered by the proposer or by a designated director, stating the substance of the question, the leading view of the proposal, etc.

**Article ~~33~~34** When matters of related party/connected transactions are considered by the Board, an interested director shall not vote, nor shall he/she vote on behalf of the other directors, nor shall he/she be counted in the quorum for voting purposes, but he/she may attend the meeting and state his/her views.

When the Board of directors considers a related party/connected transaction, a meeting of the Board of directors may be held with more than half of the non-related directors present, and a resolution at a meeting of the Board of directors must be approved by a majority of the non-related directors. If the number of non-related directors attending the meetings is less than 3, the issue shall be submitted to the general meeting for consideration.



- Article ~~34~~35** Unless approved by all the directors attending the meeting, proposals not included in the notice of meeting shall not be voted at the meeting of the Board. Directors attending the Board meeting as proxy shall not vote on proposals which are not included in the notice of the meeting on behalf of other directors.
- Article ~~35~~36** For each item under consideration, at least two directors shall be elected from among those present at the meeting to take part in the count and shall be supervised by a Supervisor, and the result of the count shall be announced on the spot by the representative of the counters.
- Article ~~36~~37** The presider of the meeting shall decide whether resolutions are passed according to the voting results and announce such results in the meeting. The result of the vote on the resolution shall be recorded in the minutes of the meeting.
- Article ~~37~~38** If the presider is in any doubt as to the result of a resolution put to the vote, he/she may count the votes cast; if a vote is to be counted and a director present at the meeting objects to the announcement of the result by the presider, he/she shall be entitled to request a vote count immediately after the announcement of the result and the presider shall count the votes immediately.
- Article ~~38~~39** When more than one half of the directors attending the meeting deem the proposals unclear or unspecific, or that documents of the meeting are so inadequate that they are unable to make a judgement on the relevant matters, the presider shall ask the meeting to defer the vote on such proposals.
- The directors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of a proposal.
- Article ~~39~~40** The directors present shall sign the minutes of the meeting and the resolutions on their own behalf and on behalf of those directors who have appointed them to attend the meeting. If a director disagrees with the minutes of a meeting or the record of a resolution, he/she may make a written statement to that effect at the time of signing.
- A director shall be deemed to be in full agreement with the contents of the minutes and resolutions if he/she neither signs the same nor gives a written explanation of his dissenting opinion as required by the preceding clause.

**Article 4041** The directors shall be responsible for the resolutions of the Board. If a resolution of the Board of directors violates laws, regulations or the Articles of Association of the Company and causes the Company to suffer loss, directors who participated in the resolution shall be liable to the Company for compensation; but that if it is proved that certain director(s) expressed his/her dissenting opinion at the time of voting and recorded that in the minutes of the meeting, he/she shall be exempted from liability. A director who does not attend a meeting, nor appoint a proxy, nor give written advice on any matter before or at the time of the meeting shall be deemed not to have dissented and shall not be relieved of such liability.

### Chapter 5 Minutes

**Article 4142** Minutes shall be kept of meetings of the Board and shall be signed by the directors present, the secretary to the Board and by the recorder. A director who is present at a meeting shall be entitled to have an explanatory note made in the minutes of what he has said at the meeting.

In addition to the minutes of meetings, the Secretary of the Board may, if necessary, take concise minutes of the proceedings of the meetings and make separate minutes of the resolutions formed at the meetings based on the results of the voting.

The secretary of the Board shall be responsible for the custody of the written information such as attendance books, power of attorney, votes, minutes, resolutions, etc. for a period of not less than ten years.

**Article 4243** The minutes of the Board meetings shall include the following:

- (1) the date and place of the meeting and the name of the person convening it;
- (2) the names of the directors present and the names of those directors (proxies) who are appointed by others to attend the Board meeting;
- (3) agenda for the meeting;
- (4) the main points and key comments of the directors' speeches (including any concerns or objections);
- (5) the manner of voting and the result of each resolution (the result of the vote shall indicate the number of votes cast in favour, against or abstention).

**Article 4344** If it is not possible to complete the minutes immediately after the meeting due to shortage of time, the secretary of the Board shall be responsible for completing the minutes within 3 days after the meeting and sending them to each director by reasonable means such as personal delivery, express mail or email. Each director shall sign the minutes of the meeting within 3 days of their receipt and shall deliver the signed minutes to the Company. If the directors have any comments or objections to the minutes, they may refuse to provide their signatures, but they shall send their written comments to the Company at the time and in the manner hereinbefore provided.

In the event of any error or omission in the minutes of the Board, the Secretary of the Board shall correct the same and the director shall sign the corrected minutes.

#### **Chapter 6 Enforcement of Board Resolutions**

**Article 4445** Once a resolution has been formed at a Board meeting, the executive identified in the resolution is responsible for organising and implementing it, and reporting the results to the Chairman.

**Article 4546** The Chairman shall supervise the implementation of the Board's resolutions, check the implementation of the resolutions and report on implementation of the resolutions at subsequent Board meetings.

The Secretary of the Board shall report to the Chairman of the Board in a timely manner on implementation of the Board's resolutions and communicate the Chairman's views to the relevant directors and the management of the Company in a factual manner.

The secretary of the Board may assist the Board in supervising and checking the implementation of the Board's resolutions by collecting and inspecting relevant documents and communicating with relevant personnel.

The Board may require members of the management to report orally or in writing to the Board on implementation of the Board's resolutions and on significant production and operation of the Company.

## Chapter 7 Supplementary Provisions

- Article ~~46~~47** In case of any matters not covered in the Rules or in conflict with the provisions of then-effective laws, regulations, regulatory rules of the place where the Company's shares are listed or other normative documents, or in conflict with the Articles of Association, the said provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed, other normative documents or the said Articles of Association shall prevail.
- Article ~~47~~48** ~~These Rules are annexed to the Articles of Association.~~ Unless otherwise specified, terms used herein shall have the same meanings ascribed to them in the Articles of Association.
- Article ~~48~~49** The rules shall ~~be reviewed and passed by the general meeting of the Company and shall take effect and be implemented from the date of the Company's initial public offering of A shares and listing on the Shanghai Stock Exchange~~ consideration and approval by the general meeting of the Company. Since the effective date of the Articles of Association, the former Rules of Procedure of the Board of the Company shall be automatically invalidated.
- Article ~~49~~50** The Rules shall be interpreted by the Board.

REMEGEN CO., LTD.  
RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE

## Chapter 1 General Provisions

- Article 1** In order to give full play to the role of the Supervisory Committee, improve the corporate governance structure of the Company, promote the standardized operation of the Company, and safeguard the independent exercise of the supervisory powers by the Supervisory Committee, in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchanges, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Self-Regulatory Guideline for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange No. 1 — Regularization of Operation and other laws, regulations, rules and regulatory documents, and Articles of Association of the Company (hereinafter referred to as the "**Articles of Association**"), these rules of procedures are formulated based on the Company's actual conditions.
- Article 2** The Supervisory Committee is a standing supervisory body of the Company and is accountable to the general meeting, and shall monitor the compliance with laws and regulations during the performance of duties of the Company's finance staff, directors, general manager and other senior management and protect the legitimate rights and interests of the Company and its shareholders.
- Article 3** The Company shall have a Supervisory Committee. The Supervisory Committee comprises three supervisors, including shareholder representatives and an appropriate proportion of employee representatives. The proportion of employee representative supervisors in the Supervisory Committee shall be no less than one third of the supervisors appointed. The employee representatives of the Supervisory Committee shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically.
- Article 4** The Supervisory Committee shall have one chairman, and shall be determined by two-thirds or more of the members of the Supervisory Committee.
- Article 5** The method for discussions of the Supervisory Committee shall be Supervisory Committee meetings. Supervisory Committee meetings include regular meetings and extraordinary meetings. The Supervisory

Committee shall hold one regular meeting every six months. A supervisor may propose to convene an extraordinary Supervisory Committee meeting.

**Article 6** The Supervisory Committee shall convene an extraordinary meeting within ten days if:

- (1) a supervisor proposes to convene such a meeting;
- (2) a resolution is passed at a general meeting or a Board meeting that violates laws, regulations, regulatory documents, various stipulations and requirements of regulatory authorities, the Articles of Association, resolutions of general meetings of the Company and other relevant regulations;
- (3) any misconduct of directors and senior management is likely to cause significant damage to the Company or to cause adverse effects in the market;
- (4) lawsuits are filed by shareholders against the Company, directors, supervisors or senior management;
- (5) administrative penalties are imposed on the Company, directors, supervisors or senior management; or
- (6) other circumstances as stipulated by laws, regulations, regulatory documents or the Articles of Association occur.

## **Chapter 2 Powers and functions of the Supervisory Committee**

**Article 7** The Supervisory Committee shall exercise the following functions and powers:

- (1) to check the financial condition of the Company and review the periodic reports of the Company prepared by the Board and express its written opinion;
- (2) to monitor the performance of duties in the Company by directors and senior management and propose dismissal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of general meetings;
- (3) to require directors and senior management to make corrections if their conduct has damaged the interests of the Company;

- (4) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with the Company Law, to convene and preside over the general meetings;
- (5) to make proposals to the general meetings;
- (6) To initiate legal proceedings against directors and senior management in accordance with laws;
- (7) to conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;
- (8) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the general meetings and, in case any queries arise, to authorize, in the name of the Company, a re-examination by the certified public accountants and practising auditors of the Company for the time being;
- (9) to exercise any other powers and functions stipulated in the Articles of Association.

**Article 8**

The Supervisory Committee shall supervise the Company's investments, property disposals, acquisitions, related/connected transactions, mergers and demergers, and the due diligence of the Board, directors and senior management, and submit special reports to the general meetings.

When the directors and senior management of the Company commit any material misconduct or damage the interests of the Company, the Supervisory Committee shall require them to make corrections and, if necessary, may propose to the general meeting or the Board for removal or dismissal of relevant persons. The general meeting and the Board shall discuss and vote on the proposals of the Supervisory Committee.

**Article 9**

The Supervisory Committee shall oversee the Company's internal control system to ensure that the Company implements effective internal control measures to prevent possible risks.

**Article 10**

At the annual general meeting, the Supervisory Committee shall read their special report of the Company for the last year which shall include:

- (1) the examination of the financial situation;

- (2) the performance of duties in the Company by directors and senior management and the implementation of the relevant laws and regulations, the Articles of Association and the resolutions of the general meetings;
- (3) other important events that the Supervisory Committee shall report to the general meetings.

If the Supervisory Committee considers necessary, it may give opinion on the motion examined at general meeting and delivers independent reports.

**Article 11** All reasonable expenses incurred in respect of the employment of professional organizations such as law firms and accounting firms by the Supervisory Committee in exercising its functions and powers shall be borne by the Company.

**Article 12** The Supervisory Committee has the right to propose and urge the Board to convene an extraordinary general meeting in accordance with the provisions of the Articles of Association if:

- (1) the Supervisory Committee is unable to effectively perform its supervisory functions;
- (2) the fundamental interests of shareholders are at stake;
- (3) the Supervisory Committee considers that the resolution of the Board on the relevant connected transaction lacks fairness and reasonableness and it is not possible to reach agreement with the Board on such matters;
- (4) other necessary circumstances arise.

The Supervisory Committee may propose to the Board to convene an extraordinary general meeting by submitting a writing proposal listing the complete topics and content of the meeting. The Supervisory Committee shall ensure that the content of the proposal is in compliance with the laws, regulations and the Articles of Association of the Company.

**Article 13** The supervisors shall attend the general meetings of the Company. The supervisors shall cooperate with the Board in making replies and explanations in respect of enquiries and suggestions made by shareholders, other than matters involving the business secrets of the Company that may not be disclosed at the general meetings.



**Article 14** The supervisors shall attend the Board meetings of the Company and perform their supervisory duties with respect to the legality of the procedures of the Board meetings, the recusal of related directors from voting, the compliance of the content of the Board resolutions with the laws and regulations and the Articles of Association, and the actual needs of the Company.

**Article 15** The Supervisory Committee has the right to recommend an external audit firm to the general meetings of the Company; the Supervisory Committee also has the right to understand and inquire about the Company's operations and is obligated to maintain confidentiality of such information.

**Article 16** The directors, senior management and other staff of the Company shall provide necessary assistance to the supervisors in the normal performance of their duties and shall not interfere with or obstruct them. The reasonable expenses incurred by the supervisors in performing their duties shall be borne by the Company.

**Article 17** The Supervisory Committee's supervision record and results of financial or specific inspection will serve as important basis for performance assessment of directors, general manager and other senior management.

### **Chapter 3 Proposal and Convening of Meetings**

**Article 18** Before giving the notice on convening a regular meeting, the office of the Supervisory Committee shall solicit proposals for the meeting from all supervisors and provide at least 3 days to solicit opinions from the employees. When soliciting proposals and opinions, the office of the Supervisory Committee shall explain that the Supervisory Committee focuses on the supervision of the standard operation of the Company and the performance of the duties of the directors and senior management rather than making decisions on the operation and management of the Company.

**Article 19** If a supervisor proposes to convene an extraordinary meeting of the Supervisory Committee, he/she shall submit a written proposal signed by him/her to the office of the Supervisory Committee or directly to the ~~chief supervisor~~ chairman of the Supervisory Committee. The written proposal shall set forth the following:

- (1) the name of the proposing supervisor;
- (2) the reason or objective circumstance for the proposal;

- (3) the time or duration, venue and form of the proposed meeting;
- (4) clear and specific motions;
- (5) contact information of the proposing supervisor and date of proposal, etc.

Within 3 days after the office of the Supervisory Committee or the ~~chief supervisor~~ chairman of the Supervisory Committee receives a written proposal from a supervisor, the office of the Supervisory Committee shall issue a notice to convene an extraordinary meeting.

**Article 20**

The meeting of the Supervisory Committee shall be convened and presided over by the ~~chief supervisor~~ chairman of the Supervisory Committee; if the ~~chief supervisor~~ chairman of the Supervisory Committee is unable to or fails to carry out his/her duties, a supervisor elected by above half of the supervisors shall convene and preside over the meeting.

**Chapter 4 Notice of the Supervisory Committee**

**Article 21**

The method for discussions of the Supervisory Committee shall be Supervisory Committee meetings. As for the voting on a resolution of the Supervisory Committee, each supervisor shall have one vote. For convening the regular meetings and extraordinary meetings of the Supervisory Committee, ~~the office of the Supervisory Committee~~ shall deliver the written meeting notice to all supervisors by hand, courier, fax ~~or~~ e-mail, telephone or other means of communication or otherwise provided by the Articles of Association 10 days and ~~53~~ days in advance.

Where an extraordinary meeting of the Supervisory Committee needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

**Article 22**

Notice of a meeting shall at least include:

- (1) the date, venue and duration of the meeting;
- (2) reasons and details of the matter(s) to be discussed;
- (3) date of issuance of the notice;
- (4) the convener and presider of the meeting, the proposer of the extraordinary meeting and his/her written proposal;

- (5) meeting materials necessary for supervisors to vote;
- (6) the requirements that the supervisor shall attend the meeting in person;
- (7) contact person and address.

The verbal notice shall at least include the information of the aforementioned items (1) and (2) and the explanations on holding the extraordinary meeting of the Supervisory Committee under urgent circumstance.

### Chapter 5 Convening and Resolution of Meetings

#### Article 23

Regular and extraordinary meetings of the Supervisory Committee may be convened and voting can be conducted by on-site meetings or communication means or a combination of the two methods.

For the convenience of supervisors attending a Supervisory Committee meeting, Supervisory Committee meetings may be held on-site, or by means of telephone, video, written resolution or other real-time means of communication. Supervisors who participate in a Supervisory Committee meeting by the aforementioned means shall be deemed to have attended such meeting.

If the meetings of the Supervisory Committee are convened via telephone, video or other instant communication instruments, it shall be ensured that the participating supervisors are able to hear clearly other supervisors' speeches and are able to communicate with each other. Sound records and video records shall be made for such meetings. Where the supervisors are not able to sign the meeting resolutions immediately at such meetings, they shall cast their votes orally and complete the signing on written resolutions as soon as possible. Oral voting by the supervisors shall have the same effect as signature in writing, but the signature in writing shall comply with the earlier oral voting at the meetings. If there is any discrepancy between such signature and oral voting, the oral voting shall prevail.

If a Supervisory Committee meeting is convened by means of circulation of a written resolution, namely by serving the resolutions for review individually or by circulating the resolutions among the directors for review, the supervisors or other supervisors appointed by them shall express their opinions for, against or abstain on the resolution or on the ballot paper clearly in writing. Once the number of supervisors who sign

in favor reaches the quorum for a resolution as required by the Articles, the proposal shall take effect. The Company shall provide explanations if a Supervisory Committee meeting is convened by means of circulation of a written resolution and matters to be voted and the related background materials shall be served on all supervisors at least three days before voting.

No Supervisory Committee meeting may be held unless attended by half of supervisors.

**Article 24**

The presider of the meeting shall ask the attending supervisors for their opinions on each of the proposals.

The presider shall request the directors and senior management to answer for inquiries on site according to the suggestions of the supervisors.

**Article 25**

As for the voting on a resolution of the Supervisory Committee meeting, each supervisor shall have one open vote.

Supervisors may vote for or against the proposal or abstain from voting. Attending supervisors shall choose one of the above-mentioned intentions; if they do not choose or choose more than two intentions simultaneously, the presider of the meeting shall have the right to ask relevant supervisors to make choice again; if the supervisors refuse to make choice, it shall be regarded as abstaining; if the supervisors leave the meeting venue halfway without making a choice, it shall be regarded as abstaining.

A resolution of the Supervisory Committee must be approved by two-thirds or more of the supervisors. A resolution of the Supervisory Committee shall be confirmed by the signature of the attending supervisors at the meeting.

**Article 26**

The Supervisory Committee shall assign a person to take minutes of the on-site meeting. The minutes of the Supervisory Committee shall include:

- (1) the session, time, venue and form of the proposed meeting;
- (2) issuance of the meeting notice;
- (3) the convener and presider of the meeting;
- (4) meeting attendance;

- (5) the proposals discussed at the meeting, the main points of each supervisor's speech and main opinions on the matters, and the intention to vote on the proposals;
- (6) method and results of the voting for each proposal (the voting result should specify the number of votes for and against the proposal or abstention);
- (7) other issues that the attending supervisors consider necessary.

**Article 27** The minutes of the meeting shall be confirmed by the signature of the attending supervisors and the minutes taker at the meeting. Supervisors dissenting from the meeting minutes shall make a written statement at the time of signing.

Supervisors that neither sign in accordance with the provisions of the preceding paragraph, nor make a written statement or report to the supervisory department to explain their dissenting opinion or publish a public statement, are deemed to fully agree with the contents of the meeting minutes.

**Article 28** Supervisors shall supervise the implementation of the resolutions of the Supervisory Committee. The ~~chief supervisor~~chairman of the Supervisory Committee shall report on the execution of the resolutions passed on the Supervisory Committee meeting.

**Article 29** A person designated by the ~~chief supervisor~~chairman of the Supervisory Committee is responsible to keep the meeting documents of the Supervisory Committee, including the meeting notice and the meeting materials, the attendance book of the meeting, the meeting audio recordings, votes, meeting minutes and resolutions confirmed and signed by the supervisors. The meeting documents of the Supervisory Committee shall be kept for a period of not less than ten years.

### Chapter 6 Supplemental Provisions

**Article 30** In case of any matters not covered in these Regulations or in conflict with the provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed, or other normative documents, as promulgated after these regulations come into effect, or in conflict with the Articles of Association, the said provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed, other normative documents or the said Articles of Association shall prevail.

- Article 31**            ~~These rules shall be annexed to the Articles of Association.~~ Unless otherwise specified, terms used herein shall have the same meanings ascribed to them in the Articles of Association.
- Article 32**            ~~The rules shall be reviewed and passed by the general meeting of the Company and shall take effect and be implemented from the date of the Company's initial public offering of A shares and listing on the Shanghai Stock Exchange~~ consideration and approval by the general meeting of the Company. Since the effective date of the Articles of Association, the original Rules of Procedure of the Supervisory Committee of the Company shall be automatically invalidated.
- Article 33**            These rules shall be interpreted by the Supervisory Committee.

REMEGEN CO., LTD.  
TERMS OF REFERENCE FOR THE INDEPENDENT DIRECTORS

## Chapter 1 General Provisions

- Article 1** In order to further consummate corporate governance structure of RemeGen Co., Ltd. (the “**Company**”), improve the structure of the Board of Directors, strengthen the discipline and supervision mechanism for internal directors and managers, protect the interests of small and medium shareholders and creditors, and promote the standardized operation of the Company, these rules are formulated in accordance with relevant laws and regulations of the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, and Guiding Opinions on Establishing an Independent Director System in Listed Companies, Measures for the Management of Independent Directors of Listed Companies (the “**Management Measures**”), the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Self-Regulatory Guideline for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange No. 1 — Regularization of Operation, and the requirements of the articles of association of the Company (the “**Articles of Association**”).
- Article 2** Independent director means a director who does not take any position of the Company except ~~independent~~ director, and he/she has ~~not any~~ no direct or indirect interested relationship, which will bias his objective judgment, with the Company and the major shareholder of the Company, actual controllers, or does not have any relationship, which will bias his objective judgment. The term “independent director” in these rules shall have the meaning given to it under the Rules Governing the Listing of Securities on the Stock Exchange in Mainland China and shall also mean “independent non-executive director” under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.
- Article 3** Independent director owes the Company and all the shareholders ~~fiduciary~~ loyalty and diligent duties. Independent director shall perform duties conscientiously, play a role in participating decision-making, providing oversight and check-and-balance and offering professional advice in the Board, and safeguard the overall interests of the Company as well as the legal rights and interest of minority shareholders, in

accordance with the ~~relevant national laws and~~, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the requirements of the Articles of Association.

**Article 4** Independent directors shall perform duties independently and shall not be influenced by the Company's ~~and its~~ major shareholders, actual controllers or other units or persons having interest relations with the Company.

**Article 5** ~~More than one-third~~The proportion of the members of the Board shall be independent directors in the Board of Directors of the Company shall not be less than one-third, and at least one of them shall be an accounting professional ~~(the~~.

Those who are nominated as independent director candidates in their capacity as accounting professional professionals shall mean a person who holds senior accountant title possess extensive accounting expertise and experience with appropriate accounting or is relevant financial management expertise as required by the Hong Kong Listing Rules, and meet at least one of the following criteria:

- (1) being qualified as to practice as a Certified Public Accountant;
- (2) possessing a ~~certified accountant~~ senior title, associate professor title or doctoral degree in accounting, auditing or financial management;
- (3) possessing a senior title in economic management with at least 5 years of full-time working experience in professional positions in accounting, auditing or financial management.

At least one independent director of the Company is ordinarily resident in Hong Kong.

**Article 56** The Company shall establish an audit committee within the Board of Directors, which shall consist of directors who do not hold senior management positions in the Company. The majority of the committee members shall be independent directors, and the committee shall be convened by an independent director possessing accounting profession skills. The Company has established specialized committees within the Board of Directors, including nomination, remuneration and appraisal, and strategy committees, as deemed necessary. The majority of members in both the Nomination Committee and the Remuneration and Appraisal Committee shall be independent directors, who will also serve as



convenors. Independent directors appointed by the Company shall take positions in ~~five~~three domestic listed companies at most and shall have sufficient time and efforts to effectively perform duties of the independent director.

**Article 7**

Independent directors and persons proposed to be independent directors shall participate in the training organized by the China Securities Regulatory Commission (the “CSRC”) and its authorized institutions in accordance with the requirements of the CSRC and the Shanghai Stock Exchange.

**Chapter 2 Independence and Qualification of Independent Directors****Article 7**

The independent directors appointed by the Company shall be independent and the following persons shall not act as an independent director:

- (1) persons working for the Company or its affiliates and their ~~immediate family members and major social relations (immediate family members refer to spouses, parents, children, etc.; major social relations refer to siblings, parents of the spouse, spouses of children, spouses of siblings, and siblings of the spouse);~~spouses, parents, children, and major social relations;
- (2) any natural person shareholder who directly or indirectly holds more than 1% of the issued shares of the Company or are among the top ten shareholders of the Company and their ~~immediate family members~~spouses, parents and children;
- (3) any person who works for a shareholder who directly or indirectly holds more than 5% of the issued shares of the Company or who works for the top five shareholders of the Company and their ~~immediate family members~~spouses, parents and children;
- (4) any person who works for affiliates of the Company’s controlling shareholders and actual controller and ~~its affiliates~~their spouses, parents and children;
- (5) any person who provides financial, legal ~~and~~, advisory and sponsorship services to the Company and its controlling shareholder, actual controller or their respective affiliates, including but not limited to all members of the project team of

the intermediary providing the services, reviewers at all levels, persons signing the reports, partners, directors, senior management and primary responsible persons;

- (6) any person who ~~acts as a director, supervisor or senior management officer in an entity~~ has significant business dealings with which the company and its controlling shareholder, actual controller or their respective affiliates ~~have significant business dealings, or holds a position in an entity or acts as a director, supervisor or senior management officer in an entity of the~~ controlling shareholder or actual controller of the entity with which ~~the~~ significant business dealings are conducted;
- (7) any person who falls into categories (I) to (VI) in the ~~preceding year~~ latest twelve months;
- (8) any person who has acquired an interest in any securities of a listed issuer by way of a gift or other financial assistance (equity) from the Company or its core related (connected) persons;
- (9) any person who has been a director, partner or principal of, or a professional adviser providing services to, the company, its controlling shareholder, or their respective affiliates or core related (connected) persons within two years prior to his or her appointment; Nevertheless, with no violation of paragraph (2), the independence of such person shall not be questioned if they receive shares or securities as part of their director's remuneration from the Company or its subsidiaries (but not from related parties), or if they receive them under a share scheme established in accordance with Chapter 17 of the Hong Kong Listing Rules;
- (10) other person who is not independent as may be required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association; and
- (11) ~~other person identified by the securities regulatory authority at the location where the shares of the Company are listed.~~

The “controlling shareholders” and “de facto controller” of the Company as described in items 4 to 6 of this Article shall not include the enterprises that are under common control of a state-owned asset management institution and do not constitute related (connected) relationship with the Company in accordance with relevant requirements.

Independent directors shall conduct an annual self-review of their independence, and report the review results to the Board of Directors. The Board of Directors shall assess and give special opinions on the independence of the incumbent independent directors on an annual basis, and disclose the same with the annual report of the Company. The Company is also required to confirm in the annual report whether the above confirmation has been received or not and to confirm the independence of the independent directors.

**Article 89**

Independent directors shall satisfy the following basic requirements and relevant provisions:

- (1) being qualified to act as a director of a listed company in accordance with the laws, administrative regulations and other relevant provisions;
- (2) having the independence required by the regulatory rules of the place where the shares of the Company are listed and by these rules, and shall not be influenced by the Company's major shareholders, actual controllers or other units or persons having interest relations with the Company;
- (3) having the basic knowledge about operations of listed companies, and proficient in relevant laws, ~~administrative~~ regulations and rules;
- (4) ~~ensuring that he/she shall have~~ having at least five years of legal, accounting or economic experience necessary to fulfil the duties of an independent director;
- (5) having good personal integrity with no adverse records such as major breach of trust;
- (6) the provisions of the Civil Servant Law of the People's Republic of China on civil servants serving concurrent positions (if applicable);
- (7) the relevant provisions of the Measures for the Management of Independent Directors of Listed Companies promulgated by the CSRC;

- (8) the provisions of the Notice on Regulating Central Management Officers from Serving as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies After Resignation or Retirement (《關於規範中管幹部辭去公職或者退(離)休後擔任公司、基金管理公司獨立董事、獨立監事的通知》) promulgated by the Central Commission for Discipline Inspection and the Organization Department of the Chinese Communist Party (if applicable);
- (9) the provisions of the Opinions on Further Regulating Party and Government Senior Officers from Concurrently Serving in Companies (《關於進一步規範黨政領導幹部在企業兼職(任職)問題的意見》) promulgated by the Organization Department of the Chinese Communist Party (if applicable);
- (10) the provisions of the Opinions on Strengthening the Establishment of Anti-corruption and Integrity in Colleges and Universities (《關於加強高等學校反腐倡廉建設的意見》) promulgated by the Central Commission for Discipline Inspection, the Ministry of Education and the Ministry of Supervision (if applicable);
- (11) the relevant provisions of the Guidelines for ~~have not obtained a certificate of qualification for independent directors at the time of nomination~~ Independent Directors and External Supervisors of Joint-Stock Commercial Banks (《股份制商業銀行獨立董事和外部監事制度指引》) promulgated by the People's Bank of China, etc. (if applicable);
- (12) the relevant provisions of the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities Fund Operation Institutions (《證券基金經營機構董事、監事、高級管理人員及從業人員監督管理辦法》) by the CSRC, etc. (if applicable);
- ~~(4)~~(13) the relevant provisions of the Regulations on the Qualifications for Appointment of Directors (Governors) and Senior Management Personnel of Banking Financial Institutions (《銀行業金融機構董事(理事)和高級管理人員任職資格管理辦法》), the Regulations on the Qualifications for Appointment of Directors, Supervisors and Senior Management Personnel of Insurance Companies (《保險公司董事、監事和高級管理人員任職資格管理規定》), and the Regulations on the Administration of Independent Directors of Insurance Institutions (《保險機構獨立董事管理辦法》) (if applicable);

- (5) ~~ensuring that he/she shall have necessary time and effort to perform his/her duties and be diligent and conscientious;~~
- (6)(14) other conditions as may be required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;

**Article 910**

A candidate for independent director should be of good personal character without being in any of the circumstances prohibiting him from being nominated as a director of the Company as set forth in Article 8, and should have no adverse record of:

- (1) being subject to administrative penalties imposed by the CSRC or criminal punishment by judicial authorities for violation of securities regulatory authority at the location where the shares of the Company are listed in and futures laws and committing crimes within the latest 36 months;
- (2) being in a period when the stock exchange where the shares of the Company are listed publicly determines that he/she is unfit to be a director of a listed company;
- (2) being investigated by the last three years CSRC or by judicial authorities for suspiciously violating securities and futures laws and committing crimes, with a definite conclusion yet to be reached;
- (3) having been openly reprimanded or criticized by notice for more than two times by the stock exchange where the shares of the Company are listed in the last three years within the latest 36 months;
- (4) having failed an adverse record such as a major breach of trust;
- (4)(5) being proposed to be dismissed by the Board to the general meeting for an independent director failing to attend two consecutive meetings of the Board in person or having failed to to appoint another independent director to attend in person on his/her behalf during his/her tenure, or the number of times not personally attending Board meetings accounting for more than one-third of the meetings of the Board during his/her tenure as an independent director total Board meetings for the year, and the period of dismissal having not yet expired for twelve months;

~~(5)(6) having expressed independent views that are clearly inconsistent with the facts during his/her tenure as an independent director.~~ other circumstances identified by the stock exchange.

**Article 1011** The independent director is required to inform the Company as soon as practicable if there is any change of circumstances that may affect his/her independence.

### Chapter 3 Nomination, Election and Change of Independent Directors

**Article 1112** The Board of Directors, Supervisory Committee, shareholders who alone or jointly hold more than 1% of shares of the Company can nominate candidate of independent directors, and determined by voting at a shareholders' general meeting.

Investor protection institutions established in accordance with law may publicly request shareholders to entrust them to exercise the right of nominating independent directors on the behalf of such shareholders.

The nominator as described in this Article shall not nominate any person who has interest in the nominator or any other close relationship that may affect the independent performance of duties as a candidate for independent director.

**Article 13** The nominator of an independent director shall obtain the consent of the nominee before nomination. The nominator shall fully understand the basic information of the nominee, including his occupation, academic qualifications, job position, detailed fulltime and part-time work experience, and whether the nominee has any adverse records such as material breach of trust, and shall also express his opinions on that the qualification and nominee meets the requirements for independence of the candidate and other conditions for serving as an independent director, and the nominee. Nominees shall declare that he does not have any relationship make a public declaration on his compliance with the Company which may affect his independence and other requirements for acting as an independent and objective judgment director.

**Article 14** The Nomination Committee under the Board of Directors of the Company shall review the qualifications of nominees and form a clear review opinion. The Company shall disclose the relevant contents in accordance with the provisions of the preceding paragraph and submit the relevant materials of all independent director candidates to the stock exchange

prior to the convening of the general meeting for the election of independent directors, and the relevant submissions shall be true, accurate and complete.

The stock exchange examines the relevant materials of the independent director candidates in accordance with the regulations and prudently determines whether the independent director candidates meet the qualifications for appointment and has the right to raise objections. If the stock exchange raises objections, the Company may not submit the proposal for election at the general meeting.

**Article 15** The election of two or more independent directors at a general meeting of the Company shall be by way of a cumulative voting system. Votes of minority shareholders shall be counted and disclosed separately.

**Article 1216** The term of office of independent directors is the same as other directors, and the term is renewable upon re-election when it expires, but the renewed term shall not exceed six years. Anyone who has served as an independent director for a consecutive period of six years shall be prohibited from being nominated as a candidate for the position of independent director of the Company for a period of 36 months from the date of occurrence of such fact. Terms of office of independent directors who have been appointed prior to the initial public offering shall be counted consecutively.

**Article 17** ~~If an independent director fails to attend three consecutive meetings of the Board in person, the Board shall propose to the general meeting for removal of such director. Except for the above circumstances and the circumstances specified in the Company Law which preclude a director from acting as a director, an independent director shall not be removed prior to the expiry of his/her term with no reasons. Before the expiration of the term of office of an independent director, the Company may terminate his/her office in accordance with the statutory procedures. In case of early dismissal of an independent director, the Company shall disclose the specific reasons and justifications in a timely manner. The Company shall disclose in a timely manner any dissenting opinion of the independent directors.~~

An independent director who fails to comply with the provisions of paragraph 1 or 2 of Article 9 shall immediately cease to perform his or her duties and resign from his or her office. If a person fails to resign, the Board shall, as soon as it knows or ought to have known of the occurrence of such fact, dismiss him from office in accordance with the provisions.

Where an independent director resigns or is dismissed from office as a result of the circumstances set forth in the preceding paragraph, resulting in the proportion of independent directors on the Board or its specialized committees not complying with the provisions of this System or the Articles of Association, or where there is a lack of accounting professionals among the independent directors, the Company shall complete the by-election within 60 days from the date of the occurrence of the foregoing facts.

**Article 13**

An independent director may resign before the term of office expires. The independent director must submit a written resignation notice to the Board to specify matters that are related with the resignation or they consider notable for the Company's shareholders and creditors. The Company shall disclose the reasons for and concerns about the resignation of independent directors.

~~Where the resignation of an independent director causes will result in the number proportion of independent directors on the Board or its specialized committees not complying with the provisions of this System or the Articles of Association, or where there is a lack of accounting professionals among the independent directors, the independent director fall under the minimum number required by these rules, the resignation notice of the independent director who intends to resign shall not become effective—continue to perform his duties until the vacancy so caused is filled by the successor.~~

**Article 14**

date on which a new independent director is appointed. The Company shall elect new independent directors to fill a gap with the number required herein when such complete the by-election within 60 days from the date on which the independent director fails to meet the requirement of independence or is found not to be fit for duties as an independent director tenders his resignation.

**Chapter 4 Duties of Independent Directors****Article 19**

The independent directors perform the following duties:

- (1) participating in the decision-making of the Company's board of directors and expressing a clear opinion on the matters under consideration;
- (2) supervising the matters of potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management as listed in Articles



23, 26, 27 and 28 of the Measures for the Management of Independent Directors of Listed Companies, and urging the Board of Directors to make decisions in line with the interests of the Company as a whole, especially protecting the legal rights and interests of minority shareholders;

(3) providing professional and objective advice on the Company's operation and development, and promoting the Board's decision-making level;

(4) other duties as stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article ~~15~~20**

The independent directors shall perform duties independently and fairly and shall not be influenced by the Company's major shareholders, actual controllers or other units or persons having interest relations with the Company. If any matter under consideration is found to affect their independence, they should declare this to the Company and abstain of such matter. If there are circumstances that clearly affect independence their tenure, they should inform the Company in a timely manner and propose measures to resolve the situation, and if necessary, they should resign.

**Article ~~16~~21**

The independent directors shall safeguard the interests of the Company and all shareholders, understand the production, operation and functioning of the Company, and give full play to their role in investor relationship management.

**Article ~~22~~**

The independent directors shall ~~submit annual report, stating their fulfillment of duties, of independent directors to the shareholders at the annual general meeting.~~

**Article ~~17~~**

~~In addition to attending Board meetings, the independent directors shall ensure that they spend not no less than ten fifteen days a year on on-site inspections of at the Company's production and operation, the construction and implementation of management and internal control systems, and the implementation of resolutions of the Board.~~

In addition to attending the general meetings, the meetings of the board of directors and its specialized committees, and special meetings of independent directors in accordance with the regulations, the independent directors may perform their duties by various means, such as obtaining information on the listed company's operations on a regular basis.

listening to reports from the Company's management, communicating with intermediaries such as the head of the internal audit organization and the accounting firm that undertakes the Company's audit, conducting on-site inspections, and communicating with minority shareholders.

**Article 18~~23~~**

In order to give full play to the role of independent directors, the independent directors have the following special authorities and duties in addition to those conferred on them by relevant national laws and regulations:

- ~~(1) the significant related party/connected transactions (defined as connected transactions with related parties with an aggregate amount of more than RMB3 million or more than 5% of the company's latest audited net asset value) that the Company intends to enter into with related/connected parties should be approved by the independent directors and submitted to the Board for discussion; the independent directors may engage an intermediary to issue an independent financial adviser's report as a basis for their judgment before making their judgment;~~
- (1) to independently engage intermediaries to carry out audit consultation or checking in respect of specific matters of the Company;
- ~~(2) to propose to the Board the appointment and removal of auditors;~~
- ~~(3)(2) to propose to the Board the convening of~~convene an extraordinary general meeting;
- ~~(4)(3) to propose the convening of a Board meeting;~~
- ~~(5)(4) to solicit voting rights openly from shareholders prior to a general meeting~~in accordance with laws;
- ~~(6)(5) to engage an~~express independent intermediary agency to provide professional advices if necessary;opinions on matters which may prejudice the relevant costs shall be borne by interests of the Company or minority shareholders;
- ~~(7)(6) to perform other authorities and duties as stipulated by the laws, administrative regulations, departmental rules, regulatory documents, rules of self-regulation~~the place where the Company's shares are listed and the Articles of Association.

The independent directors shall seek the consent of more than half of the independent directors in exercising the above mentioned authorities and duties in the paragraphs 1 to 3.

~~In addition to the above~~The Company shall disclose in a timely manner any exercise by an independent director of the authorities and duties, the independent directors shall provide independent views on the following significant matters: listed in paragraph 1. In the event that the abovementioned authorities and duties cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

**Article 1924**

Prior to the convening of a Board meeting, an independent director may communicate with the secretary of the Board to make inquiries, request for supplementary materials, and offer opinions and suggestions on matters to be considered. The Board of Directors and relevant personnel shall seriously study the questions, requests and opinions raised by the independent directors and provide timely feedback to the independent directors on the implementation of the amendments to the resolutions and other matters.

(1) ~~external guarantees;~~

**Article 25**

(2) ~~significant related/connected party transactions;~~Independent directors should attend Board meetings in person. If, for any reason, he or she is unable to attend the meeting in person, the independent director shall review the meeting materials in advance, form a clear opinion, and appoint in writing other independent directors to attend the meeting on his or her behalf.

If an independent director fails to attend two consecutive Board meetings in person and does not appoint another independent director to attend on his/her behalf, the Board shall propose to convene a shareholders' meeting within thirty days from the date of occurrence of such fact to remove such independent director from office.

**Article 26**

If an independent director votes against or abstains from voting on a Board motion, he or she shall state the specific reasons and basis for such vote, the legality and compliance of the matter to which the motion relates, the risks that may exist, and the impact on the interests of the Company and minority shareholders. The dissenting opinion of the independent directors shall be disclosed at the same time when the Company discloses the resolution of the Board and shall be set out in the resolution of the Board and the minutes.

**Article 27**

The following matters of Company shall be submitted to the Board for deliberation after being approved by a majority of all independent directors:

- (1) related (connected) transactions that shall be disclosed;
- ~~(3) nomination, appointment and removal of directors;~~
- ~~(4) appointment and dismissal of senior management;~~
- ~~(5) remuneration and equity incentive plans for directors and senior management;~~
- ~~(6) change of purposes of use of proceeds;~~
- ~~(7) the excess funds being used for permanent replenishment of working capital or repayment of bank loans;~~
- ~~(8) formulating a proposal for conversion of the reserve into share capital;~~
- ~~(9) formulating a profit distribution policy, profit distribution plan and cash dividend plan;~~
- ~~(10) changes in accounting policies, accounting estimates or corrections of significant accounting errors for reasons other than changes in accounting standards;~~
- ~~(11) a non-standard unqualified audit report on the financial accounting report of the listed company being issued by a certified public accountant;~~
- ~~(12) appointment and dismissal of accounting firm;~~
- ~~(13) management buyout;~~
- ~~(14) major reorganisation;~~
- ~~(15) repurchase of Shares through call auction;~~
- ~~(16) internal control evaluation report;~~
- ~~(2)(17)~~ a proposal for change of commitment by the listed company's committed related parties plans for the Company and related parties to change or waive commitments;

- ~~(3)(18) the effect of issuing preferred shares on the interests of the various classes of shareholders of the Company decisions made and measures taken by the board of directors of the acquired company in relation to the acquisition;~~
- ~~(4)(19) other matters prescribed by laws, administrative regulations, departmental rules, regulatory documents, rules of self regulation and the Articles of Association or identified by the securities regulatory authority; other matters as stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.~~
- ~~(20) other matters which, in the opinion of the independent directors, may prejudice the interests of the listed company and its minority shareholders. The types of independent opinions issued by the independent directors include consent, reservations and reasons, objections and reasons, and the inability to issue their opinions and the obstacles thereto, and the opinions expressed should be clear and unambiguous.~~

**Article 20**

~~The independent directors should sign to confirm the independent opinion issued and report the above opinion to the Board in a timely manner. The Company shall regularly or irregularly convene meetings attended solely by independent directors (the "Special Meetings of Independent Directors"). Matters as listed in items (1) to (3) of paragraph 1 of Article 18 and Article 23 under the Measures for the Management of Independent Directors of Listed Companies shall be considered at the Special Meetings of Independent Directors.~~

**Article 28**

~~The views of the independent directors if the relevant matter is one that requires disclosure. If no consensus is reached by independent Directors, the Board shall disclose the opinions of each independent director respectively.~~

~~The Special Meetings of Independent Directors shall be convened and chaired by an independent director jointly elected by a majority of the independent directors; in the event that the convenor does not or cannot perform his duties, two or more independent directors may convene the meeting by themselves and elect a representative to preside over the meeting. The Company shall facilitate and support the convening of the Special Meetings of Independent Directors.~~

**Article 29**

The independent directors shall perform their duties in the specialized committees of the Board of Directors of the Company in accordance with the laws and administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association. Independent directors shall attend the meetings of the specialized committee in person, and if they are unable to attend the meetings in person for any reason, they shall review the materials of the meetings in advance, form a clear opinion, and appoint in writing other independent directors to attend the meetings on their behalf. If an independent director is concerned about a material matter of the Company within the scope of the duties of the specialized committee in his performance of duties, he may promptly propose it to the specialized committee for discussion and consideration in accordance with the procedures.

The Company shall, in accordance with the provisions of this System, provide for the composition and duties of its specialized committees in the Articles of Association, and formulate the working procedures of the specialized committees to specify their composition, the term of office of their members, the terms of reference, the scope of duties, the rules of procedure, the preservation of files and other relevant matters.

**Article 30**

Minutes of meetings of the Board of Directors of the Company and its specialized committees and Special Meetings of Independent Directors shall be prepared in accordance with the regulations, and the opinions of the independent directors shall be set out in the minutes. The independent directors shall sign and confirm the minutes.

The independent directors shall keep a record of their work and record in detail the performance of their duties. Information obtained by the independent directors in the course of discharging their duties, minutes of relevant meetings, records of communications with staff of the Company and intermediaries, etc., form an integral part of the working records. For important contents in the work records, the independent directors may request the secretary of the Board of Directors and other relevant personnel to sign to confirm, and the Company and the relevant personnel shall cooperate with them.

Records of independent directors' work and information provided by the Company to independent directors should be kept for at least ten years.

**Article 31**

The Company shall improve the communication mechanism between independent directors and minority shareholders, and the independent directors may verify with the Company in a timely manner the issues raised by investors.

**Article 32**

The independent directors shall submit an annual work report to the annual general meeting of the Company, giving an account of the fulfilment of their duties. The annual work report shall include the following:

- (1) the number of board meetings attended, attending methods and voting, and the number of general meetings attended;
- (2) participation in the work of specialized committees of the board of directors and the Special Meetings of Independent Directors;
- (3) consideration on the matters set out in Articles 23, 26, 27 and 28 of the Measures for the Management of Independent Directors of Listed Companies and the exercise of the special powers and duties of independent directors as set out in paragraph 1 of Article 18 of the Measures for the Management of Independent Directors of Listed Companies;
- (4) significant matters, methods and results of communication with the internal audit organization and the accounting firm that undertakes the Company's audit on the Company's financial and business conditions;
- (5) communication with minority shareholders;
- (6) duration and content of work on-site at the Company;
- (7) other circumstances in the discharge of duties.

The annual work report of independent directors shall be disclosed no later than when the Company issues notice of its annual general meeting.

**Article 33**

The independent non-executive directors are required to review the continuing connected transactions on an annual basis and to confirm in the annual report whether such transactions are:

- (1) the Company's ordinary business;
- (2) conducted on general commercial terms or better terms; and
- (3) conducted pursuant to the relevant agreement, the terms of which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

**Article 34** Independent non-executive directors shall comply with the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Hong Kong Listing Rules.

#### Chapter 5 Working Conditions of Independent Directors

**Article 35** In order to ensure the effective exercise of power by the independent directors, the Company shall provide the necessary conditions for the independent directors:

- (1) The Company shall provide the necessary working conditions and personnel support for the independent directors to perform their duties, and designate specialized departments such as the office of the Board of Directors and the secretary to the Board of directors shall Directors and specialized personnel to assist and cooperate with the independent directors in performing their discharge of duties.

The company should secretary to the Board of Directors shall ensure the smooth flow of information between the independent directors and other directors, senior management and other relevant personnel, and ensure that the independent directors have access to adequate resources and necessary professional advice in the performance of their duties.

- (2) The Company shall ensure that independent directors have the same right to information as other directors. Any matter to be decided by the Board shall be notified to the independent directors in advance by the time as required by law, and sufficient information shall be provided. In order to ensure the effective exercise of the independent directors' powers and functions, listed companies shall keep the independent directors regularly informed of the company's operations, provide them with information, and organize or cooperate with the independent directors in conducting site inspections and other work.

The Company may organize independent directors to participate in research and above independent discussion sessions before the Board of Directors think the considers major and complex matters, so as to fully listen to the views of the independent directors and provide timely feedback to the independent directors on the adoption of their views.



**Article 21** (3) The Company shall give notice of Board meetings to independent directors in a timely manner, provide relevant meeting materials ~~are inadequate~~ no later than the notice period for Board meetings stipulated in the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed, and the Articles of Association, and provide an effective communication channel for independent directors. If a specialized committee of the Board of Directors convenes a meeting, the Company shall, in principle, provide relevant materials and information no later than three days prior to the convening of the specialized committee meeting. The Company shall keep the above meeting materials for at least ten years.

If two or the proof is indefinite more independent directors consider that the materials for a meeting are incomplete, insufficiently argued or not provided in a timely manner, they can may propose to the Board in writing to the Board of Directors to postpone the convening of the meeting or approval postpone the consideration of the matter, and the Board shall agree. The information provided by the Company to the independent directors should be retained by the Company and the independent directors themselves for at least five years of Directors shall adopt such proposal.

**Article 22** ~~The independent directors have the right to participate in the specialised committees established under the Board of the Company and are qualified to act as convenors of the specialised committees in the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee in order to give full play to the role of independent directors in promoting and supervising the operation and development of the Company and its standardised operation.~~

Meetings of the Board of Directors and specialized committees are held on-site as a rule. On the premise of ensuring that all participating directors are able to fully communicate and express their opinions, meetings may be held by way of video, telephone or any other means in accordance with the procedures.

**Article 23** (4) ~~When~~Where an independent director exercises his/~~her~~ powers, the Company's directors, senior management and other relevant personnel ~~of the Company~~ shall actively cooperate with him/~~her~~, and shall not refuse, ~~obstruct or conceal them~~ hinder or withhold relevant information, nor interfere with the independent exercise of his ~~or her~~ authorities powers.

If an independent director encounters obstructions in exercising his powers in accordance with laws, he may explain the same to the Board, request cooperation from the directors, senior management and other relevant personnel, and record the specific obstructions and the solutions thereof in his work records. If the obstruction cannot be removed, it may be reported to the CSRC and the stock exchange.

If the performance of duties by an independent director involves information that should be disclosed, the Company shall make disclosure in a timely manner. If the Company does not make such disclosure, the independent director may directly apply for the disclosure or report the case to the CSRC and the stock exchange.

- Article 24**
- (5) The Company shall bear the expenses incurred by the independent directors in engaging professional organizations and in exercising their other duties.
- (6) The Company may establish a liability insurance system for independent directors to reduce the risks that may arise from the normal performance of their duties.

**Article 2536**

~~The standard of allowance will be determined~~Company shall provide independent directors with allowances commensurate with their responsibilities. The criteria for allowances shall be formulated by the Board of Directors and approved by the shareholders at a general meeting, and disclosed in the annual report of the listed company.

~~Except~~In addition to the above allowance, the allowances, independent directors shall not obtain other additional benefits from the Company and listed company, its substantial shareholders, de facto controllers or any other interested entity or individual entities and personnel.

#### **Chapter 6—Working Rules of Independent Directors’ Periodic Reporting**

**Article 26**

~~The independent directors should perform their duties and obligations diligently and conscientiously in the regular preparation and disclosure process of the Company. During the periodic reporting exercise, the independent directors should communicate with the management of the Company and gain a comprehensive understanding of the production, operation and regulation of the Company, and conduct site visits as far as possible. A written record shall be kept during the performance of the periodic reporting duties and the signature of the person concerned is required on important documents.~~

**Article 27** ~~The independent directors are under a duty of confidentiality in the preparation of periodic reports. The contents of the annual report shall not be divulged in any form to the outside world prior to the publication of the periodic report.~~

**Article 28** ~~If there is disagreement on specific matters in the periodic report, and subject to the consent of at least one-half of all independent directors, external auditors and advisers may be engaged independently and the related costs incurred shall be borne by the Company.~~

~~Chapter 7~~ **Chapter 6** Supplemental Provisions

**Article 2937** In case of any matters not covered in these rules or in conflict with the provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed, or other normative documents, as promulgated after these regulations come into effect, or in conflict with the Articles of Association, the said provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed, other normative documents or the said Articles of Association shall prevail.

**Article 3038** The terms "above" and "at least" as referred to in these rules includes the number itself while the terms and "less than", "lower than", "more than", "higher than" does not.

**Article 3139** ~~These rules shall be reviewed and passed by the general meeting of the Company and shall take effect and be implemented from the date of the Company's initial public offering of A shares and listing on the Shanghai Stock Exchange~~ consideration and approval by the general meeting of the Company. The former Terms of Reference for the Independent Directors of the Company shall automatically cease to have effect from the effective date of these rules.

**Article 3240** These rules shall be interpreted by the Board.

**RESOLUTION ON CHANGE OF CERTAIN SUB-PROJECTS  
UNDER PROCEEDS-FUNDED PROJECTS OF THE COMPANY AND  
THE ADJUSTMENT OF PROCEEDS INVESTED**

According to the progress of the proceeds-funded projects, in order to improve the efficiency of the use of the proceeds, it is proposed to adjust the sub-projects under the proceeds-funded projects of the Company's A-share initial public offering (IPO) and the proceeds invested.

**I. BASIC INFORMATION ON PROCEEDS OF THE A-SHARE INITIAL PUBLIC OFFERING**

On January 11, 2022, upon approved by the CSRC through the issuance of the Approval for the Registration of Stocks regarding the Initial Public Offering of RemeGen Co., Ltd.\* (Zheng Jian Xu Ke [2022] No. 62) (《關於同意榮昌生物製藥(煙台)股份有限公司首次公開發行股票註冊的批復》(證監許可[2022]62號)), the Company initially issued 54,426,301 RMB-denominated ordinary shares (A shares) under the IPO at an issue price of RMB48 per share. The gross proceeds amounted to RMB2,612,462,448.00, and the net proceeds after deduction of the actual offering expenses of RMB106,516,951.24 (tax exclusive) amounted to RMB2,505,945,496.76.

The aforementioned proceeds have been fully available as at March 28, 2022. Ernst & Young Hua Ming LLP verified the proceeds raised from the IPO of the Company and issued the Capital Verification Report (Ernst & Young Hua Ming (2022) Yan Zi No. 61486761\_J03) (安永華明(2022)驗字第61486761\_J03號《驗資報告》).

In order to regulate the management and use of the Company's proceeds and to protect the interests of investors, the Company has deposited the proceeds in a special account. All the proceeds have been deposited in the special account approved by the Board of Directors of the Company upon receipt. A tripartite supervision agreement for the proceeds has been signed among the Company, the Sponsor and the commercial bank where the proceeds are deposited.

**II. UTILIZATION OF PROCEEDS OF THE A-SHARE INITIAL PUBLIC OFFERING**

As of September 30, 2023, the proceeds of the Company's IPO were utilized as follows:

*Unit: RMB0'000 Currency: Renminbi*

No.	Project	Total investment	Amount of proceeds to be invested	Amount of proceeds invested
1	Industrialization of biologics	370,500.00	97,776.31	97,776.31
2	R&D of anticancer antibodies	206,201.05	43,000.00	22,944.44
3	R&D of antibodies targeting autoimmune and ophthalmic diseases	150,162.25	22,000.00	18,332.47
4	Working capital	<u>120,000.00</u>	<u>87,818.24</u>	<u>87,818.24</u>
	<b>Total</b>	<b><u>846,863.30</u></b>	<b><u>250,594.55</u></b>	<b><u>226,871.46</u></b>

**III. DETAILS OF CHANGE OF SUB-PROJECTS UNDER PROCEEDS-FUNDED PROJECTS AND THE ADJUSTMENT OF PROCEEDS INVESTED**

According to the progress of the Company's drug R&D, in order to improve the efficiency and effectiveness of the use of proceeds, the Company intends to change certain R&D sub-projects under the "R&D of anticancer antibodies". The Company will re-allocate the remaining proceeds from the "RC138" sub-project of RMB30.1245 million and the "RC98" sub-project of RMB34.9563 million to the sub-projects of "RC48" and "RC88". The total amount of the Company's intended use of proceeds for its proceeds-funded projects before and after such change will remain unchanged.

**(I) COMPARISON BEFORE AND AFTER CHANGE OF SUB-PROJECTS UNDER  
PROCEEDS-FUNDED PROJECTS AND THE ADJUSTMENT OF PROCEEDS  
INVESTED**

A comparison of the details of the “R&D of anticancer antibodies” after the change of sub-projects and adjustment of proceeds invested is set out below:

*Unit: RMB0'000 Currency: Renminbi*

No.	Code of sub-project	Sub-project	Proposed investment	Proposed investment stage	Amount of proceeds to be invested before adjustment	Amount of proceeds to be invested after adjustment	Increase/decrease
1	RC48	Anti-HER2 antibody drug conjugate injection	Single-agent therapy for HER2-trend-resistant prostate cancer	Clinical phase Ib	0.00	1,063.41	1,063.41
2	RC88	Anti-mesothelin antibody drug conjugate injection	Gynecologic tumor (USA)	Clinical phase II	0.00	3,052.00	3,052.00
			Gynecologic tumor (China)	Clinical phase II	0.00	2,392.68	2,392.68
3	RC98	PD-L1 monoclonal antibody injection	Solid tumor	Clinical phase I to III + Drug registration	4,887.58	1,391.95	-3,495.63
4	RC138	PD-L1+TGF- $\beta$ dual-antibody injection	Solid tumor	Clinical phase I to III + Drug registration	3,012.46	0.00	-3,012.46
<b>Total</b>					<u>7,900.04</u>	<u>7,900.04</u>	<u>0.00</u>

**(II) REASONS FOR CHANGE OF CERTAIN SUB-PROJECTS UNDER PROCEEDS-FUNDED PROJECTS AND THE ADJUSTMENT OF PROCEEDS INVESTED****1. Reasons for increasing the proceeds to be invested to the original proceeds-funded projects of anti-HER2 antibody drug conjugate injection (RC48) and anti-mesothelin antibody-drug combination injection (RC88):*****(1) Anti-HER2 antibody drug conjugate injection (RC48)***

RC48 (disitamab vedotin) is the first original antibody-drug conjugate (ADC) drug developed by the Company in China, targeting the HER2 protein on the surface of tumors, which can accurately identify and kill tumor cells. World-leading clinical data have been obtained in clinical trials of RC48 for the treatment of gastric cancer, uroepithelial carcinoma, and breast cancer, etc. It is the first ADC drug in China to receive dual recognition as a breakthrough therapy by the Food and Drug Administration (FDA) in the U.S. and the National Medical Products Administration (NMPA).

Currently, the Company is preparing for the clinical trial of RC48 single agent for the treatment of HER2 expression trend-resistant prostate cancer. It is expected to formally launch the phase Ib clinical trial in 2024 with the proposed investment of RMB16.00 million to this phase Ib clinical trial project and the proceeds to be invested of RMB10.6341 million.

***(2) Anti-mesothelin antibody drug conjugate injection (RC88)***

RC88 is a novel mesothelin (MSLN)-targeting ADC for the treatment of MSLN-positive solid tumors. RC88 consists of MSLN-targeting antibody, cleavable linker and small molecule cytotoxin (MMAE). Its mechanism of action is similar to that of disitamab vedotin. By targeting MSLN-positive tumour cells and mediating the endocytosis of antibodies, RC88 can effectively deliver cytotoxins to cancer cells in a targeted manner, which has a better tumor killing effect.

Currently, the Company is preparing for the clinical trial of RC88 for the treatment of gynecologic tumors in China, and plans to formally launch the phase II clinical trial in 2024 with the proposed investment of RMB36.0000 million to this phase II clinical trial project and the proceeds to be invested of RMB23.9268 million.

Furthermore, the Company is simultaneously planning the clinical trial of RC88 for the treatment of gynecologic tumors in the U.S.. It is expected to formally launch the phase II clinical trial in 2024 with the proposed investment of RMB45.9200 million to this phase II clinical trial project and the proceeds to be invested of RMB30.5200 million.

**2. Reasons for decreasing the proceeds to be invested to the original proceeds-funded projects of PD-L1 monoclonal antibody injection (RC98) and PD-L1 +TGF- $\beta$  dual-antibody injection (RC138):**

***(1) PD-L1 monoclonal antibody injection (RC98)***

The RC98 research project for the treatment of various solid tumors is currently at the phase II clinical stage. During the project implementation, after comprehensively evaluating the changes in future clinical diagnostic standards and needs, and with careful consideration, the Company has decided to appropriately adjust the R&D strategy and slow down the progress of the study. Therefore, it has reduced the proceeds for this project by RMB34.9563 million, and allocated such proceeds to the aforementioned research projects that are more urgently in need.

***(2) PD-L1+TGF- $\beta$  dual-antibody injection (RC138)***

During the A-share IPO, the research project of RC138 for the treatment of various solid tumors was at the IND preparation stage. Since the preclinical molecular development data did not meet the expectation during the exploration, the pipeline currently comes to a standstill. The Company has decided to terminate the clinical research pipeline of RC138 for the treatment of various solid tumors after careful consideration, and therefore allocated the proceeds for this pipeline of RMB30.1246 million to the aforementioned research projects that are more urgently in need.

**IV. FEASIBILITY ANALYSIS OF CHANGE OF SUB-PROJECTS UNDER PROCEEDS-FUNDED PROJECTS AND THE ADJUSTMENT OF PROCEEDS INVESTED**

**(I) High-quality R&D team provides a talent guarantee for project implementation**

The Company is equipped with a far-sighted and experienced R&D management team, most of whose members are successful with more than 20 years of experience in the multinational pharmaceutical industry. These experts have led the establishment of a R&D team with high academic qualifications, profound academic theories and professional backgrounds. As of September 30, 2023, the Company had 1,342 R&D staff, representing 35.57% of the overall workforce. The Company's R&D staff with master's degree or above accounts for more than 40% of the total R&D staff. The Company's high-quality R&D team with an international vision provides a talent guarantee for the implementation of the adjusted proceeds-funded sub-projects.



**(II) Establishment of R&D system provides a technical guarantee for the achievement transformation**

The Company has established three major R&D centers in the U.S., Shanghai and Yantai, Shandong, respectively. The Company has built three core technology platforms, namely the antibody and fusion protein platform, the antibody drug conjugate (ADC) platform and the hinge-insersion bispecific antibody (HIBODY) platform, covering all key parts of innovative biologics from early discovery, target screening and validation, drug discovery, to research and development. Relying on its core technology platform and strong R&D capabilities, as well as the collaborative exploration and innovation of multidisciplinary professionals, the Company has demonstrated breakthrough therapeutic effects in clinical trials through its own innovative design and development of products. The Company's outstanding R&D strength provides a solid technical guarantee for the implementation of the adjusted proceeds-funded sub-projects.

**V. IMPACT ON THE COMPANY AND RISK WARNING**

The change of certain sub-projects under proceeds-funded projects and the adjustment of proceeds invested are decided prudently based on the Company's development strategy, the actual situation of the progress of product R&D as well as the urgent needs of protecting people's lives and health, which is conducive to enhancing the efficiency of the use of the proceeds, optimizing the allocation of resources, and is beneficial to the long-term development of the Company. The adjustment in the proceeds invested to certain sub-projects under proceeds-funded projects will not adversely affect the normal operation of the Company and is in line with the long-term development plan of the Company and the interests of all shareholders. The Company will strengthen the supervision of the progress of the proceeds-funded projects so as to enhance the effectiveness of the utilization of the proceeds.

The drug registration shall be subject to pre-clinical research, clinical trial filing, clinical trial, production approval and other stages, which shall be approved by the drug regulatory department under the State Council, and the new drug certificate and drug production approval document shall be issued before the production of the drug. The overall R&D cycle of innovative drugs is prolonged with large investment and high R&D risks. The overall process from R&D to marketing and sales can take 10 years or more. Besides, the enrollment in various clinical studies and the implementation of the research protocols are subject to a number of uncertainties, and the specific protocols of the clinical studies and the research cycle may be adjusted accordingly in light of the actual situation, which may lead to the risk of the results of the clinical studies falling short of expectations or even the failure of the clinical studies.

The resolution mentioned above is hereby proposed for consideration and approval.

**RemeGen Co., Ltd.\***

October 30, 2023



**RemeGen Co., Ltd.\***

**榮昌生物製藥（煙台）股份有限公司**

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

**(Stock Code: 9995)**

## **NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2023 second extraordinary general meeting (the “EGM”) of RemeGen Co., Ltd.\* (the “Company”) will be held at Room 6134, Phase III Building of the Company, 58 Middle Beijing Road, Yantai Development Zone, Yantai Area of Shandong Pilot Free Trade Zone, PRC at 2:00 p.m. on Thursday, December 28, 2023 or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions:

### **ORDINARY RESOLUTION**

1. To consider and approve the proposed change of certain sub-projects and the amount adjustments under A-Share Offering proceeds-funded projects.

### **SPECIAL RESOLUTIONS**

2. To consider and approve the 2023 Restricted A Share Incentive Scheme (Draft) of the Company and its summary.
3. To consider and approve the Assessment Management Measures for the 2023 Restricted A Share Incentive Scheme of the Company.
4. To consider and approve the proposed authorization to the board of directors of the Company to handle matters pertaining to the 2023 Restricted A Share Incentive Scheme of the Company.
5. To consider and approve the proposed amendments to the Articles of Association.

### **ORDINARY RESOLUTIONS**

6. To consider and approve the proposed amendments to certain internal management systems of the Company (each and every item as a separate resolution):
  - 6.01 the proposed amendments to the Rules of Procedures for the Meeting of Shareholders.

## NOTICE OF EGM

6.02 the proposed amendments to the Rules of Procedures for the Board of Directors.

6.03 the proposed amendments to the Rules of Procedures for the Supervisory Committee.

6.04 the proposed amendments to the Terms of Reference for the Independent Directors.

By order of the Board  
**RemeGen Co., Ltd.\***  
榮昌生物製藥(煙台)股份有限公司  
**Mr. Wang Weidong**  
*Chairman and executive director*

Yantai, the PRC  
December 12, 2023

\* *For identification purposes only*

*Notes:*

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at [www.remegen.com](http://www.remegen.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the EGM.
2. Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), at least 24 hours before the EGM (i.e. before 2:00 p.m. on December 27, 2023) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of holders of H shares who are entitled to attend the EGM, the H share register of members of the Company will be closed from December 21, 2023 to December 28, 2023, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of the shares shall ensure all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on December 20, 2023 for registration.

## NOTICE OF EGM

5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the EGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.
6. A shareholder or his/her proxy should produce proof of identity when attending the EGM.
7. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses. Shareholders may contact the Company at +86-0535-6113681 or rcsww@remegen.com for any enquiries in respect of the EGM.

*As at the date of this notice, the board of directors of the Company comprises Mr. Wang Weidong, Dr. Fang Jianmin, Dr. He Ruyi and Mr. Lin Jian as the executive directors, Dr. Wang Liqiang and Dr. Su Xiaodi as the non-executive directors, and Mr. Hao Xianjing, Dr. Ma Lan and Mr. Chen Yunjin as the independent non-executive directors.*

## NOTICE OF H SHARE CLASS MEETING



**RemeGen Co., Ltd.\***

**榮昌生物製藥(煙台)股份有限公司**

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

**(Stock Code: 9995)**

### NOTICE OF 2023 FIRST CLASS MEETING OF H SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the 2023 first class meeting of H shareholders (the “**Class Meeting of H Shareholders**”) of RemeGen Co., Ltd.\* (the “**Company**”) will be held at Room 6134, Phase III Building of the Company, 58 Middle Beijing Road, Yantai Development Zone, Yantai Area of Shandong Pilot Free Trade Zone, PRC, at 2:40 p.m. or immediately after the conclusion of the 2023 second extraordinary general meeting and the 2023 first class meeting of A shareholders of the Company to be held at the same location, whichever is later, on Thursday, December 28, 2023 or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions:

#### SPECIAL RESOLUTIONS

1. To consider and approve the 2023 Restricted A Share Incentive Scheme (Draft) of the Company and its summary.
2. To consider and approve the Assessment Management Measures for the 2023 Restricted A Share Incentive Scheme of the Company.
3. To consider and approve the proposed authorization to the board of directors of the Company to handle matters pertaining to the 2023 Restricted A Share Incentive Scheme of the Company.

By order of the Board

**RemeGen Co., Ltd.\***

榮昌生物製藥(煙台)股份有限公司

**Mr. Wang Weidong**

*Chairman and executive director*

Yantai, the PRC  
December 12, 2023

\* *For identification purposes only*

## NOTICE OF H SHARE CLASS MEETING

*Notes:*

1. All resolutions at the Class Meeting of H Shareholders will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at [www.remegen.com](http://www.remegen.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the Class Meeting of H Shareholders.
2. Any shareholder entitled to attend and vote at the Class Meeting of H Shareholders convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), at least 24 hours before the Class Meeting of H Shareholders (i.e. before 2:40 p.m. on December 27, 2023) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the Class Meeting of H Shareholders or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of holders of H shares who are entitled to attend the Class Meeting of H Shareholders, the H share register of members of the Company will be closed from December 21, 2023 to December 28, 2023, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Class Meeting of H Shareholders, unregistered holders of the shares shall ensure all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on December 20, 2023 for registration.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Class Meeting of H Shareholders, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.
6. A shareholder or his/her proxy should produce proof of identity when attending the Class Meeting of H Shareholders.
7. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses. Shareholders may contact the Company at +86-0535-6113681 or [rcsw@remegen.com](mailto:rcsw@remegen.com) for any enquiries in respect of the Class Meeting of H Shareholders.

*As at the date of this notice, the board of directors of the Company comprises Mr. Wang Weidong, Dr. Fang Jianmin, Dr. He Ruyi and Mr. Lin Jian as the executive directors, Dr. Wang Liqiang and Dr. Su Xiaodi as the non-executive directors, and Mr. Hao Xianjing, Dr. Ma Lan and Mr. Chen Yunjin as the independent non-executive directors.*