
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to what action to take in relation to this circular, you should consult your licensed securities dealer or other registered securities institutions, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Haohai Biological Technology Co., Ltd.*, you should at once hand this circular and the enclosed proxy form and reply slip to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

(1) PROPOSED A SHARE OFFERING AND RELATED MATTERS
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
THE RULES OF PROCEDURE OF THE GENERAL MEETING, THE BOARD OF
DIRECTORS AND THE BOARD OF SUPERVISORY OF THE COMPANY
FOR THE PURPOSE OF THE A SHARE OFFERING
(3) PROPOSED INTERNAL CONTROL RULES
FOR THE PURPOSE OF THE A SHARE OFFERING
(4) PROPOSAL ON THE APPOINTMENTS OF THE RELEVANT
INTERMEDIARIES FOR THE A SHARE OFFERING
(5) PROPOSAL ON THE VALIDITY PERIOD OF THE RESOLUTIONS
ON THE A SHARE OFFERING
(6) PROFIT DISTRIBUTION PROPOSAL,
SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING,
NOTICE OF 2019 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING
AND
NOTICE OF 2019 FIRST H SHAREHOLDERS' CLASS MEETING

This circular should be read together with the announcement of the Company dated February 1, 2019 in respect of the postponement of the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting originally scheduled to be held on February 18, 2019 (the "Postponement Announcement").

Due to the reasons set out in the Postponement Announcement, the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting will now be held at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC on Tuesday, March 12, 2019 at 9:30 a.m., 10:30 a.m. (or immediately after the conclusion or adjournment of EGM) and 11:30 a.m. (or immediately after the conclusion or adjournment of the Domestic Shareholders Class Meeting), respectively. The supplemental notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular.

The proxy form for the EGM issued by the Company on January 3, 2019 (the "Original Proxy Form") is no longer valid and is superseded by the enclosed revised proxy form for the EGM (the "Revised Proxy Form"). For Shareholders who have completed and returned the Original Proxy Form in accordance with the instructions printed thereon, please be reminded that the votes by the proxy so appointed on the resolutions will be deemed invalid because an additional ordinary resolution in relation to the proposal on profit distribution has been inserted and the resolution in relation to the proposal on the appointment of the legal advisers for the Company's A Share Offering has been amended. In order to be valid, the Revised Proxy Form must be duly completed and deposited in accordance with the instructions therein.

Save for the change of date of the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting and the corresponding changes to the book closure period as specified in this circular, (i) all information and contents as set out in the notices of the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting issued by the Company on January 3, 2019 will remain unchanged; (ii) the reply slips for the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting issued by the Company on January 3, 2019 will remain valid; and (iii) the proxy forms for the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting issued by the Company on January 3, 2019 will remain valid.

* For identification purpose only

February 25, 2019

CONTENTS

	<i>page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I — FEASIBILITY ANALYSIS REPORT ON THE USE OF PROCEEDS FROM A SHARE OFFERING	I-1
APPENDIX II — DIVIDEND DISTRIBUTION PLAN WITHIN THE THREE YEARS AFTER A SHARE OFFERING	II-1
APPENDIX III — PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING	III-1
APPENDIX IV — COMMITMENTS REGARDING NO FALSE RECORDS, MISLEADING STATEMENTS OR MATERIAL OMISSIONS	IV-1
APPENDIX V — COMMITMENTS REGARDING RESTRICTIVE MEASURES ON FAILURE TO FULFILL RELEVANT PUBLIC COMMITMENTS ...	V-1
APPENDIX VI — IMPACT ANALYSIS OF DILUTION OF IMMEDIATE RETURNS ARISING FROM THE A SHARE OFFERING AND THE REMEDIAL MEASURES ON THE IMMEDIATE RETURNS	VI-1
APPENDIX VII — PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION .	VII-1
APPENDIX VIII — RULES OF PROCEDURE OF THE GENERAL MEETING	VIII-1
APPENDIX IX — RULES OF PROCEDURE OF THE BOARD OF DIRECTORS	IX-1
APPENDIX X — RULES OF PROCEDURE OF THE BOARD OF SUPERVISORY	X-1
APPENDIX XI — WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS	XI-1
APPENDIX XII — RULES FOR THE MANAGEMENT OF THE RELATED PARTY TRANSACTIONS	XII-1
APPENDIX XIII — SPECIAL RULES FOR PREVENTION OF MAJOR SHAREHOLDERS AND RELATED PARTIES TO OCCUPY THE COMPANY'S FUNDS	XIII-1
APPENDIX XIV — RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED .	XIV-1
APPENDIX XV — RULES FOR THE MANAGEMENT OF THE EXTERNAL GUARANTEE	XV-1
APPENDIX XVI — RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT	XVI-1
SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING	EGM-1
NOTICE OF 2019 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING	DCM-1
NOTICE OF 2019 FIRST H SHAREHOLDERS' CLASS MEETING	HCM-1

DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“A Share(s)”	ordinary shares that are proposed to be issued under the A Share Offering by the Company, with a nominal value of RMB1.00 each, which will be listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange and traded in RMB
“A Share Offering”	the Company’s proposed initial public offering of not more than 17.8 million A Shares which are to be listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange, and to issue A Shares upon the exercise of the over-allotment option (if any)
“Articles of Association”	the Articles of Association of the Company, as amended, revised or supplemented from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisory”	the supervisory board of the Company
“Class Meeting(s)”	the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting, collectively
“Company”	Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司), a joint stock company with limited liability incorporated in the PRC and its H shares are listed on the Stock Exchange (Stock Code: 6826)
“Company Law”	the Company Law of the People’s Republic of China promulgated and adopted by the Standing Committee of the Eighth National People’s Congress on December 29, 1993 and enforced on July 1, 1994 (as amended, supplemented or otherwise modified from time to time)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded in any stock exchange
“Domestic Shareholders”	holders of the Domestic Shares
“Domestic Shareholders’ Class Meeting”	the 2019 first domestic shareholders’ class meeting of the Company to be held at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC at 10:30 a.m. on Tuesday, March 12, 2019 (or immediately after the conclusion or adjournment of EGM) or any adjournment thereof

DEFINITIONS

“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC at 9:30 a.m. on Tuesday, March 12, 2019 or any adjournment thereof for the purpose of, considering and, if thought fit, approving the resolutions contained in the supplemental notice of the extraordinary general meeting which is set out on pages 5 to 15 of this circular
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“H Shareholders”	holders of the H Shares
“H Shareholders’ Class Meeting”	the 2019 first H Shareholders’ class meeting of the Company to be held at 11:30 a.m. at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC on Tuesday, March 12, 2019 (or immediately after the conclusion or adjournment of the Domestic Shareholders’ Class Meeting) or any adjournment thereof
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Independent Director(s)” or “Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Latest Practicable Date”	February 18, 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“Old Share(s)”	the Domestic Share(s)
“PRC”	the People’s Republic of China which, for the purpose of this circular only, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rules for the Management of the External Guarantee”	Rules for the Management of the External Guarantee of the Company
“Rules for the Management of the External Investment”	Rules for the Management of the External Investment of the Company

DEFINITIONS

“Rules for the Management of Proceeds to be Raised”	Rules for the Management of Proceeds to be Raised of the Company
“Rules for the Management of the Related Party Transactions”	Rules for the Management of the Related Party Transactions of the Company
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and H Shares
“Shareholder(s)”	shareholder(s) of the Company
“Special Rules for Prevention of Major Shareholders and Related Parties to Occupy the Company’s Funds”	Special Rules for Prevention of Major Shareholders and Related Parties to Occupy the Company’s Funds of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the member(s) of the Board of Supervisory
“Working Rules of the Independent Non-executive Directors”	Working Rules of the Independent Non-executive Directors of the Company

* *For identification purpose only*

LETTER FROM THE BOARD



Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

Executive Directors:

Dr. Hou Yongtai (*Chairman*)
Mr. Wu Jianying (*General manager*)
Mr. Huang Ming (*Secretary of the Board and
the joint company secretary*)
Ms. Chen Yiyi
Mr. Tang Minjie

Non-executive Directors:

Ms. You Jie
Mr. Gan Renbao

Independent non-executive Directors:

Mr. Chen Huabin
Mr. Shen Hongbo
Mr. Li Yuanxu
Mr. Zhu Qin
Mr. Wong Kwan Kit

Registered office:

No. 5 Dongjing Road
Songjiang Industrial Zone
Shanghai, PRC

*Headquarters and principal place
of business in the PRC:*

23/F, WenGuang Plaza,
No. 1386 Hongqiao Road,
Changning District,
Shanghai, PRC

Principal place of business in Hong Kong:

Room 1901, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

February 25, 2019

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED A SHARE OFFERING AND RELATED MATTERS**
**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
THE RULES OF PROCEDURE OF THE GENERAL MEETING, THE BOARD OF
DIRECTORS AND THE BOARD OF SUPERVISORY OF THE COMPANY
FOR THE PURPOSE OF THE A SHARE OFFERING**
**(3) PROPOSED INTERNAL CONTROL RULES
FOR THE PURPOSE OF THE A SHARE OFFERING**
**(4) PROPOSAL ON THE APPOINTMENTS OF THE RELEVANT
INTERMEDIARIES FOR THE A SHARE OFFERING**
**(5) PROPOSAL ON THE VALIDITY PERIOD OF THE RESOLUTIONS
ON THE A SHARE OFFERING**
**(6) PROFIT DISTRIBUTION PROPOSAL,
SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING,
NOTICE OF 2019 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING
AND
NOTICE OF 2019 FIRST H SHAREHOLDERS' CLASS MEETING**

** For identification purpose only*

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the announcement of the Company dated January 3, 2019 in respect of the proposed A Share Offering and the announcement of the Company dated February 1, 2019 in respect of the postponement of the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting originally scheduled to be held on February 18, 2019 (the "**Postponement Announcement**"). The Board has passed the following resolutions at the meetings of the Board convened on January 3, 2019 and February 1, 2019: (1) the proposal on the A Share Offering; (2) the proposal on the use of the proceeds to be raised by the A Share Offering and the feasibility analysis; (3) the proposal on granting authorization to the Board to handle the Company's application for the A Share Offering and related matters; (4) the proposal on the distribution of the accumulated undistributed profits before the A Share Offering; (5) the proposal on the dividend distribution plan within the three years after the A Share Offering; (6) the proposal on stabilizing the price of A Shares of the Company after the A Share Offering; (7) the proposal on commitments in relation to the A Share Offering and the introduction of corresponding restraining measures; (8) the proposal on the dilution of immediate returns and the remedial measures on the A Share Offering; (9) the proposal on amending the Articles of Association of the Company and the rules of procedure of the general meeting, the Board of Directors and the board of supervisory of the Company for the purpose of the A Share Offering; (10) the proposal on the relevant internal control rules of the Company for the purpose of the A Share Offering; (11) the proposal on the appointments of the relevant intermediaries for the A Share Offering; (12) the proposal on the validity period of the resolutions on the A Share Offering; and (13) the proposal on profit distribution.

Resolutions (1) to (6), (8), (9) and (12) above are subject to the approval of Shareholders at the Extraordinary General Meeting by way of special resolutions, while Resolutions (7), (10), (11) and (13) above are subject to the approval of Shareholders at the Extraordinary General Meeting by way of ordinary resolutions.

Resolutions (1) to (4), (6), (8) and (12) are subject to the approval of Domestic Shareholders at the Domestic Shareholders' Class Meeting and the approval of H Shareholders at the H Shareholders' Class Meeting.

Resolutions (2) to (12) shall be subject to the approval of Resolution (1).

The purpose of this circular is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM and the Class Meetings.

I. Matters to be Handled at the EGM and the Class Meetings

1. Proposed A Share Offering and related matters

1.1 *Proposed A Share Offering*

On January 3, 2019, the Board resolved to submit at the EGM and the Class Meetings resolutions for approval, relating to, amongst other things, the proposed submission of applications for the A

LETTER FROM THE BOARD

Share Offering to the relevant securities regulatory authorities pursuant to the Company Law, the Securities Law of the PRC and other relevant laws, regulations and regulatory documents. Details of the plan for the A Share Offering are as follows:

A. Type of the proposed issuance

RMB ordinary shares (A Shares).

B. Par value of the proposed issuance

The par value of the shares proposed to be issued is RMB1.00 each.

C. Offering size

The total number of A Shares for the A Share Offering will be no more than 17.80 million shares (such number will be adjusted accordingly if ex-rights events such as stock dividend and transfer of capital reserve into capital occur prior to the A Share Offering), accounting for 10.01% of the Company's total issued share capital after the A Share Offering. The Company and the lead underwriter may use the over-allotment option, and the over-allotment quantity shall not exceed 15% of the size of the A Share Offering. The A Shares are all new shares, not involving the transfer of Old Shares. The actual number of A Shares available and the specific plan of the over-allotment option under the A Share Offering will be determined by the sponsor(s) and the Board as authorized by the EGM and Class Meetings and upon approvals of the relevant securities regulatory authorities and with reference to market situation.

D. Pricing methodology

The issue price will be determined by the sponsor(s) and the Board as authorized by the EGM and Class Meetings through preliminary enquiries or other means approved by the relevant securities regulatory authorities and the listed local stock exchanges of the PRC.

Taking into full account the interests of the Company and the Shareholders as a whole, the Board and the sponsor(s) will fully consider the following factors when determining the issue price: (1) the operational and financial conditions of the Company at the time; (2) the average price-earnings ratio in secondary markets in the industry in which the Company operates at the time; (3) the market conditions of A Shares at the time; and (4) the requirements under the applicable laws and regulations.

In the event that the proposed issue price of the A Shares is lower than the trading price of the H Shares, the Board will consider the prevailing market conditions, the actual funding needs and development strategy of the Company at the time, the price-earnings ratio in secondary markets of comparable companies at the time and other relevant factors, in order to determine whether or not to proceed with the proposed A Share Offering.

LETTER FROM THE BOARD

E. Place of listing

Shanghai Stock Exchange or Shenzhen Stock Exchange, determined by the Board as authorized by the EGM and Class Meetings of the Company and upon approvals of the relevant securities regulatory authorities and with reference to market situation.

F. Target subscribers

The target subscribers of the A Share Offering are qualified individuals, legal persons and other institutional investors (except those prohibited by the PRC laws and regulations).

In the event that any subscriber of the A Shares is a connected person of the Company, the Company will take every reasonable step to comply with the relevant requirements under the listing rules of the listing place.

G. Method of issuance

The Company will adopt a combination of off-line book building and placement to the inquiring subscribers and on-line application or other offering methods approved by the relevant securities regulatory authorities.

H. Method of underwriting

The underwriting syndicate organized by the lead underwriter(s) will underwrite the A Shares Offering by way of standby commitment.

I. Use of proceeds to be raised

The proceeds raised from the A Share Offering, after deducting relevant expenses, will be used in the development of the Company's main business. According to the Company's development goals, the proceeds raised by the issuance will be prioritised to be used for the following projects:

No.	Project Name	Total Project Investment (RMB'000)	Proceeds to be invested (RMB'000)
1	International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd.* in Shanghai (上海昊海生科國際醫藥研發及產業化項目)	2,165,200	1,284,130
2	Replenishment of working capital	200,000	200,000
	Total		<u>1,484,130</u>

LETTER FROM THE BOARD

The International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd.* in Shanghai (上海昊海生科國際醫藥研發及產業化項目) has a total investment amount of RMB2,165.20 million. The project is planned to be constructed in two phases. The investment amount of the first phase is RMB1,284.13 million, which will be funded by the proceeds from the A Share Offering. The main contents of the project are: planning to purchase a piece of land in Shanghai, China, constructing relevant plants and auxiliary facilities on the land and equipping them with corresponding production equipment, in order to further strengthen the Company's capability of researching, developing, upgrading and producing a variety of innovative medical products which mainly include medical sodium hyaluronate, medical chitosan and recombinant human epidermal growth factor to meet the growing market demand and improve people's well-being.

If the actual proceeds raised from the A Share Offering are more than the amount required for the above projects, the excess portion will be used in the development of the Company's main business, after having completed the necessary procedures required by the relevant regulations. If the actual proceeds raised from the A Share Offering are less than the amount required for the above projects, the shortfall will be funded by the Company separately.

Before the proceeds of the A Share Offering are made available, the Company will fund the above projects in accordance with the progress of these projects. When the proceeds of the A Share Offering subsequently become available, the Company will substitute the previous funds used by it with the funds raised from the A Share Offering, and then use the remaining proceeds to fund the projects.

J. Validity period of the resolution

The valid period of the resolutions on the A Share Offering is 12 months from the date when the resolutions are considered and approved by the Shareholders at the EGM and the Class Meetings.

The A Share Offering is subject to the Shareholders' approval at the EGM and the Class Meetings, as well as the approvals of the relevant securities regulatory authorities. Under the Hong Kong Listing Rules, no Shareholders are required to abstain from voting at the EGM and the Class Meetings.

K. Form of the Company

The Company shall be converted into a joint stock company with limited liability which has offered and listed shares domestically in the PRC and overseas.

L. Rights of the holders of the A Shares

Except as otherwise stipulated in laws, regulations and other normative documents and the Articles of Association, the holders of A Shares to be issued will rank *pari passu* in all respects with the existing Domestic Shareholders, and H Shareholders.

LETTER FROM THE BOARD

1.2 *Proposal on the use of the proceeds to be raised by the A Share Offering and the feasibility analysis*

The proceeds to be raised from the proposed A Share Offering, after deducting relevant expenses, will be used in the development of the Company's main business. According to the Company's development goals, the proceeds to be raised by the issuance will be prioritised to be used for the following projects:

No.	Project Name	Total Project Investment (RMB'000)	Proceeds to be invested (RMB'000)
1	International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd.* in Shanghai (上海昊海生科國際醫藥研發及產業化項目)	2,165,200	1,284,130
2	Replenishment of working capital	<u>200,000</u>	<u>200,000</u>
	Total		<u>1,484,130</u>

The use of proceeds to be raised from the A Share Offering has gone through sufficient market researches and feasibility analyses. It is in line with national industrial policies and the Company's development strategies. It brings favorable economic and social benefits and matches the Company's existing operating scale, financial position, technical level and management capabilities. It is conducive to enhancing the Company's capital strength, promoting the development of businesses and improving the Company's profitability, helping the Company to achieve its strategic development goal and providing the Shareholders and investors with consistent and stable returns.

The use of the proceeds to be raised is necessary and feasible. For the specific use of the proceeds to be raised the feasibility analysis of the use of the proceeds to be raised, please refer to the feasibility analysis report on the use of the proceeds to be raised by the A Share Offering set out in Appendix I to this circular.

This resolution has been approved by the Board and put forward at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting respectively for approval by way of special resolutions. The resolution is subject to approval at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

LETTER FROM THE BOARD

1.3 *Proposal on granting authorization to the Board to handle the Company's application for the A Share Offering and related matters*

In light of the possible changes which may appear during the A Share Offering and the listing process and to ensure the success of relevant work, it is agreed to put forward a resolution at the EGM and the Class Meetings for consideration and approval by the Shareholders to grant authorization to the Board to handle all related matters in relation to the A Share Offering and listing, which includes but is not limited to the followings:

- (a) negotiate with the sponsor institution(s) to determine and implement a specific plan for the offering and listing of the Company in accordance with the principles approved at the EGM and the Class Meetings and the requirements of relevant securities regulatory authorities in view of the prevailing conditions of the Company within the scope permitted by laws, regulations and the Articles of Association, including but not limited to: offering size, the specific implementation plan for over-allotment option, potential strategic placing (including placing ratio and target subscribers), pricing methodology, method of issuing, method of underwriting, time of offering, target subscribers and place of listing, significant undertakings of the Company; make corresponding adjustments (which includes the suspension and termination of the implementation of the offering plan) to matters in relation to the specific plan for the A Share Offering, save for those matters required to be voted on again at the general meeting under the requirements of the relevant laws, regulations, regulatory documents and the Articles of Association;
- (b) handle application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, domestic and foreign regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;
- (c) draft, amend, supplement, sign, submit, publish, disclose, implement, suspend or terminate any agreements, contracts, announcements, circulars or other documents relating to the A Share Offering (including but not limited to the letter of intent for offering, prospectus, report on the use of raised funds from the previous offering, special assurance report on the use of raised funds from the previous offering, sponsorship agreements, underwriting agreements, listing agreements, intermediary service agreements and others); and appoint and change the sponsor, underwriter, law firm, accounting firm and other intermediaries in connection with the A Share Offering; and determine and pay the expenses relating thereto;
- (d) in accordance with the comments from relevant domestic and foreign regulatory authorities during the application and vetting process of the A Share Offering and the prevailing conditions of the Company, adjust the plan for the investment projects and the use of proceeds to be raised, including but not limited to the adjustment of the investment progress and investment ratio of the investment projects and the signing of material agreements or contracts during the construction of the investment projects;

LETTER FROM THE BOARD

- (e) analyze, research and verify the influences of the A Share Offering and listing of the A Shares on the immediate financial index of the Company and the immediate return of the Shareholders of the Company in accordance with relevant laws and regulations and the requirements of the regulatory authorities; amend, improve and implement the remedial measures and policies in accordance with the advice from regulatory authorities and the market situation; and handle all other matters related thereto at full discretion;
- (f) determine a designated account for the deposit of proceeds prior to the A Share Offering if necessary, and sign relevant documents;
- (g) upon the offering and listing and in accordance Draft of with the prevailing conditions of the Company thereafter, amend and supplement the Draft of Articles of Association of A Shares (as defined below) and its annexes, and other corporate governance documents, and handle the business registration of the relevant changes;
- (h) upon completion of the A Share Offering, handle matters in relation to the listing of the A Shares on the stock exchange and the relevant lockup of shares;
- (i) where the securities regulatory authorities prescribe new requirements in regulations and policies governing initial public offerings and listings, authorize the Board to adjust the proposal for A Share Offering and related matters accordingly;
- (j) authorize the Board to handle other matters in relation to the A Share Offering and listing, and sub-authorize other Directors or relevant persons to handle matters in relation to the A Share Offering separately or jointly if necessary; and
- (k) this authorization shall be valid for a term of 12 months from the date of passing the relevant special resolutions at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

1.4 Proposal on the distribution of the accumulated undistributed profits before the A Share Offering

Prior to the completion of the A Share Offering, the Company may distribute profits in accordance with a profit distribution plan formulated by the Board and approved at a general meeting of the Company. After the completion of the A Share Offering, the accumulated undistributed profits of the Company before the A Share Offering shall be shared among all the new and existing Shareholders in proportion to their respective shareholdings upon the A Share Offering.

This proposal has been approved by the Board, and shall be submitted to EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting for Shareholders' approval by way of special resolutions. The proposal is subject to the Shareholders' approval at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

LETTER FROM THE BOARD

1.5 Proposal on the dividend distribution plan within the three years after the A Share Offering

In order to further strengthen the awareness of rewarding Shareholders, improve the profit distribution system and provide the Shareholders with consistent, stable and reasonable returns, the Company has formulated the dividend distribution plan within the three years after the A Share Offering. For details, please refer to Appendix II to this circular titled “Dividend distribution plan within the three years after A Share Offering”.

This proposal has been approved by the Board, and shall be submitted to EGM for Shareholders’ approval by way of special resolutions and it is agreed to authorize the Board to adjust the dividend distribution plan within the three years after the A Share Offering according to the changes in laws, regulations, regulatory documents and related policies or the comments from domestic and foreign regulatory authorities. The proposal is subject to the Shareholders’ approval at the EGM.

1.6 Proposal on stabilizing the price of A Shares of the Company after the A Share Offering

In order to better protect the legitimate interests of the investors, the Company has, in respect of the A Share Offering related matters, formulated a proposal on stabilizing the price of A Shares of the Company after the A Share Offering and made commitment accordingly. For details, please refer to Appendix III to this circular titled “Proposal on stabilizing the price of A Shares of the Company after A Share Offering, commitment in connection with stabilizing the price of A Shares of the Company after A Share Offering”.

This proposal has been approved by the Board and submitted to EGM, Domestic Shareholders’ Class Meeting and H Shareholders’ Class Meeting for shareholders’ approval by way of special resolutions and it is agreed to authorize the Board to adjust this proposal and commitment according to the changes in laws, regulations, regulatory documents and related policies or the comments from domestic and foreign regulatory authorities and execute and submit relevant materials in relation to this proposal and commitment to regulatory authorities (including the Stock Exchange), and make public disclosures and issue shareholders’ communication documents, such as relevant circulars and announcements according to the requirements of relevant listing rules of stock exchanges where the Company’s shares are listed.

1.7 Proposal on commitments in relation to the A Share Offering and the introduction of corresponding restraining measures

In order to better protect the legitimate interests of the investors, the Company will make public commitments in relation to the A Share Offering in the public offering and listing documents, and propose restrictive measures on failure to fulfill relevant public commitments. Such commitments will be effective and implemented upon the completion of the A Share Offering. For details, please refer to Appendix IV to this circular titled “Commitments regarding no false records, misleading statements or material omissions” and Appendix V to this circular titled “Commitments regarding restrictive measures on failure to fulfill relevant public commitments”.

LETTER FROM THE BOARD

This proposal has been approved by the Board, and shall be submitted to EGM for shareholders' approval by way of ordinary resolutions. The proposal is subject to the shareholders' approval at the EGM.

1.8 *Proposal on the dilution of immediate returns and the remedial measures on the A Share Offering*

The Company has analyzed the possible impact of the A Share Offering on the interests and immediate returns for the Shareholders and has proposed relevant remedial measures in light of the actual circumstances. For specific remedial measures, please refer to Appendix VI to this circular titled "Impact Analysis of dilution of immediate returns arising from the A Share Offering and the remedial measures on the immediate returns".

This proposal has been approved by the Board, and shall be submitted to EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting for Shareholders' approval by way of special resolutions. The proposal is subject to the Shareholders' approval at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

2. *Amending the Articles of Association of the Company and the rules of procedure of the general meeting, the Board of Directors and the Board of Supervisory of the Company for the purpose of the A Share Offering*

The Company proposes to amend the Articles of Association for the purpose of the A Share Offering and has formulated the Articles of Association of Shanghai Haohai Biological Technology Co., Ltd.* (Draft) (the "Draft of Articles of Association of A Shares") which will be applicable and effective upon the completion of the A Share Offering. The Company also proposed to amend the rules of procedure of the general meeting, the Board of Directors and the board of supervisory of the Company for the purpose of the A Share Offering. The amendments will be effective upon the completion of A Share Offering.

The Company confirms that the proposed amendments to the Articles of Association regarding share repurchase are made in accordance with the relevant requirements under the PRC laws and regulations and shall apply only to the repurchase of the Company's A Shares but not to its H Shares. Furthermore, the Company undertakes to comply with the relevant listing rules of the applicable stock exchange for repurchase of its A Shares and H Shares.

The Board also seeks an authorization from the Shareholders at the EGM to make necessary adjustment and amendment to the Draft of Articles of Association of A Shares, amended rules of procedure of the general meeting, the Board of Directors and the board of supervisory of the Company (including but not limited to the text, chapters, provisions, etc.) in accordance with the requirements and recommendations from relevant government agencies and regulatory authorities.

A comparison of the existing Articles of Association and the Draft of Articles of Association of A Shares is set out in Appendix VII to this circular. The proposed amendments to rules of procedure of the general meeting, rules of procedure of the Board of Directors and the rules of procedure of the Board of Supervisory are set out in Appendices VIII to X to this circular, respectively.

LETTER FROM THE BOARD

This proposal has been approved by the Board and is subject to the consideration and approval by the Shareholders at the EGM by way of special resolutions.

3. Proposal on the relevant internal control rules for the purpose of the A Share Offering

For the purpose of the proposed A Share Offering, the Board proposes to amend or add the followings for the internal control rules: (i) Working Rules of the Independent Non-executive Directors (please refer to Appendix XI); (ii) Rules for the Management of the Related Party Transactions (please refer to Appendix XII); (iii) Special Rules for Prevention of Major Shareholders and Related Parties to Occupy the Company's Funds (please refer to Appendix XIII); (iv) Rules for the Management of Proceeds to be Raised (please refer to Appendix XIV); (v) Rules for the Management of the External Guarantee (please refer to Appendix XV); and (vi) Rules for the Management of the External Investment (please refer to Appendix XVI).

These proposals have been approved by the Board, and shall be submitted at the EGM for Shareholders' approval by way of ordinary resolutions.

4. Proposal on appointments of the relevant intermediaries for the A Share Offering

4.1 *Proposal on appointment of UBS Securities Co. Limited as the sponsor and main underwriter for the Company's A Share Offering*

The Company intends to appoint UBS Securities Co. Limited as the sponsor and lead underwriter for the Company's A Share Offering. This proposal has been approved by the Board and is subject to the consideration and approval at the EGM by way of ordinary resolutions.

4.2 *Proposal on appointment of Ernst & Young Hua Ming LLP (Special General Partnership) as the auditor for the Company's A Share Offering*

The Company intends to appoint Ernst & Young Hua Ming LLP (Special General Partnership) as the auditor for the Company's A Share Offering. This proposal has been approved by the Board and is subject to the consideration and approval at the EGM by way of ordinary resolutions.

4.3 *Proposal on appointment of Allbright Law Offices as the legal advisers for the Company's A Share Offering*

The Company intends to appoint Allbright Law Offices as the legal advisers for the Company's A Share Offering. This proposal has been approved by the Board and is subject to the consideration and approval at the EGM by way of ordinary resolutions.

5. Validity period of the resolutions on the A Share Offering

The resolutions relating to the A Share Offering of the Company shall be valid for a term of 12 months from the date of passing of such resolutions at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting. This proposal has been approved by the Board and is subject to the consideration and approval by the Shareholders at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting by way of special resolutions.

LETTER FROM THE BOARD

6. Profit distribution proposal

The Board proposed to pay a dividend of RMB80,022,650 (representing RMB0.5 per Share) (inclusive of tax) for the six months ended June 30, 2018 to the Shareholders. The dividends will be denominated and declared in RMB. Dividends on Domestic Shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars.

This proposal has been approved by the Board and is subject to the consideration and approval at the EGM by way of ordinary resolutions.

II. Impact of the A Share Offering on the Shareholding Structure of the Company

For reference and illustration purposes only, assuming that a total of 17.80 million A Shares are issued under the A Share Offering by the Company, the overallotment option is not exercised and there are no changes to the share capital of the Company prior to the completion of the A Share Offering, the shareholding structure of the Company as at the Latest Practicable Date and immediately following the completion of the A Share Offering is set out as follows:

Shareholders	As at the Latest Practicable Date Number of Shares	Approximate percentage of the Company's issued share capital	Immediately after the completion of the A Share Offering Number of Shares	Approximate percentage of the Company's issued share capital
Domestic Shares ^(Note 1) ^(Note 2)				
Jiang Wei ^(Note 3)	44,449,000	27.77%	44,449,000	24.99%
Shanghai Zhanze Corporate Management Partnership Enterprise (Limited Partnership)	6,471,000	4.04%	6,471,000	3.64%
You Jie ^(Note 4)	28,800,000	17.99%	28,800,000	16.19%
Lou Guoliang	9,500,000	5.94%	9,500,000	5.34%
other 19 Domestic Shareholders ^(Note 5)	30,780,000	19.24%	30,780,000	17.31%
H Shares	40,045,300	25.02%	40,045,300	22.52%
H Share held by the public ^(Note 6)	40,038,300	25.02%	40,038,300	22.51%
A Shares to be newly issued pursuant to the A Share Offering	—	—	17,800,000	10.01%
A Shares to be newly issued pursuant to the A Share Offering held by the public	—	—	17,800,000	10.01%
Total	160,045,300	100.00%	177,845,300	100.00%

Notes:

- (1) Such Domestic Shares in issue will be converted into domestically listed Shares (A Shares) upon completion of the A Share Offering.

LETTER FROM THE BOARD

- (2) Under the Hong Kong Listing Rules, the Domestic Shares held by Jiang Wei, You Jie, Hou Yongtai, Wu Jianying, Huang Ming, Chen Yiyi, Gan Renbao, Liu Yuanzhong and Shanghai Zhanze Corporate Management Partnership Enterprise (Limited Partnership) do not constitute public float of the Company after the completion of the A Shares Offering.
- (3) As of the Latest Practicable Date, Mr. Jiang Wei is a substantial shareholder (as defined under the Hong Kong Listing Rules) of the Company. Mr. Jiang Wei directly holds 44,449,000 domestic shares in the Company. He is the spouse of Ms. You Jie, our non-executive Director, and therefore he is deemed under the SFO to be interested in the 28,800,000 domestic shares held by Ms. You Jie in the Company. He holds 6,471,000 domestic shares in the Company through his interest in controlling Shanghai Zhanze Corporate Management Partnership Enterprise (Limited Partnership).
- (4) As of the Latest Practicable Date, Ms. You Jie directly holds 28,800,000 domestic shares in the Company. She is the spouse of Mr. Jiang Wei and therefore she is deemed under the SFO to be interested in the 50,920,000 domestic shares held by Mr. Jiang Wei in the Company.
- (5) Other 19 Domestic Shareholders include: Wu Jianying, Hou Yongtai, Peng Jinhua, Huang Ming, Shen Rongyuan, Tao Weidong, Liu Yuanzhong, Wang Wenbin, Fan Jipeng, Wu Ming, Gan Renbao, Chen Yiyi, Zhao Meilan, Shi Xiaoli, Zhong Jingjing, Wu Yazhen, Lu Rujuan, Ling Ting and Changxing Tonghao Investment Partnership Enterprise (Limited Partnership). The other 19 Domestic Shareholders will not hold more than 5% of the total share capital of the Company before and after the A Share Offering respectively.
- (6) Save for the 7,000 H Shares held by Mr. Tang Minjie, our executive Director, as at the Latest Practicable Date, all other H Shares are held by the public based on publicly available information and to the best knowledge of the Directors.

Based on publicly available information and to the best knowledge of the Directors, assuming that a total of 17,800,000 A Shares will be issued pursuant to the A Share Offering and that, other than the conversion of existing Domestic Shares into A Shares upon completion of the A Share Offering, there are no other changes to the share capital of the Company prior to the completion of the A Share Offering, the public float percentage of the Company immediately after the completion of the A Share Offering will continue to satisfy the requirements under Rule 8.08 of the Hong Kong Listing Rules. The Company undertakes that it will continue to comply with the public float requirement under Rule 8.08 of the Hong Kong Listing Rules during the application process and after completion of the A Share Offering.

III. Fund Raising Activities

The Company has not conducted any fund raising activities involving the issue of equity within the 12 months immediately prior to the Latest Practicable Date.

IV. Benefits of and Reasons for the Proposed A Share Offering

Through issuing shares and listing domestically in the PRC, the Company expands diversified financing channels to enrich the Company's financing choices. Distribution networks, marketing activities and business partnerships of the Company are primarily focused on the domestic market. The Company will further enhance its brand awareness and influence in the domestic market through its issuance of shares and public listing.

Furthermore, the sustained attention from domestic investment institutions and the media also helps gaining understanding, confidence and support of the Company from the relevant parties.

LETTER FROM THE BOARD

V. Responsibility Statements

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

EGM AND CLASS MEETINGS

Due to the reasons set out in the Postponement Announcement, the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting will be held at 24/F, Wen Guang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC on Tuesday, March 12, 2019 at 9:30 a.m., 10:30 a.m. (or immediately after the conclusion or adjournment of EGM) and 11:30 a.m. (or immediately after the conclusion or adjournment of the Domestic Shareholders Class Meeting), respectively. The supplemental notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular.

The proxy form for the EGM issued by the Company on January 3, 2019 (the **"Original Proxy Form"**) is no longer valid and is superseded by the enclosed revised proxy form for the EGM (the **"Revised Proxy Form"**). For Shareholders who have completed and returned the Original Proxy Form in accordance with the instructions printed thereon, please be reminded that the votes by the proxy so appointed on the resolutions will be deemed invalid because an additional ordinary resolution in relation to the proposal on profit distribution has been inserted and the resolution in relation to the proposal on the appointment of the legal advisers for the Company's A Share Offering has been amended. In order to be valid, the Revised Proxy Form must be duly completed and deposited in accordance with the instructions therein.

Save for the change of date of the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting and the corresponding changes to the book closure period as specified in this circular, (i) all information and contents as set out in the notices of the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting issued by the Company on January 3, 2019 will remain unchanged; (ii) the reply slips for the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting issued by the Company on January 3, 2019 will remain valid; and (iii) the proxy forms for the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting issued by the Company on January 3, 2019 will remain valid.

EXTENSION OF BOOK CLOSURE PERIOD

The register of members of the Company has been closed since Saturday, January 19, 2019 and was scheduled to remain closed until February 18, 2019 (both days inclusive). Due to change of the date of the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, for the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively, the register of members of the Company will further be closed from February 18, 2019 to March 12, 2019 (both days inclusive), during which period no transfer of Shares will be registered.

LETTER FROM THE BOARD

The supplemental notice of the EGM, the Notice of 2019 first Domestic Shareholders' Class Meeting and the Notice of 2019 first H Shareholders' Class Meeting setting out the resolutions to be approved at the above meetings together with the relevant form of proxy and reply slip have been issued by the Company on February 22, 2019, January 3, 2019, and January 3, 2019, respectively. Whether or not you wish to attend the EGM or Class Meetings, please complete the enclosed reply slips and/or proxy forms in accordance with instructions printed thereon and return them to the Company's H shares registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of H Shareholders) or the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC (in case of Domestic Shareholders), as soon as possible and in any event no later than 24 hours before the time appointed for the holding of the Meetings or any adjournment thereof (for the proxy forms (if any)). Completion and return of the proxy forms will not preclude you from attending and voting at the meetings or any adjournment thereof in person if you so wish.

CLOSURE OF REGISTER OF MEMBERS FOR ASCERTAINING ELIGIBILITY FOR THE PROPOSED DIVIDEND

The Board has recommended the payment of a dividend of RMB0.5 per Share (inclusive of tax) for the six months ended 30 June 2018, amounting to a total of RMB80,022,650, before Friday, April 26, 2019 and, if such dividend is approved by the Shareholders at the EGM, it is expected to be paid to the Shareholders whose names appear on the register of members of the Company on Friday, March 22, 2019. In order to determine the entitlement of the Shareholders to the dividend, the register of members of the Company will be closed from Saturday, March 16, 2019 to Friday, March 22, 2019, both days inclusive, during which period no transfer of shares will be registered. To qualify to receive the dividend for the six months ended 30 June 2018, Shareholders whose transfer of Shares has not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares, or the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC for holders of Domestic Shares for registration at or before 4:30 p.m. on Friday, March 15, 2019.

Voting by Way of Poll

In accordance with Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at the Meetings must be taken by poll. As such, all the resolutions set out in the notices convening the EGM and the Class Meetings will be voted by poll. Save as disclosed in the circular, if any, no Shareholder will have a material interest in the matters to be approved and will abstain from voting in respect of such resolutions.

On a poll, every Shareholder who presents in person or by proxy (or in case of the Shareholder being a corporation, by its duly authorized representative) shall have one vote for each share registered in his/her/its name in the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all his/her/its votes in the same manner.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the Independent Non-executive Directors) consider that all the above resolutions are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders vote in favour of the aforesaid resolutions to be proposed at each of such meetings.

The Directors would also like to draw your attention to the Letter from the Board set out on pages 4 to 19 of this circular.

By Order of the Board
Shanghai Haohai Biological Technology Co., Ltd.*
Chairman
Hou Yongtai

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

FEASIBILITY ANALYSIS REPORT ON THE USE OF PROCEEDS FROM A SHARE OFFERING**I. THE BASIC SITUATION OF THIS PUBLIC OFFERING OF A SHARES**

The proceeds from the A Share Offering, after deducting the offering expenses, will be used to develop the Company's main business. According to the Company's development goals, the proceeds from the A Share Offering will be invested in the following projects in turn:

No.	Project Name	Total Project Investment (RMB'000)	Proceeds to be invested (RMB'000)
1	International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd. in Shanghai (上海昊海生科國際醫藥研發及產業化項目)	2,165,200	1,284,130
2	Replenishment of working capital	200,000	200,000
Total			1,484,130

If the proceeds raised are insufficient, the Company will make up the difference through self-financing. If the proceeds raised exceed the total amount of the above investment projects, the Company will perform the necessary procedures in accordance with the relevant regulations and then use the additional proceeds for the Company's main business.

Before the proceeds from the A Share Offering are made available, the Company will fund the above projects in accordance with the progress of these projects. When the proceeds from the A Share Offering are available, the Company will first replace the funds invested in the previous period and then use it to pay the remaining amount of the projects.

II. OVERVIEW OF THE INTERNATIONAL MEDICAL RESEARCH AND DEVELOPMENT AND INDUSTRIALIZATION PROJECT BY SHANGHAI HAOHAI BIOLOGICAL TECHNOLOGY CO., LTD.* IN SHANGHAI

The International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd.* in Shanghai (上海昊海生科國際醫藥研發及產業化項目) has a total investment amount of RMB2,165.20 million. The project is planned to be constructed in two phases. The investment amount of the first phase is RMB1,284.13 million, which will be funded by the proceeds from the A Share Offering. The main contents of the project are: planning to purchase

a piece of land in Shanghai, China, constructing relevant plants and auxiliary facilities on the land and equipping them with corresponding production equipment, in order to further strengthen the Company's capability of researching, developing, upgrading and producing a variety of innovative medical products which mainly include medical sodium hyaluronate, medical chitosan and recombinant human epidermal growth factor to meet the growing market demand and improve people's well-being.

III. THE NECESSITY AND FEASIBILITY OF FINANCING THE INVESTMENT PROJECTS BY THE PROCEEDS FROM THE A SHARE OFFERING

(I) *The Necessity and Feasibility of the International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd. in Songjiang District, Shanghai*

1. The Necessity of the International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd. in Songjiang District, Shanghai

After careful evaluation, the necessity of the project is mainly reflected in the following two aspects:

- (1) The Company's existing production capacity is insufficient to meet its business development needs

In recent years, the Company's main business has maintained sustained and rapid growth. The production capacity of the Company's existing products, including medical sodium hyaluronate (醫用透明質酸/玻璃酸鈉) series, medical chitosan (醫用幾丁糖) series and medical collagen sponge (醫用膠原蛋白海綿) series and rhEGF (外用重組人表皮生長因子), have been insufficient. Under the background of rapid development of related industries such as ophthalmology, plastic surgery and orthopedics, insufficient production capacity has become a key factor restricting the Company's future development.

- (2) The project is in line with the national industrial policy orientation and responds to regional policy planning

Pursuant to the "Guiding Catalogue of Industrial Structure Adjustment" (產業結構調整指導目錄), the products of this project belong to the national encouraged pharmaceutical industry. In addition, in October 2017, the Shanghai Municipal Government issued the "Several Opinions on Promoting the Development of Shanghai's Beautiful Health Industry" (關於推進上海美麗健康產業發展的若干意見) (referred to as "Opinions"), which regarded the beauty health industry as an important pillar for the development of Shanghai's major health industry. According to the "Opinions", by 2025, Shanghai will form a RMB100 billion industry and cultivate 10 key industry enterprises with annual sales income of more than RMB10 billion and 3 to 5 industry-leading enterprises with annual sales income of more than RMB50 billion, achieving the goal of more than 10 internationally renowned brands, with the market share of self-owned brand products accounting for more than 50% throughout the country.

2. *The Feasibility of the International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd. in Songjiang District, Shanghai*

- (1) *The ophthalmology, medical beauty and orthopedic markets used in the main products of this project are vast.*

The main products of this project are widely used in ophthalmology, medical beauty and wound care and orthopedics.

Ophthalmology: With the improvement of the concept of eye health care, the improvement of people's income level and the continuous improvement of the medical insurance system, the potential demand for ophthalmology care will continue translate into realistic and effective demand, and the market capacity of ophthalmology will continue to expand. Taking cataract surgery as an example, cataract is the main disease affecting the health of people's eyesight in China. Cataract is the No. 1 blind eye disease in China. According to the statistics of the Chinese Medical Association Ophthalmology Branch (中華醫學會眼科學分會), the incidence of cataract in the 60-89 age group in China is about 80%, and the number of potential cataract patients is 168 million. In order to effectively improve the residents' eye health, the National Health and Family Planning Commission (國家衛生計生委) has formulated the "13th Five-Year National Eye Health Plan (2016-2020)" (《「十三五」全國眼健康規劃(2016-2020年)》), proposing to adopt stronger, more targeted and more direct policy measures to improve the coverage, accessibility, fairness and effectiveness of ophthalmic medical services.

Medical beauty: With the accumulation of positive factors, including the change of Chinese consumption conception of medical cosmetics, the increase of per capita disposable income, the promotion of market penetration, the maturity of policies and supervision, the medical cosmetology market in China is developing rapidly. Among the medical beauty products in China, the hyaluronate injection products and skin care products have a large market size, and are among the most important medical beauty products in China and facing good development opportunities in the future.

Orthopedics: At present, the increasing aging of the population in China has led to the release of therapeutic needs for degenerative osteoarthritis (退行性骨關節炎). According to the statistics of the CFDA Southern Medicine Economic Research Institute (南方醫藥經濟研究所), there are about 90 million osteoarthritis patients in China, assuming that 10% of them receive sodium hyaluronate injection for intra-articular viscosupplementation (骨關節腔注射), 5 injections per treatment, and the price of each injection is RMB200, then, the potential market size of degenerative orthopedics intra-articular injection (退行性骨關節腔注射劑) in China is about RMB9 billion. According to statistics from the CFDA Southern Medicine Economic Research Institute, in 2016, the market size of degenerative orthopedics intra-articular injection was RMB850 million, accounting for only 9.4% of the potential market size, with much room for growth.

- (2) Long-term focus makes the Company rich in technology and process accumulation in the product field of this project

The Company is a high-tech biopharmaceutical company focusing on the research and development, manufacturing and sales of medical absorbable biomedical materials. In the product field of this project, the Company has obtained nearly 40 patents for invention, with the technology level being leading in the industry. At the same time, the Company owns a mature technology level, which can effectively control the quality of related products.

(II) *The Necessity and Feasibility of the Replenishment of Working Capital*

In recent years, the Company's operating income has continued to grow rapidly. The expansion of the business scale has led to a rapid increase in the Company's demand for liquidity. According to preliminary estimates, the Company has a large liquidity gap in the future. Therefore, the Company plans to use RMB200 million from the proceeds from the A Share Offering to supplement the Company's working capital and support the Company's business development.

In conclusion, there is strong necessity and feasibility for the investment projects to be financed by the proceeds. The implementation of the projects is conducive to the development of the Company's various businesses, thereby improving the Company's profitability, achieving the Company's strategic development goals, and creating sustained and stable returns for Shareholders and investors.

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DIVIDEND DISTRIBUTION PLAN FOR THE THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF RMB ORDINARY SHARES (A SHARES)

In order to determine the returns to new and existing Shareholders after the initial public offering and listing of Shares, and strengthen the transparency and operability of decision making of dividend distribution for convenient supervision of operation and distribution of the Company by Shareholders, the Board formulates the Dividend Distribution Plan for the Three Years after the Initial Public Offering and Listing of RMB Ordinary Shares (A Shares) by Shanghai Haohai Biological Technology Co., Ltd. (《上海昊海生物科技股份有限公司首次公開發行人民幣普通股(A股)並上市後三年分紅回報規劃》) (the “Dividend Distribution Plan”) in accordance with the “Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies” (《關於進一步落實上市公司現金分紅有關事項的通知》) and “Listed Companies Regulatory Guidance No.3—Cash Dividends Distribution of Listed Companies” (《上市公司監管指引第3號—上市公司現金分紅》) issued by the China Securities Regulatory Commission as well as the Articles of Association. Particulars of the Dividend Distribution Plan are as follows:

I. Factors Considered in Formulating the Dividend Distribution Plan

The Company adopts a consistent and stable profit distribution policy, which emphasizes investors’ reasonable investment return while ensuring the Company’s sustainable development. The Company’s profit distribution shall not exceed the accumulated distributable profits or damage the Company’s long-term and sustainable development. The Company establishes a sustainable, stable and scientific return mechanism for the investors after taking into account the Company’s industry development trends, the actual operation conditions, future development plans, cash flow condition, external financing environment and capital costs, shareholders’ opinions and requests on the dividends distribution and other factors as a whole, to ensure the continuity and stability of the profit distribution policy.

II. The Principle of Profit Distribution

Provided that the sustainable development of the Company is ensured, the Company shall fully consider the reasonable and effective return to investors, and actively implement the cash dividend policy, but the Company’s profit distribution shall not exceed the accumulated distributable profits or damage the Company’s sustainable operation capability. The Company shall fully consider and listen to the opinions of the shareholders (in particular the public investors), independent directors and supervisor in formulating the Dividend Distribution Plan and shall make distribution mainly in cash dividend, to ensure the continuity and stability of the profit distribution policy.

Provided that the profitability, normal business operations and long-term development of the Company is ensured, the Company will actively make profit distribution by cash dividends. Profit distribution shall be in the form of cash dividends if conditions allow. The Dividend Distribution Plan shall be formulated in compliance with the relevant provisions of the Articles of Association.

III. The Period for Formulating the Dividend Distribution Plan and Relevant Decision-Making Mechanism

The Company shall review the Dividend Distribution Plan at least every three years. The Company shall make appropriate and necessary modifications to the existing dividend distribution policy of the Company and determine the dividend distribution plan for such period after taking into account the Company's development status, profitability, cash flow condition at that time and current capital requirements, together with the opinions of the Shareholders (in particular the public investors), independent directors and external supervisors. The Company ensures that after the adjustment of the dividend distribution plan, the profit distributed by the Company in the form of cash every year shall be not less than 20% of the distributable profit realized in that year.

IV. Formulation and Implementation of Profit Distribution Plan and Profit Distribution Policy Adjustment Plan

- (1) When formulating specific plan for cash dividends by the Company, the Board shall study and identify with caution the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures involved in implementing the cash dividends. The specific plan for dividend distribution of the Company shall be formulated by the Board based on the Company's operating conditions and the relevant provisions of the China Securities Regulatory Commission, and submitted to the general meeting for consideration and approval, which shall be considered by the general meeting and passed by exceeding half of the voting rights held by the shareholders attending the general meeting. The Company welcomes any suggestion from all shareholders (in particular the public investors), independent directors and the board of supervisors in respect of its profit distribution plan and their supervision thereof.

The specific plan for dividend distribution submitted to the general meeting by the Board shall be approved by more than half of all the Directors' votes and also shall be approved by more than one-half of all the independent directors' votes. Independent directors shall express independent opinion on the specific plan for dividend distribution. The independent directors may collect opinions from minority shareholders for formulating and putting forward a dividend distribution proposal to the Board for consideration. The specific plan for dividend distribution formulated by the Board shall be considered by the board of supervisors according to the Articles of Association.

After the profit distribution plan has been resolved at the general meeting of the Company, the Board shall complete the dividend (or share) distribution within 2 months after the date of the general meeting. In the event of a delay in distribution, the Board of the Company shall promptly disclose the reasons for the delay.

- (2) The Company will maintain the continuity and stability of its dividend distribution policy. If the Company needs to adjust its profit distribution policy based on industry regulatory policy, its own business situation, investment plan and long-term development needs or due to significant changes in the external business environment, the adjusted profit distribution policy shall not violate relevant provisions of the China Securities Regulatory Commission and the stock exchange. The proposal on adjusting the profit distribution policy shall be formulated by the Board based on the Company's operation condition and relevant provisions of the China Securities Regulatory Commission and submitted to the general meeting for consideration, and shall be approved by more than two thirds of the voting rights held by the shareholders attending the general meeting.

When formulating the proposal on adjusting the profit distribution policy, the Board shall fully listen to the opinions of shareholders (particularly the public investors), external directors, independent directors and external supervisors. When the Board approves the proposal on adjusting the profit distribution policy, the proposal shall be approved by more than half of all the directors' votes and also shall be approved by more than one-half of all independent directors. The independent opinion expressed by independent directors in this regard shall be disclosed in a timely manner.

The board of supervisors shall consider the proposal on adjusting the profit distribution policy formulated by the Board according to the Articles of Association, and fully listen to the opinions of external supervisors who do not hold any positions in the Company (if any).

The Board, board of supervisors and shareholders at the general meeting of the Company shall take full account of the opinions of independent directors, external supervisors and public investors when making decisions and reviewing the Company's profit distribution policies. The Company shall listen and welcome any suggestion from the public investors in respect of the profit distribution plan and their supervision thereof through a variety of channels (including telephone, fax, e-mail and interaction platform of investor relations).

V. Announcement of Profit Distribution Plan

The Company shall disclose in detail in its annual report the formulation and implementation of the cash dividend policy, and state the following matters:

① whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the general meeting; ② whether the basis and ratio of the distribution of dividends are clear; ③ whether the relevant decision-making procedures and mechanisms are sound; ④ whether the independent directors have duly performed their duties; and ⑤ whether there are enough channels for minority shareholders to express their opinions and requests, and whether their legal interests are sufficiently protected.

If the cash dividend policy is to be adjusted or amended, it shall be disclosed in detail whether the conditions and procedures of such adjustments or amendment is in compliance with laws and transparent.

Where the Company does not make profit distribution or makes the profit distribution in a proportion lower than the cash dividend proportion as stipulated in the Dividend Distribution Plan in a year, the Company shall explain the reasons for non-distribution and the use of the undistributed profits set aside by the Company for purposes other than dividend distribution in the announcement on resolutions of the Board and the regular reports in details. The independent directors shall express their independent opinions in this regard. The relevant profit distribution proposal shall be submitted to the general meeting for approval after having considered by the Board of the Company, and the reasons for and the specific use of the retained funds shall be detailed in the resolution proposed at the general meeting. If there is misappropriation of funds of the Company by a shareholder in violation of regulations, the Company has the right to deduct that shareholder's cash dividend during profit distribution to reimburse the misappropriated funds.

VI. Dividend Distribution Plan of the Company for the Next Three Years

1. *Specific distribution plan*

If there is no significant investment plan or significant capital expenditure, the Company shall first choose to pay dividends in cash. The profit distributed by the Company in the form of cash every year shall be not less than 20% of the distributable profit realized in that year.

After taking full account of the Company's industry characteristic, stage of development, business model, and profitability and other factors such as whether there are significant capital expenditure arrangements, the Board of the Company shall distinguish the following situations and formulate diversified cash dividend distribution policies in accordance with procedures stipulated in the Articles of Association:

- (I) Where the Company is in a developed stage with no significant capital expenditure arrangement, the dividend to be distributed in cash shall not be less than 80% of the total profit distribution;
- (II) Where the Company is in a developed stage with significant capital expenditure arrangement, the dividend to be distributed in cash shall not be less than 40% of the total profit distribution;
- (III) Where the Company is in a developing stage with significant capital expenditure arrangement, the dividend to be distributed in cash shall not be less than 20% of the total profit distribution; and
- (IV) Where it is difficult to identify the development stage of the Company but there is significant capital expenditure arrangement, dividend distribution may be dealt with in accordance with the preceding provisions.

Significant investment plan or significant capital expenditure refers to:

the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenses amounting to or exceeding 50% of the latest audited net assets of the Company, and exceeding RMB50,000,000.

2. *Use of undistributed profits*

The retained undistributed profits of the Company shall be mainly used to supplement significant investment and cash expenditure such as technical transformation or project expansion, external investment, acquisition of assets or equity interests and procurement of equipment, gradually expand production and operation scale, optimize financial structure, facilitate the Company's rapid development and achieve the future plans and development objectives of the Company in a planned and systematic manner with a view to maximizing the interests of shareholders.

The matters not expressly set out in the Dividend Distribution Plan shall be implemented in accordance with the requirements of relevant laws and regulations, regulatory documents and the Articles of Association. The Dividend Distribution Plan shall be interpreted by the Board of the Company and shall be effective upon approval at a general meeting of the Company and from the date on which the Company completes its initial public offering and listing of RMB ordinary shares (A Shares).

APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF RMB-DENOMINATED ORDINARY SHARES (A SHARES)

In accordance with the requirements under relevant laws and regulations and in order to maintain the stability of the price of A Shares of Shanghai Haohai Biological Technology Co., Ltd. (hereinafter referred to as “Haohai Biological Technology” or the “Company”) upon listing, the Company formulated the Proposal on Stabilizing the price of A Shares of the Company after Initial Public Offering and listing of RMB-denominated Ordinary Shares (A Shares) of Shanghai Haohai Biological Technology Co., Ltd.* (《上海昊海生物科技股份有限公司首次公開發行人民幣普通股 (A股) 並上市後穩定公司A股股價的預案》) (hereinafter referred to as the “Proposal”), particulars of which are as follows:

1. Conditions for initiating share price stabilizing measures

Within 3 years from the date of the initial public offering and listing of RMB-denominated ordinary shares of the Company, if the closing price of the A Shares of the Company falls below the audited net asset value per share as at the end of last accounting year of the Company (the net asset value per share = total equity attributable to the ordinary shareholders of the parent company in consolidated financial statements ÷ total number of Shares of the Company at the end of the year, and the same applies below) for 20 consecutive trading days (subject to adjustment for any ex-right or ex-dividend events such as distribution of cash dividend, bonus issue, capitalization of capital reserves, issuance of new Shares in accordance with the requirements from the stock exchange where the shares are listed, and the same applies below), in order to protect shareholders’ interests, enhance investors’ confidence and stabilize share price of the Company, the Company will initiate share price stabilizing measures.

2. Specific measures and implementation procedures for stabilizing share price

Upon to satisfying the conditions precedent for initiating share price stabilizing measures, the Company shall, within 10 trading days, propose specific proposal for stabilizing share price of the Company and perform corresponding approval procedures and information disclosure obligations in accordance with the laws and regulations then in force and the Proposal and as agreed with the controlling shareholders, directors and senior management. Upon the implementation of share price stabilizing measures, the shareholding of the Company shall comply with the listing conditions.

When it becomes necessary for the Company to take share price stabilizing measures, the Company may, by reference to its prevailing conditions and the conditions of the stock market, implement the share price stabilizing measures in the following sequence.

**APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY
AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING
THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING**

- (1) ***Repurchase of shares from public shareholders by the Company with means of transaction permitted under the laws and regulation (hereinafter referred to as “Repurchase of Shares by the Company”)***

Where the Company takes measures to repurchase its shares, the share repurchase proposal shall include but not limited to the number of shares to be repurchased, the price range of repurchase, source of funds for repurchase, impact of repurchase on share price and operations of the Company. The Company shall implement the share repurchase proposal after completing internal approval procedures of the Company in accordance with the applicable laws, regulations, normative documents and the Articles of Association, performing other relevant procedures stipulated by the relevant laws, regulations and other normative documents and obtaining the approval required. The Company shall repurchase its shares on stock exchanges through centralized competitive bidding, offer and/or other legitimate approaches. The amount of fund to be used by the Company for share repurchase shall be no more than 20% of the audited net profit attributable to the equity holders of the parent company for the preceding accounting year prior to the share repurchase. If share price of the Company no longer satisfies the conditions for initiating share price stabilizing measures, the Company may cease to repurchase Shares from public shareholders. Upon share repurchase, the shareholding of the Company shall comply with the listing conditions.

The repurchase of shares of the Company from public shareholders by the Company with means of transaction permitted under the laws and regulation shall comply with the requirements under the laws, regulations and normative documents such as Company Law, Securities Law, Administrative Measures on Repurchase of Public Shares by Listed Companies (Trial Implementation) and Supplementary Provisions on the Share Repurchase by Listed Companies by Means of Centralized Competitive Bidding.

- (2) ***Acquisition of shares of the Company from secondary market by Controlling Shareholders by means of competitive bidding (hereinafter referred to as “Acquisition of Shares of the Company by Controlling Shareholders”)***

Where share price stabilizing measures were initiated by the Company, if the closing price of A Shares of the Company still falls below the audited net asset value per share for last accounting year of the Company for 10 consecutive trading days after the completion of Repurchase of Shares by the Company by means of share price stabilizing measure (1), or when it is unable to take share price stabilizing measure (1), controlling shareholders of the Company shall, within 10 trading days, propose to increase its shareholding (including the number of shares of the Company to be acquired, the price range, timing, etc.) and complete the approval procedures required by the relevant competent authorities including the securities regulatory authorities and stock exchange in accordance with the laws. The controlling shareholders shall inform the Company within 3 trading days after obtaining the approval and the Company shall disclose the Acquisition of Shares of the Company by Controlling Shareholders in accordance with the relevant requirements.

The price for the Acquisition of Shares of the Company by Controlling Shareholders shall be no more than the audited net asset value per share as at the end of last accounting year of the Company,

**APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY
AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING
THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING**

the amount of fund to be used by the Company for acquisition of shares shall be no more than 20% of the after-tax cash dividend of the controlling shareholders of the Company receivable from the Company accumulated upon listing. If the share price of the Company no longer satisfies the conditions for initiating share price stabilizing measures, the controlling shareholders may cease to acquire Shares of the Company. Upon Acquisition of shares of the Company by Controlling Shareholders, the shareholding of the Company shall comply with the listing conditions.

The Acquisition of Shares of the Company by Controlling Shareholders of the Company shall be in accordance with relevant laws and regulations.

(3) *Purchase of shares of the Company by Directors (except independent directors) and senior management*

Where share price stabilizing measures were initiated by the Company, if the closing price of A Shares of the Company still falls below the audited net asset value per share for last accounting year of the Company for 10 consecutive trading days after the completion of Acquisition of shares of the Company by Controlling Shareholders by means of share price stabilizing measure (2), or when it is unable to take share price stabilizing measure (2), the then directors (except independent directors) and senior management of the Company (including the directors and senior management of the Company who have yet to take up their up their duties at the signing of Proposal and the newly appointed directors and senior management) shall purchase A Shares of the Company with means of transaction permitted under the laws and regulations to stabilize share price of the Company. Upon the purchase of shares of the Company by directors (except independent directors) and senior management of the Company, the shareholding of the Company shall comply with the listing conditions.

For the purchase of shares of the Company by directors (except independent directors) and senior management of the Company with means of transaction permitted under the laws and regulations, the purchase price shall be no more than the audited net asset value per share as at the end of last accounting year of the Company, and the amount of fund to be used by the directors and senior management for share purchase shall be no more than 30% of the after-tax remuneration received from the Company by directors and senior management of the Company for last accounting year. If the share price of the Company no longer satisfies the conditions for initiating share price stabilizing measures, directors (except independent directors) and senior management may cease to purchase share of the Company.

The purchase of shares of the Company by directors (except independent directors) and senior management of the Company shall be in accordance with relevant laws and regulations. If it is subject to approval from competent authorities including the securities regulatory authorities and stock exchange, it shall go through the corresponding approval procedures. Not purchasing shares of the Company as a result not obtaining the approval will be treated as having performed the Proposal and the commitment.

Within the 240 trading days from the completion or the termination of any of the aforementioned share price stabilizing measures, the Company and the controlling shareholders, the directors (except

**APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY
AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING
THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING**

independent directors) and senior management shall automatically be discharged from their obligations to implement share price stabilizing measures. From the 241st trading day from the completion or the termination of any of the aforementioned share price stabilizing measures onwards, if the closing price of the A Shares of the Company still falls below the latest audited net asset value per share for 20 consecutive trading days, the Company and the controlling shareholders, the directors (except independent directors) and senior management shall perform their obligations for share acquisition or share repurchase in accordance with the aforementioned procedures and requirements.

3. Restraining measures for failure to initiating share price stabilizing measures required

Where the conditions precedent for initiating share price stabilizing measures are satisfied, if the Company, the controlling shareholders, the directors (except independent directors) and senior management fail to take the specific share price stabilizing measures above, the Company, the controlling shareholders, the directors (except independent directors) and senior management undertake to be subject to the following restraining measures:

- (1) The Company, the controlling shareholders, the directors (except independent directors) and senior management shall publicly specify the reasons for the failure to take the share price stabilizing measures above at shareholders' general meeting and through the media designated by relevant securities regulatory authorities and apologize to the shareholders of the Company and public investors.
- (2) For the controlling shareholders who fail to take the specific share price stabilizing measures above, the shares of the Company held by these controlling shareholders are not transferrable until they take and complete the corresponding share price stabilizing measures in accordance with the requirements of the Proposal.
- (3) For the directors (except independent directors) and senior management who fail to take the specific share price stabilizing measures above, the Company will ,within 10 trading days from the occurrence of the aforementioned event, suspend the payment of the remuneration of the directors and senior management who fail to perform their commitment and the shares of the Company held by these directors and senior management are not transferrable until they take and complete the corresponding share price stabilizing measures in accordance with the requirements of the Proposal.

The above is the commitment made by the Company, the controlling shareholders, the directors (except independent directors) and senior management, which is the actual intention as expressed by the Company, the controlling shareholders, the directors and senior management. The relevant subjects of responsibility voluntarily accept the monitoring of the regulatory authorities, self-disciplinary organizations and the public. If the above commitment is breached, the relevant subjects of responsibility accepts their corresponding liabilities according to the laws.

**APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY
AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING
THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING**

The Company will require its newly appointed directors (except independent directors) and senior management to sign a commitment to ensure that they committed to perform the share price stabilizing commitment made by the directors (except independent directors) and senior management in respect of the initial public offering and listing of the Company and require them to propose restraining measures for non-performance of the commitment in accordance with the commitment the directors (except independent directors) and senior management made in respect of the initial public offering and listing of the Company.

**APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY
AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING
THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING**

**COMMITMENT IN CONNECTION WITH STABILIZING THE PRICE OF
A SHARES OF THE COMPANY AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF RMB-DENOMINATED ORDINARY SHARES (A SHARES)**

Shanghai Haohai Biological Technology Co., Ltd. (hereinafter referred to as the “Company”) intends to carry out the initial public offering and listing of RMB-denominated ordinary shares (A Shares) in the PRC. Pursuant to the requirements under the laws and regulations such as the Company Law of the PRC and the CSRC’s Opinions on Further Promoting the New Share Offering Reform (《中國證監會關於進一步推進新股發行體制改革的意見》), the Company and its controlling shareholders, directors and senior management make the following commitments:

1. Conditions for initiating share price stabilizing measures

Within 3 years from the date of the initial public offering and listing of RMB-denominated ordinary shares of the Company, if the closing price of the A Shares of the Company falls below the audited net asset value per share as at the end of last accounting year of the Company (the net asset value per share = total equity attributable to the ordinary shareholders of the parent company in consolidated financial statements ÷ total number of Shares of the Company at the end of the year, and the same applies below) for 20 consecutive trading days (subject to adjustment for any ex-right or ex-dividend events such as distribution of cash dividend, bonus issue, capitalization of capital reserves, issuance of new Shares in accordance with the requirements from the stock exchange where the shares are listed, and the same applies below), in order to protect shareholders’ interests, enhance investors’ confidence and stabilize share price of the Company, the Company will initiate share price stabilizing measures.

2. Specific measures and implementation procedures for stabilizing share price

Upon to satisfying of the conditions precedent for initiating share price stabilizing measures, the Company shall, within 10 trading days, propose specific proposal for stabilizing share price of the Company and perform corresponding approval procedures and information disclosure obligations in accordance with the laws and regulations then in force and the Proposal and as agreed with the controlling shareholders, directors and senior management. Upon the implementation of share price stabilizing measures, the shareholding of the Company shall comply with the listing conditions.

When it becomes necessary for the Company to take share price stabilizing measures, the Company may, by reference to its prevailing conditions and the conditions of the stock market, implement the share price stabilizing measures in the following sequence.

- (1) *Repurchase of shares from public shareholders by the Company with means of transaction permitted under the laws and regulation (hereinafter referred to as “Repurchase of Shares by the Company”)*

Where the Company takes measures to repurchase its shares, the share repurchase proposal shall include but not limited to the number of shares to be repurchased, the price range of repurchase, source

**APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY
AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING
THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING**

of funds for repurchase, impact of repurchase on share price and operations of the Company. The Company shall implement the share repurchase proposal after completing internal approval procedures of the Company in accordance with the applicable laws, regulations, normative documents and the Articles of Association, performing other relevant procedures stipulated by the relevant laws, regulations and other normative documents and obtaining the approval required. The Company shall repurchase its shares on stock exchanges through centralized competitive bidding, offer and/or other legitimate approaches. The amount of fund to be used by the Company for share repurchase shall be no more than 20% of the audited net profit attributable to the equity holders of the parent company for the preceding accounting year prior to the share repurchase. If share price of the Company no longer satisfies the conditions for initiating share price stabilizing measures, the Company may cease to repurchase Shares from public shareholders. Upon share repurchase, the shareholding of the Company shall comply with the listing conditions.

The repurchase of shares of the Company from public shareholders by the Company with means of transaction permitted under the laws and regulation shall comply with the requirements under the laws, regulations and normative documents such as Company Law, Securities Law, Administrative Measures on Repurchase of Public Shares by Listed Companies (Trial Implementation) and Supplementary Provisions on the Share Repurchase by Listed Companies by Means of Centralized Competitive Bidding.

(2) *Acquisition of shares of the Company from secondary market by Controlling Shareholders by means of competitive bidding (hereinafter referred to as “Acquisition of Shares of the Company by Controlling Shareholders”)*

Where share price stabilizing measures were initiated by the Company, if the closing price of A Shares of the Company still falls below the audited net asset value per share for last accounting year of the Company for 10 consecutive trading days after the completion of Repurchase of Shares by the Company by means of share price stabilizing measure (1), or when it is unable to take share price stabilizing measure (1), controlling shareholders of the Company shall, within 10 trading days, propose to increase its shareholding (including the number of shares of the Company to be acquired, the price range, timing, etc.) and complete the approval procedures required by the relevant competent authorities including the securities regulatory authorities and stock exchange in accordance with the laws. The controlling shareholders shall inform the Company within 3 trading days after obtaining the approval and the Company shall disclose the Acquisition of Shares of the Company by Controlling Shareholders in accordance with the relevant requirements.

The price for the Acquisition of Shares of the Company by Controlling Shareholders shall be no more than the audited net asset value per share as at the end of last accounting year of the Company, the amount of fund to be used by the Company for acquisition of shares shall be no more than 20% of the after-tax cash dividend of the controlling shareholders of the Company receivable from the Company accumulated upon listing. If the share price of the Company no longer satisfies the conditions for initiating share price stabilizing measures, the controlling shareholders may cease to acquire Shares of the Company. Upon Acquisition of shares of the Company by Controlling Shareholders, the shareholding of the Company shall comply with the listing conditions.

**APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY
AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING
THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING**

The Acquisition of shares of the Company by Controlling Shareholders of the Company shall be in accordance with relevant laws and regulations.

(3) *Purchase of shares of the Company by Directors (except independent directors) and senior management*

Where share price stabilizing measures were initiated by the Company, if the closing price of A Shares of the Company still falls below the audited net asset value per share for last accounting year of the Company for 10 consecutive trading days after the completion of Acquisition of shares of the Company by Controlling Shareholders by means of share price stabilizing measure (2), or when it is unable to take share price stabilizing measure (2), the then directors (except independent directors) and senior management of the Company (including the directors and senior management of the Company who have yet to take up their up their duties at the signing of Proposal and the newly appointed directors and senior management) shall purchase A Shares of the Company with means of transaction permitted under the laws and regulations to stabilize share price of the Company. Upon the purchase of shares of the Company by directors (except independent directors) and senior management of the Company, the shareholding of the Company shall comply with the listing conditions.

For the purchase of shares of the Company by directors (except independent directors) and senior management of the Company with means of transaction permitted under the laws and regulations, the purchase price shall be no more than the audited net asset value per share as at the end of last accounting year of the Company, and the amount of fund to be used by the directors and senior management for share purchase shall be no more than 30% of the after-tax remuneration received from the Company by directors and senior management of the Company for last accounting year. If the share price of the Company no longer satisfies the conditions for initiating share price stabilizing measures, directors (except independent directors) and senior management may cease to purchase share of the Company.

The purchase of shares of the Company by directors (except independent directors) and senior management of the Company shall be in accordance with relevant laws and regulations. If it is subject to approval from competent authorities including the securities regulatory authorities and stock exchange, it shall go through the corresponding approval procedures. Not purchasing shares of the Company as a result not obtaining the approval will be treated as having performed the Proposal and the commitment.

Within the 240 trading days from the completion or the termination of any of the aforementioned share price stabilizing measures, the Company and the controlling shareholders, the directors (except independent directors) and senior management shall automatically be discharged from their obligations to implement share price stabilizing measures. From the 241st trading day from the completion or the termination of any of the aforementioned share price stabilizing measures onwards, if the closing price of the A Shares of the Company still falls below the latest audited net asset value per share for 20 consecutive trading days, the Company and the controlling shareholders, the directors (except independent directors) and senior management shall perform their obligations for share acquisition or share repurchase in accordance with the aforementioned procedures and requirements.

**APPENDIX III PROPOSAL ON STABILIZING THE PRICE OF A SHARES OF THE COMPANY
AFTER A SHARE OFFERING, COMMITMENT IN CONNECTION WITH STABILIZING
THE PRICE OF A SHARES OF THE COMPANY AFTER A SHARE OFFERING**

3. Restraining measures for failure to initiating share price stabilizing measures required

Where the conditions precedent for initiating share price stabilizing measures are satisfied, if the Company, the controlling shareholders, the directors (except independent directors) and senior management fail to take the specific share price stabilizing measures above, the Company, the controlling shareholders, the directors (except independent directors) and senior management undertake to be subject to the following restraining measures:

- (1) The Company, the controlling shareholders, the directors (except independent directors) and senior management shall publicly specify the reasons for the failure to take the share price stabilizing measures above at shareholders' general meeting and through the media designated by relevant securities regulatory authorities and apologize to the shareholders of the Company and public investors.
- (2) For the controlling shareholders who fail to take the specific share price stabilizing measures above, the shares of the Company held by these controlling shareholders are not transferrable until they take and complete the corresponding share price stabilizing measures in accordance with the requirements of the Proposal.
- (3) For the directors (except independent directors) and senior management who fail to take the specific share price stabilizing measures above, the Company will, within 10 trading days from the occurrence of the aforementioned event, suspend the payment of the remuneration of the directors and senior management who fail to perform their commitment and the shares of the Company held by these directors and senior management are not transferrable until they take and complete the corresponding share price stabilizing measures in accordance with the requirements of the Proposal.

The above is the commitment made by the Company, the controlling shareholders, the directors (except independent directors) and senior management, which is the actual intention as expressed by the Company, the controlling shareholders, the directors and senior management. The relevant subjects of responsibility voluntarily accept the monitoring of the regulatory authorities, self-disciplinary organizations and the public. If the above commitment is breached, the relevant subjects of responsibility accepts their corresponding liabilities according to the laws.

The Company will require its newly appointed directors (except independent directors) and senior management to sign a commitment to ensure that they committed to perform the share price stabilizing commitment made by the directors (except independent directors) and senior management in respect of the initial public offering and listing of the Company and require them to propose restraining measures for non-performance of the commitment in accordance with the commitment the directors (except independent directors) and senior management made in respect of the initial public offering and listing of the Company.

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**UNDERTAKINGS IN RELATION TO THE CONTENT OF THE PROSPECTUS FOR THE
INITIAL PUBLIC OFFERING OF A SHARES OF SHANGHAI HAOHAI BIOLOGICAL
TECHNOLOGY CO., LTD. NOT CONTAINING ANY FALSE REPRESENTATIONS,
MISLEADING STATEMENTS OR MATERIAL OMISSIONS**

Shanghai Haohai Biological Technology Co., Ltd. (the “Company”) proposed to carry out initial public offering of RMB ordinary shares (“A Shares”) in the PRC. In accordance with the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform (《關於進一步推進新股發行體制改革的意見》) (the CSRC Announcement [2013] No. 42), the Company made undertakings as follow:

- I. The content of the prospectus for the initial public offering of A Shares of Shanghai Haohai Biological Technology Co., Ltd. (hereinafter referred to as the “Prospectus”) does not contain any false representations, misleading statements or material omissions and the Company shall take the legal responsibility for the truthfulness, accuracy and completeness of the content of the Prospectus.
- II. If the China Securities Regulatory Commission or other competent authorities determine that the content of the Prospectus contains false representations, misleading statements or material omissions, and such circumstances have material and substantial impact on determining whether the Company satisfies the offering requirements provided by laws, the Company will repurchase all new shares under the initial public offering of A Shares in accordance with laws.

The time and repurchase price at which the Company initiates repurchase measures are as follows:

Within 10 trading days after securities regulatory authorities or other competent authorities determine that the content of the Prospectus contains false representations, misleading statements or material omissions that have material and substantial impact on determining whether the Company satisfies the offering requirements provided by laws, the Company will convene a Board meeting and propose to convene general meeting to initiate repurchase according to the requirements of laws, regulations, rules and the Articles of Association. The price for repurchasing shall be no less than the sum of offering price of the A shares under the initial public offering of the Company and the interests on bank demand deposits for the relevant period from the offering of shares to the repurchase. If there are any ex-rights or ex-dividend activities due to distribution of cash dividends, bonus shares, conversion into share capital and issuance of new shares, the aforesaid offering price shall be adjusted accordingly in accordance with the requirements of the China Securities Regulatory Commission and stock exchanges in the where the Company’s shares are listed.

- III. If there are any false representations, misleading statements or material omissions in the Prospectus resulting that investors suffer from losses during securities trading, the

Company should compensate the investors fully and promptly for any losses in securities trading suffered by them in accordance with laws based on the final determination or effective ruling of the China Securities Regulatory Commission or judicial authorities and other competent authorities.

The aforementioned undertakings are the true statement of the Company. The Company voluntarily accepts the supervision of regulatory authorities, self-regulatory organization, the society and social public. The Company will undertake corresponding responsibilities if it breaches the aforementioned undertakings.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

**UNDERTAKINGS IN RELATION TO RESTRAINING MEASURES IN CASE OF
NON-PERFORMANCE OF PUBLIC COMMITMENTS**

Shanghai Haohai Biological Technology Co. Ltd. (hereinafter referred to as the “Company”) ensured strict performance of commitments as disclosed in the Prospectus on Initial Public Offering of A shares of Shanghai Haohai Biological Technology Co. Ltd. (《上海昊海生物科技股份有限公司首次公开发行人A股股票招股说明书》), (hereinafter referred to as the “Prospectus”), with following restraining measures of non-performance of commitments:

- I. In the event of non-performance of commitments as disclosed in the Prospectus, public explanation concerning specific reasons of non-performance of commitments shall be made by the Company timely in the general meeting and publications prescribed by relevant securities regulatory authorities. The Company shall also extend its apologies to shareholders and public investors.
- II. Make supplementary commitments or alternative commitments to protect, to the furthest extent, the benefit of the Company and investors.
- III. In the event of loss of investors incurred through securities transactions arising from non-performance of relevant commitments, the Company shall legally compensate for relevant loss suffered by investors with following specific measures:
 1. Within 10 trading days after regulatory authorities or other competent authorities confirm that the Prospectus of the Company contains false record, misleading statement and serious loophole, the Company shall legally initiate relevant compensation procedures for investor losses.
 2. Investor losses shall be determined in accordance with the amount as negotiated between investors or the manner and the amount as determined by securities regulatory authorities and judiciaries.
- IV. Each undertaking made by the Company with specific restraining measures shall be performed in accordance with restraining measures undertaken by the Company thereof.

The aforementioned undertakings are expressions of true intention and interest by the Company. The Company is voluntarily subject to supervision of regulatory authorities, self-regulatory organizations and the general public. In case of breach of the above undertakings, the Company shall legally take relevant responsibilities.

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IMPACT ANALYSIS OF DILUTION OF IMMEDIATE RETURNS AND THE REMEDIAL MEASURES ON THE IMMEDIATE RETURN

To protect the interests of investors, in accordance with the relevant requirements of the “Opinions of the Office of State Council on Further Strengthening the Protection of Legal Interests of Small and Medium Investors in Capital Market” (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》), the “Guidelines on Matters relating to Impacts of Dilution of Current Returns of Initial Offering and Re-financing and Major Asset Reorganization” (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) and other documents, Shanghai Haohai Biological Technology Co., Ltd. (hereinafter the “Company”) specially formulated the following analysis on effect of the dilution of immediate returns and measures for recovery of immediate returns in respect of the Company’s initial public offering and listing of RMB ordinary shares (A Shares) (hereinafter the “A Share Offering”):

I. Impacts of the Dilution of Immediate Returns of the A Share Offering on the Company

The number of the Company’s public offering of RMB ordinary shares (A Shares) shall not exceed 17.8 million shares. The Company and the lead underwriter can adopt the over-allotment option, and the over-allotment quantity shall not exceed 15% of the scale of the issuance of A Shares. After the issuance, the Company’s total share capital will increase to a certain degree, and the net assets attributable to the parent company will also increase significantly. The proceeds raised by the Company will be applied to the primary business of the Company, and the projects financed by the proceeds are in line with the development trend of industry and the Company’s development planning. However, as it will take a certain period of time for the projects financed by the proceeds to be implemented and generate benefits, if the Company’s net profit has not increased correspondingly prior to that, the immediate and future earnings per share and the return on equity of the Company may decrease accordingly.

II. The Necessity and Rationality of the Financing

The Company is currently in the stage of rapid growth and needs to invest a large amount of money for business development. On one hand, the Company needs a long-term, stable and considerable source of funds; on the other hand, the Company also needs to obtain a reasonable and effective valuation platform and means to achieve extensional development, to better reflect the value and growth of the Company. The necessity and rationality of the Company’s choice of financing by public issuance of shares are mainly demonstrated by the following points:

1. Meeting the capital needs of the projects financed by the proceeds of the Company

The proceeds raised from the A Share Offering can fully meet the capital needs of the projects financed by the proceeds of the Company, which is also in line with the government’s

current initiative to encourage direct financing by the enterprise. The proceeds raised will be used in the International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd.* in Shanghai and replenishment of working capital.

(1) *International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd.* in Songjiang District, Shanghai*

In recent years, the primary business of the Company has maintained a sustained and rapid growth. There is a shortage of production capacity of the Company's existing products such as medical sodium hyaluronate, medical chitosan and medical collagen and recombinant human epidermal growth factor. Under the background of rapid development of ophthalmology, plastic surgery, orthopedics and other related industries, insufficient production capacity has become a key factor restricting the future development of the Company.

The products of this project belong to the national encouraged pharmaceutical industry, which will be widely used in ophthalmology, medical aesthetics and wound care and orthopedics, and has a broad market space. The Company has accumulated rich experience of technology and process in the product field of this project. Therefore, the Company intends to utilize the proceeds of RMB1,284.13 million to invest in this project, to promote the development of various businesses and improve the profitability of the Company.

(2) *Replenishment of working capital project*

In recent years, the Company's operating income has maintained a sustained and rapid growth. The expansion of business scale has made the Company's demand for working capital grow rapidly. According to the preliminary estimates, the Company has a large liquidity gap in the future. Therefore, the Company intends to utilize the proceeds of RMB200 million to supplement the working capital of the Company and support the business development of the Company.

2. *Obtaining a stable source of funds*

The financing by the A Share Offering may allow the Company to obtain a stable source of funds for a longer period of time. Public issuance of shares can reduce the Company's financial risk, allowing the Company to focus on implementing its own development strategy and use the operating income for expanding the Company's scale of operation, thus to enhance the profitability of the Company. The Company will provide shareholders with sustained and stable reasonable returns actively by ways of cash bonus based on its own business condition and development planning.

3. *Access to the A-share market*

Upon completion of the financing by the A Share Offering, the Company's shares can enter the A-share market. The good liquidity and rapid price transmission mechanism of the A-share

market can make the results of operation and other information better reflected in the share price and other indicators. In addition, the internal governance of the Company upon listing will be more perfect and the degree of standardized operation will be further improved, thus providing a good protection for the future development of the Company.

In summary, financing by public issuance of shares is line with the current development needs of the Company and is necessary and reasonable.

III. Relationship between the Projects Financed by the Proceeds and the Existing Business of the Company, and the Company's Reserves of Personnel, Technology and Market in respect of the Projects Financed by the Proceeds

The proceeds from the A Share Offering, after deducting relevant expenses, will be used for the investment in International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd. in Shanghai (上海昊海生科國際醫藥研發及產業化項目) and replenishment of working capital. This project is an expansion and improvement of the Company's existing businesses and is in line with the scale of business, technology level and management abilities of the Company.

In terms of personnel, the Company has more than 200 R&D technicians around the world, accounting for nearly 20% of the total number of employees. The Company is a state-level high-tech enterprise. It currently has two national-level scientific research platforms (a national enterprise technology center and a national postdoctoral scientific research center) and six municipal-level R&D centers in China. It also has two overseas R&D laboratories in the United States and the United Kingdom.

In terms of technology, the Company has submitted 181 patent applications and has been granted 144 patents, including 39 invention patents. The Company was successively awarded "National Enterprise Technology Center" (2018), "National Intellectual Property Outstanding Enterprise" (2018) and Shanghai Science and Technology Small Giant Enterprise, etc. The Company won two second-class prize of the National Science and Technology Progress Award, one second-class prize of Science and Technology Progress Award of Chinese Academy of Sciences, one first-class prize of Shanghai Technology Invention, one Patent Invention Award and seven Shanghai High-tech Achievement Transformation Project.

In terms of the industry, after more than ten years of development, the Company has become a leading biomedical materials company. Its major products cover ophthalmology, medical cosmetics, orthopedics and other fields with huge market potentials. In respect of ophthalmology, with the improvement of residents' concept on eyes health in China, the increase of people's income level and the continuous improvement of the medical insurance system, the potential demand for ophthalmology medical will continue to be converted into practical and effective demand, and the market capacity of ophthalmology medical treatment will expand continuously. In respect of medical cosmetics, with the accumulation of positive factors, including the change of Chinese consumption concept of medical cosmetics, the increase of per capita disposable income, the promotion of market penetration, the

maturity of policies and supervision, the medical cosmetology market in China is developing rapidly. In respect of orthopedics, the degree of aging is deepening in China, and the demand for treatment of degenerative osteoarthritis is released.

The Company's good accumulation in personnel, technology and market for its existing business can guarantee the reasonable and effective use of the proceeds raised from the public offering of shares, which is beneficial to the sustainable and healthy development of the Company's operations.

IV. Specific Measures for Recovery of the Immediate Returns

After A Share Offering, the total share capital and net assets of the Company will increase significantly. The proceeds raised by the Company will be applied to the primary business of the Company, and the projects financed by the proceeds are in line with the development trend of industry and the Company's development planning. However, as it will take a certain period of time for the projects financed by the proceeds to be implemented and generate benefits, if the Company's net profit has not increased correspondingly prior to that, the earnings per share and return on equity of the Company will decline to a certain degree.

Therefore, the Company intends to improve its profitability to fill the diluted immediate returns by ways of actively enhancing the Company's competitiveness, strengthening the market development, improving the profit distribution system and actively implementing the projects financed by the proceeds.

1. *Ensuring the proper and efficient use of the proceeds*

Upon receipt of the proceeds raised by the A Share Offering, the Board of the Company will open a specific account for the proceeds and enter into a tripartite supervision agreement with the depositary bank and the sponsor to ensure the proceeds are utilized for the specified purposes only. Meanwhile, the Company will go through the examination and approval procedures for the capital expenditures strictly in compliance with the relevant requirements of the capital management system when utilizing the proceeds for investment purposes. The Company will also clearly define the responsibilities of various control points in the process. Application and approval procedures will be followed before the proceeds can be used as planned, and the internal examination and appraisal of the use will be conducted.

2. *Actively implementing the projects financed by the proceeds and improving the efficiency of the proceeds*

The projects financed by the proceeds have been fully demonstrated by the Company and are in line with the development trend of industry and the Company's development planning. Upon implementation of the projects, it will further consolidate and expand the market share of the

Company's main products, and enhance the comprehensive competitive advantage of the Company. The Company will actively implement the projects financed by the proceeds in an effort to generate revenue as soon as possible, and minimize the risk in dilution of immediate returns of shareholders resulted from the A Share Offering.

3. *Introducing excellent talents and mobilizing employee motivation*

The Company has a high degree of marketization and strong flexibility. The Company will adopt a market-oriented business philosophy to operate, introduce excellent talents, establish an effective incentive mechanism, and fully mobilize the enthusiasm of salesmen and managers to improve performance.

4. *Continuing to improve corporate governance structure and enhance operational and management efficiency*

Upon listing of the A Shares of the Company will strictly follow the Company Law, the Securities Law, the listing rules of the applicable stock exchange and other laws, regulations and regulatory documents, and constantly improve the corporate governance structure to ensure that shareholders can fully exercise their rights and to ensure that the Board exercise their powers in accordance with laws, regulations and the Articles of Association to make a scientific, timely and prudent decisions. At the same time, the Company will further enhance operational and management standard, strengthen internal control and give full play to corporate management and control efficiency. The Company will also push forward comprehensive budget management, improve cost management and strengthen supervision on budget execution. On the basis of placing strict control on various expenses, the Company will improve operational and management efficiency and control operational and management risk.

5. *Improving profit distribution policy*

The Articles of Association stipulate the provisions of profit distribution policy, particularly the specific conditions of cash dividends as well as the ratio, distribution methods and distribution conditions of stock dividends, which are consistent with the requirements under the "Notice of the China Securities Regulatory Commission Regarding Further Implementation of Cash Dividends Distribution of Listed Companies" (《關於進一步落實上市公司現金分紅有關事項的通知》) and the "Listed Companies Regulatory Guidance No.3—Cash Dividends Distribution of Listed Companies" (《上市公司監管指引第3號—上市公司現金分紅》). The Company has formulated the "Dividend Distribution Plan for the Three Years after the Initial Public Offering and Listing of A Shares" (《關於首次公開發行A股股票並上市後三年分紅回報規劃》) to offer a steady expectation of return to the investors. The Company attaches great importance to the protection of shareholders' rights and interests, and will further enhance the transparency of cash dividend distribution of the Company, improve and perfect the decision-making and supervision mechanism for dividend distribution, maintain the continuity and stability of profit distribution policies, positively return to its shareholders and guide investors to establish long-term investment and rational investment philosophy through the formulation of profit distribution planning.

The implementation of above measures for recovery of returns will be beneficial to enhancing the core competitiveness and sustainable profitability of the Company and therefore thickening its future profits for recovery of returns to shareholders; nevertheless, due to the objective existence of internal and external risks facing the operation of the Company, the implementation of above measures cannot be construed as a guarantee of future profits of the Company.

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In this appendix, unless the context otherwise requires, capitalized terms used herein shall have the same meaning as defined in the Articles of Association of the Company dated June 11, 2018. Proposed amendments to the Articles of Association are as follows:

No.	Existing Articles	Amended Articles
1	<p>Article 1</p> <p>To safeguard the legitimate rights and interests of Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司) (the “Company”) and its shareholders and creditors, and to regulate the organization and acts of the Company, this Articles of Association is formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong and other relevant laws and provisions.</p>	<p>Article 1</p> <p>To safeguard the legitimate rights and interests of Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司) (the “Company”) and its shareholders and creditors, and to regulate the organization and acts of the Company, this Articles of Association is formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”) and <u>the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (hereinafter referred to as the “Letter of Opinions on Supplements and Amendments”), Guidelines to Articles of Association of Listed Companies (amended in 2016)” (hereinafter referred to as the “Guidelines to Articles of Association”)</u> and other relevant laws and provisions.</p>

No.	Existing Articles	Amended Articles
2	<p data-bbox="256 300 826 331">Article 7</p> <p data-bbox="256 376 826 779">This Articles of Association has been approved by a special resolution at a general meeting of the Company and shall take effect on the date on which the overseas-listed foreign shares of the Company are listed and commence dealings on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), and shall supersede previous articles of association of the Company filed with competent administration for industry and commerce.</p> <p data-bbox="256 824 826 1081">From the effective date of this Articles of Association, this Articles of Association shall become a legally binding document which regulates the Company’s organization and acts, the rights and obligations between the Company and shareholders, and amongst the shareholders.</p>	<p data-bbox="831 300 1402 331">Article 7</p> <p data-bbox="831 376 1402 857">This Articles of Association has been approved by a special resolution at a general meeting of the Company and shall take effect on the date on which the overseas-listed foreign shares of the Company are listed and commence dealings on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”)<u>A</u> <u>Shares of the Company are listed and commence dealings on stock exchange in the People’s Republic of China,</u> and shall supersede previous articles of association of the Company filed with competent administration for industry and commerce.</p> <p data-bbox="831 902 1402 1149">From the effective date of this Articles of Association, this Articles of Association shall become a legally binding document which regulates the Company’s organization and acts, the rights and obligations between the Company and shareholders, and amongst the shareholders.</p>

No.	Existing Articles	Amended Articles
3	<p data-bbox="256 300 826 331">Article 16</p> <p data-bbox="256 376 826 779">The shares issued by the Company to investors inside the PRC for subscription in RMB shall be referred to as “domestic shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currencies shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas-listed foreign shares”. A holder of domestic shares and a holder of foreign shares are both holders of ordinary shares.</p> <p data-bbox="256 824 826 1081">The term “foreign currencies” as mentioned in the preceding paragraph shall refer to the lawful currencies freely convertible in other countries or regions (other than RMB), which are recognized by State’s foreign exchange authority and acceptable to pay for the shares to the Company.</p> <p data-bbox="256 1126 826 1384">The overseas-listed foreign shares of the Company listed in Hong Kong shall be referred to as H shares. H shares shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.</p>	<p data-bbox="831 300 1402 331">Article 16</p> <p data-bbox="831 376 1402 857">The shares issued by the Company to investors inside the PRC for subscription in RMB shall be referred to as “domestic shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currencies shall be referred to as “foreign shares”. <u>The domestic shares that are listed on the stock exchange in the PRC shall be referred to as “domestic listed shares”.</u> The foreign shares that are listed overseas shall be referred to as “overseas-listed foreign shares”. A holder of domestic shares and a holder of foreign shares are both holders of ordinary shares.</p> <p data-bbox="831 902 1402 1160">The term “foreign currencies” as mentioned in the preceding paragraph shall refer to the lawful currencies freely convertible in other countries or regions (other than RMB), which are recognized by State’s foreign exchange authority and acceptable to pay for the shares to the Company.</p> <p data-bbox="831 1205 1402 1444">The overseas-listed foreign shares of the Company listed in Hong Kong shall be referred to as H shares. H shares shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.</p>

No.	Existing Articles	Amended Articles
	<p>Upon approval by the securities regulatory authorities under the State Council, shareholders of the unlisted shares of the Company may have the shares held by them listed and traded overseas. Shareholders of the domestic shares of the Company may transfer the shares held by them to overseas investors and have such shares listed and traded overseas. The domestic shares are convertible into foreign shares, and the resulting shares may be listed and traded overseas. The listing and trading of the transferred shares in overseas stock exchange(s), or the conversion of domestic shares into foreign shares for listing and trading on foreign stock exchange(s), do not require a voting at shareholders' general meeting or a voting at class shareholders' meeting. The aforesaid shares, which are listed and traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. The aforesaid shares will be converted to overseas listed shares after listing and trading on foreign stock exchange(s), and shall be of the same class of shares with the existing overseas listed shares.</p>	<p><u>Domestic shares listed in the PRC are referred to as "A Shares" in short. A Shares are shares which have been approved by securities regulatory authorities for offering and admitted for listing on the stock exchanges in the PRC with a par value denominated in RMB and are subscribed for and traded in RMB. A Shares are managed centrally by securities registration & settlement institution in the PRC.</u></p> <p>Upon approval by the securities regulatory authorities under the State Council, shareholders of the unlisted shares of the Company may have the shares held by them listed and traded overseas. <u>Shareholders of the domestic non-listing shares of the Company</u> may transfer the shares held by them to overseas investors and have such shares listed and traded overseas. <u>The domestic non-listing shares</u> are convertible into foreign shares, and the resulting shares may be listed and traded overseas. The listing and trading of the transferred <u>or converted shares</u> in overseas stock exchange(s), or the conversion of domestic shares into foreign shares for listing and trading on foreign stock exchange(s), do not require a voting at shareholders' general meeting or a voting at class shareholders' meeting. The aforesaid shares, which are listed and traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. The aforesaid shares will be converted to overseas listed shares after listing and trading on foreign stock exchange(s), and shall be of the same class of shares with the existing overseas listed shares.</p>

No.	Existing Articles	Amended Articles
4	<p data-bbox="256 300 826 331">Article 18</p> <p data-bbox="256 376 826 591">Upon establishment of the Company, as approved by the securities regulatory authorities under the State Council and the Hong Kong Stock Exchange, the Company issued 40,045,300 ordinary shares through initial public offering, all are H shares.</p> <p data-bbox="256 636 826 1301">Upon completion of the aforesaid issue of H shares, the Company's shareholding structure is: a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (遊捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾靖靖), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), Huang Ming (黃明), Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), Lou Guoliang (樓國梁) and Lu Rujuan (陸如娟), representing 74.979% of the total ordinary share capital, and 40,045,300 shares held by other holders of H shares, representing 25.021% of the total ordinary share capital.</p>	<p data-bbox="831 300 1402 331">Article 18</p> <p data-bbox="831 376 1402 591">Upon establishment of the Company, as approved by the securities regulatory authorities under the State Council and the Hong Kong Stock Exchange, the Company issued 40,045,300 ordinary shares through initial public offering, all are H shares.</p> <p data-bbox="831 636 1402 1301">Upon completion of the aforesaid issue of H shares, the Company's shareholding structure is: a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (遊捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾靖靖), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), Huang Ming (黃明), Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), Lou Guoliang (樓國梁) and Lu Rujuan (陸如娟), representing 74.979% of the total ordinary share capital, and 40,045,300 shares held by other holders of H shares, representing 25.021% of the total ordinary share capital.</p> <p data-bbox="831 1346 1402 1706"><u>On [●], [●], approved by Circular No. [●], the Company initially public offered [●] Domestic Shares, such Domestic Shares issued and issued previous by the Company are listed on [●], [●]. The capital structure of the Company: total share capital is [●] shares, of which [●] are A shares, representing [●]% of ordinary shares capital of the Company, [●] are H shares, representing [●]% of ordinary shares capital of the Company.</u></p>

No.	Existing Articles	Amended Articles
5	<p data-bbox="256 300 826 336">Article 21</p> <p data-bbox="256 376 826 448">Prior to the issuance of H shares, the registered capital of the Company is RMB120,000,000.</p> <p data-bbox="256 488 826 595">Upon completion of the issuance of H shares as mentioned above, the registered capital of the Company is RMB160,045,300.</p>	<p data-bbox="831 300 1402 336">Article 21</p> <p data-bbox="831 376 1402 483">Prior to the issuance of H shares, the The registered capital of the Company is RMB[●]120,000,000.</p> <p data-bbox="831 524 1402 629">Upon completion of the issuance of H shares as mentioned above, the registered capital of the Company is RMB160,045,300.</p>
6	<p data-bbox="256 636 826 672">Article 22</p> <p data-bbox="256 712 826 855">The Company may increase its registered capital as required for its operation and development, pursuant to the relevant provisions of this Articles of Association.</p> <p data-bbox="256 896 826 967">The Company may increase its capital by the following methods:</p> <p data-bbox="256 1008 826 1079">(1) Issuing new shares to unspecified investors;</p> <p data-bbox="256 1120 826 1191">(2) Placing new shares with existing shareholders;</p> <p data-bbox="256 1232 826 1303">(3) Giving new shares to existing shareholders;</p> <p data-bbox="256 1344 826 1415">(4) Other means permitted by laws and administrative regulations.</p> <p data-bbox="256 1456 826 1671">The Company's increase of capital by issuing new shares shall be carried out in accordance with the procedures specified in relevant State laws and administrative regulations, after having been approved in accordance with this Articles of Association.</p>	<p data-bbox="831 636 1402 672">Article 22</p> <p data-bbox="831 712 1402 855">The Company may increase its registered capital as required for its operation and development, pursuant to the relevant provisions of this Articles of Association.</p> <p data-bbox="831 896 1402 967">The Company may increase its capital by the following methods:</p> <p data-bbox="831 1008 1402 1079">(1) Issuing new shares to unspecified investorsPublic offering;</p> <p data-bbox="831 1120 1402 1191">(2) Placing new shares with existing shareholdersNon-public offering;</p> <p data-bbox="831 1232 1402 1303">(3) Giving new bonus shares to existing shareholders;</p> <p data-bbox="831 1344 1402 1379">(4) <u>Convert surplus reserve into capital;</u></p> <p data-bbox="831 1420 1402 1527">(5) Other means permitted by laws and administrative regulations <u>and approved by regulatory organization.</u></p> <p data-bbox="831 1568 1402 1783">The Company's increase of capital by issuing new shares shall be carried out in accordance with the procedures specified in relevant State laws and administrative regulations, after having been approved in accordance with this Articles of Association.</p>

No.	Existing Articles	Amended Articles
7	<p data-bbox="256 300 826 336">Article 25</p> <p data-bbox="256 376 826 667">Shares held by promoters shall not be transferred within one (1) year from the date of establishment of the Company. Shares previously issued by the Company prior to the initial public offering shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded on a stock exchange.</p> <p data-bbox="256 707 826 1223">During their terms of office, directors, supervisors and other senior management of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six (6) months from the date of their leaving the Company.</p>	<p data-bbox="831 300 1396 336">Article 25</p> <p data-bbox="831 376 1396 667">Shares held by promoters shall not be transferred within one (1) year from the date of establishment of the Company. <u>Domestic</u> Shares previously issued by the Company prior to the initial public offering shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded on a stock exchange.</p> <p data-bbox="831 707 1396 1335">During their terms of office, directors, supervisors and other senior management of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six (6) months from the date of their leaving the Company. <u>Where the aforementioned restrictions on transfer involve H Shares, compliance with the Hong Kong Listing Rules is required.</u></p> <p data-bbox="831 1375 1396 1953"><u>If the directors, supervisors and senior management members of the Company as well as the shareholders holding more than 5% of the A Shares of the Company sell the Company Shares they hold within six months after purchase or buy shares of the Company within six months after the sale, the gains generated from such trade shall be disgorged and paid to the Company. The board of directors of the Company shall forfeit such gains from the abovementioned parties. Nevertheless, if a securities company holds more than 5% of the shares of the Company by buying the remaining Shares pursuant to an underwriting arrangement, the six-month limitation for selling the said shares shall not apply.</u></p>

No.	Existing Articles	Amended Articles
		<p><u>Should the Board of Directors of the Company does not observe the provisions set forth in the preceding article, the Shareholders shall be entitled to require the Board to effect the same within 30 days. If the Board of Directors of the Company fails to do so within the aforesaid time limit, the Shareholders may directly initiate people's court proceedings in their own name for the interests of the Company.</u></p> <p><u>Should the Board of Directors of the Company fail to execute the provisions under the first paragraph of this article, the responsible Director(s) held accountable shall assume joint and several liabilities under the law.</u></p>

No.	Existing Articles	Amended Articles
8	<p data-bbox="256 300 826 331">Article 28</p> <p data-bbox="256 376 826 629">The Company may repurchase its own outstanding shares in accordance with laws, administrative regulations, departmental rules and regulations as well as this Articles of Association and with the approval of relevant State authorities under the following circumstances:</p> <p data-bbox="256 674 826 741">(1) To cancel shares for the purpose of reducing the capital of the Company;</p> <p data-bbox="256 786 826 853">(2) To merge with other companies that hold shares in the Company;</p> <p data-bbox="256 898 826 965">(3) To grant shares as incentives to the staff of the Company;</p> <p data-bbox="256 1010 826 1189">(4) To acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;</p> <p data-bbox="256 1234 826 1301">(5) Other circumstances permitted by laws and administrative regulations.</p> <p data-bbox="256 1346 826 1447">The Company shall not repurchase the Company's shares save and except for the aforesaid conditions.</p>	<p data-bbox="831 300 1396 331">Article 28</p> <p data-bbox="831 376 1396 629">The Company may repurchase its own outstanding shares in accordance with laws, administrative regulations, departmental rules and regulations as well as this Articles of Association and with the approval of relevant State authorities under the following circumstances:</p> <p data-bbox="831 674 1396 741">(1) To cancel shares for the purpose of reducing the capital of the Company;</p> <p data-bbox="831 786 1396 853">(2) To merge with other companies that hold shares in the Company;</p> <p data-bbox="831 898 1396 1043">(3) To grant shares as incentives to the staff of the Company <u>To use the shares for employee shareholding schemes or as share incentives;</u></p> <p data-bbox="831 1088 1396 1267">(4) To acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;</p> <p data-bbox="831 1312 1396 1413">(5) <u>To use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the listed company;</u></p> <p data-bbox="831 1458 1396 1559">(6) <u>To safeguard corporate value and shareholders' equity as the listed company deems necessary;</u></p> <p data-bbox="831 1603 1396 1671">(7) Other circumstances permitted by laws and administrative regulations.</p> <p data-bbox="831 1715 1396 1816">The Company shall not repurchase the Company's shares save and except for the aforesaid conditions.</p>

No.	Existing Articles	Amended Articles
9	<p data-bbox="256 300 826 336">Article 31</p> <p data-bbox="256 376 826 853">If the Company repurchases its own shares for the reasons under sub-paragraphs (1) to (3) of Article 28 hereof, resolutions related thereto shall be adopted at a general meeting. If the Company repurchases its own shares in accordance with Article 28 under the circumstances set forth in sub-paragraph (1), the shares so repurchased shall be cancelled within 10 days from the date of repurchase. In the event of the circumstances set forth in sub-paragraphs (2) and (4), the shares so repurchased shall be transferred or cancelled within six (6) months.</p> <p data-bbox="256 898 826 1189">If the Company repurchases its own shares in accordance with sub-paragraph (3) of Article 28 hereof, the shares so repurchased shall not exceed 5% of the total number of shares issued by the Company. The repurchase shall be funded with the after-tax profit of the Company, and the shares so repurchased shall be transferred to employees within one year.</p> <p data-bbox="256 1234 826 1480">Shares which have been legally repurchased by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the Company's original registration authorities for registration of the change in its registered capital.</p> <p data-bbox="256 1525 826 1637">The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>	<p data-bbox="831 300 1396 336">Article 31</p> <p data-bbox="831 376 1396 853">If the Company repurchases its own shares for the reasons<u>circumstances</u> under sub-paragraphs (1) to (3)<u>(2)</u> of Article 28 hereof, resolutions related thereto shall be adopted at a general meeting. <u>If the Company repurchases its own shares in accordance with for the circumstances under sub-paragraph (3), (5), (6) of Article 28 hereof, resolutions related thereto shall be adopted at a board meeting attended by more than two-thirds of the Directors according to the requirements of Articles of Association and the authorization of general meeting.</u></p> <p data-bbox="831 898 1396 1189">If the Company repurchases its own shares in accordance with sub-paragraph (3) of Article 28 hereof, the shares so repurchased shall not exceed 5% of the total number of shares issued by the Company. The repurchase shall be funded with the after-tax profit of the Company, and the shares so repurchased shall be transferred to employees within one year.</p> <p data-bbox="831 1196 1396 1843"><u>If the Company repurchases its own shares in accordance with Article 28 under the circumstances set forth in sub-paragraph (1), the shares so repurchased shall be cancelled within 10 days from the date of repurchase. If the Company repurchases its own shares in accordance with Article 28 under the circumstances set forth in sub-paragraph (2), (4), the shares so repurchased shall be transferred or cancelled within 6 months. If the Company repurchases its own shares in accordance with Article 28 under the circumstances set forth in sub-paragraph (3), (5), (6), the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company, and shall be transferred or cancelled within 3 years.</u></p>

No.	Existing Articles	Amended Articles
		<p><u>If the listed company purchases the shares of the Company, the listed company shall perform the obligation of information disclosure in accordance with the Securities Law of the People's Republic of China. If the listed company purchases the shares of the Company in accordance with Article 28 under the circumstances set forth in sub-paragraph (3), (5), (6) of the first paragraph , it shall conduct such purchases through centralized public transaction.</u></p> <p>Shares which have been legally repurchased by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the Company's original registration authorities for registration of the change in its registered capital.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>
10		<p>Article 51</p> <p><u>If the contents of the resolution made by the General Meeting or the Board of Directors of the Company violate any laws, administrative regulations, the Shareholders shall be entitled to request the people's court to invalidate the said resolution.</u></p> <p><u>If the convening procedure and voting method of the General Meeting and Board meeting violate the laws, administrative regulations or these Articles of Association, or the contents of the resolution go against these Articles of Association, the shareholders shall have the right to request the people's court to cancel the said procedure, method or resolution within sixty (60) days after adoption of the resolution.</u></p>

No.	Existing Articles	Amended Articles
11		<p data-bbox="831 300 1402 333">Article 52</p> <p data-bbox="831 378 1402 965"><u>If any Director or senior management member violate the laws, administrative regulations and these Articles of Association in fulfilling his/her duties and incurs losses to the Company, the Shareholders severally or jointly holding 1% or more shares of the Company for more than 180 days continuously shall have the right to request in writing to the Board of Supervisors to lodge a legal action in people’s court; if the Board of Supervisors violates the laws, administrative regulations and these Articles of Association in fulfilling its duties and incurs losses to the Company, the shareholders shall have the right to request in writing to the Board of Directors to lodge a legal action in people’s court.</u></p> <p data-bbox="831 1010 1402 1447"><u>If the Board of Supervisors or the Board of Directors refuses to lodge legal action after receipt of the said written request from the Shareholder, or if they fail to take any legal action within 30 days after receipt of the request, or if the circumstances are urgent or if any delay of legal proceedings may cause irrecoverable damage to the interests of the Company, the shareholder specified under the preceding paragraph shall, in the interest of the Company, have the right to lodge legal action in people’s court under his/her own name.</u></p> <p data-bbox="831 1491 1402 1742"><u>If the legitimate rights and interests of the Company are endangered, incurring losses for the Company, the shareholder specified under the first paragraph of this Article may institute a legal action in people’s court according to the provisions under the preceding two paragraphs.</u></p>

No.	Existing Articles	Amended Articles
12		<p>Article 53</p> <p><u>If any Director or senior management member violates the laws, administrative regulations or these Articles of Association, thereby causing any loss to the Shareholders, the Shareholders may initiate legal action in people's court.</u></p>
13		<p>Article 55</p> <p><u>If a Shareholder of A Share holding more than 5% of the Company Shares with voting right pledges the Shares held, the said Shareholder shall report such pledge in writing to the Company on the very day upon occurrence of the pledge. Such pledge shall be in compliance with the relevant requirements stipulated by Hong Kong Stock Exchange.</u></p>
14	<p>Article 52</p> <p>In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:</p> <p>(1) To waive a director or supervisor of his responsibility to act honestly in the best interests of the Company;</p>	<p>Article 56</p> <p>In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:</p> <p>(1) To waive a director or supervisor of his responsibility to act honestly in the best interests of the Company;</p>

No.	Existing Articles	Amended Articles
	<p>(2) To approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person), in any way, of the Company's properties, including (but not limited to) any opportunities beneficial to the Company;</p> <p>(3) To approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person) of personal rights of other shareholders, including (but not limited to) rights to distributions and voting rights save pursuant to a restructuring submitted to shareholders for approval at a general meeting in accordance with the Articles of Association.</p>	<p>(2) To approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person), in any way, of the Company's properties, including (but not limited to) any opportunities beneficial to the Company;</p> <p>(3) To approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person) of personal rights of other shareholders, including (but not limited to) rights to distributions and voting rights save pursuant to a restructuring submitted to shareholders for approval at a general meeting in accordance with the Articles of Association.</p> <p><u>The controlling shareholders or actual controllers of the Company shall not use their connected relationships to harm the interests of the Company. These persons shall be liable for the compensation of any losses of the Company, if any, caused by such violation.</u></p> <p><u>The controlling shareholders and actual controllers of the Company have a fiduciary obligation to the Company and to its public shareholders. The controlling shareholders shall exercise their rights as capital contributors in strict compliance with law. They shall not use profit distribution, asset restructuring, external investment, use of capital, loan guarantee or other methods to impair the legitimate rights and interests of the Company and of the public shareholders, or use their controlling position to harm the interests of the Company and public shareholders.</u></p>

No.	Existing Articles	Amended Articles
15	<p>Article 55</p> <p>The general meeting shall exercise the following functions and powers:</p> <p>(1) Decide the operational policy and investment plan of the Company;</p> <p>(14)Examine and approve the guarantee issues as prescribed in Article 56 of this Articles of Association;</p>	<p>Article 59</p> <p>The general meeting shall exercise the following functions and powers:</p> <p>(1) Decide the operational policy and investment plan of the Company;</p> <p>(14)Examine and approve the guarantee issues <u>which shall be passed at the general meeting as prescribed in Article 56 of this Articles of Association;</u></p>
16		<p>Article 63</p> <p><u>The venue of the general meeting shall be the domicile of the Company or the venue specified in the notice of the general meeting.</u></p> <p><u>The Company shall set the meeting venue by way of on-site meetings. Under the condition that the Company ensures the legality and validity of the general meeting, multiple means and methods, including modern information technology such as internet voting platform, may be provided for the convenience of the shareholders in attending such meeting. In addition, the Company will provide online and other means for the convenience of participation by the shareholders. Shareholders attending the general meeting via the abovementioned methods are considered to be present at such meeting. Online voting is not applicable to the holders of H shares.</u></p> <p><u>For any general meetings held online or via other methods, the voting time and procedure for the relevant voting methods shall be set out clearly in the notice of the general meeting.</u></p>

No.	Existing Articles	Amended Articles
17		<p>Article 64</p> <p><u>When the Company holds a general meeting, it shall engage lawyers to provide legal opinions and prepare announcements on the following matters:</u></p> <p>(1) <u>Whether the procedures for convening and holding the general meeting comply with the requirements of the relevant laws, administrative regulations, and this Articles of Association;</u></p> <p>(2) <u>Whether the qualifications of the attendees and the convener are legally valid;</u></p> <p>(3) <u>Whether the voting procedures and results of the general meeting are legally valid;</u></p> <p>(4) <u>Provide legal opinion on any other matters as may be required by the Company.</u></p>
18	<p>Article 62</p> <p>Notice of the general meeting shall meet the following requirements:</p> <p>(1) Be made in writing;</p> <p>(10)Specify the name and telephone number of the contact person for the meeting.</p>	<p>Article 69</p> <p>Notice of the general meeting shall meet the following requirements:</p> <p>(1) Be made in writing;</p> <p>(10)Specify the name and telephone number of the contact person for the meeting.</p> <p><u>Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all contents of all motions in full. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice.</u></p>

No.	Existing Articles	Amended Articles
19		<p data-bbox="831 300 1402 336">Article 70</p> <p data-bbox="831 376 1402 629"><u>Where the election of directors and supervisors are scheduled to be discussed at a general meeting, the notice of the general meeting shall sufficiently disclose the detailed information about the director and supervisor candidate(s), including at least the following contents:</u></p> <p data-bbox="831 672 1402 779">(1) <u>personal information including education background, working experience and part-time job;</u></p> <p data-bbox="831 822 1402 929">(2) <u>whether he is connected with the Company or its controlling shareholders and actual controller;</u></p> <p data-bbox="831 972 1402 1008">(3) <u>his shareholding in the Company;</u></p> <p data-bbox="831 1050 1402 1189">(4) <u>whether he has received any punishment from the CSRC and other relevant authorities and any penalty and warning from the stock exchange.</u></p> <p data-bbox="831 1232 1402 1413"><u>Except the election of directors and supervisors by means of cumulative voting, election of every director and supervisor candidate shall be conducted by separate resolution.</u></p>
20		<p data-bbox="831 1420 1402 1456">Article 72</p> <p data-bbox="831 1496 1402 1854"><u>After the notice of the general meeting is issued, the general meeting shall not be postponed or cancelled, and the motions set out in such notice shall not be cancelled without valid reasons. Where a general meeting has to be postponed or cancelled, the convener shall publish a public announcement at least 2 working days before the original date of the general meeting and state the relevant reasons.</u></p>

No.	Existing Articles	Amended Articles
21		<p data-bbox="831 300 959 331">Article 73</p> <p data-bbox="831 376 1396 703"><u>The Board and other convener shall take necessary measures to ensure the good order of the general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.</u></p>
22	<p data-bbox="256 710 384 741">Article 64</p> <p data-bbox="256 786 826 1041">Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one (1) or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf. Such proxies may exercise the following rights as entrusted by the shareholder:</p> <p data-bbox="256 1086 826 1153">(1) The shareholder's right to speak at the general meeting;</p> <p data-bbox="256 1198 826 1301">(2) The right to demand by himself or jointly with others, to make a resolution by voting;</p> <p data-bbox="256 1346 826 1637">(3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one (1) proxy, such proxies may only exercise their voting rights on a poll.</p>	<p data-bbox="831 710 959 741">Article 74</p> <p data-bbox="831 786 1396 1115"><u>All ordinary shareholders or their authorized proxies in the register of shareholders on the share registration date shall have the right to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations and this Articles of Association. A shareholder may attend and vote either personally or by proxy at a general meeting of shareholders.</u></p> <p data-bbox="831 1160 1396 1415">Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one (1) or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf. Such proxies may exercise the following rights as entrusted by the shareholder:</p> <p data-bbox="831 1460 1396 1527">(1) The shareholder's right to speak at the general meeting;</p> <p data-bbox="831 1572 1396 1675">(2) The right to demand by himself or jointly with others, to make a resolution by voting;</p> <p data-bbox="831 1720 1396 1995">(3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one (1) proxy, such proxies may only exercise their voting rights on a poll.</p>

No.	Existing Articles	Amended Articles
23	Article 65	Article 75
	<p>The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his duly authorized proxy in writing; where the appointing shareholder is a legal entity, such instrument shall be under its seal or under the hand of its director or duly authorized proxy. Such instrument shall contain the number of shares represented by a proxy; if several persons are appointed as proxies, the number of shares represented by each proxy should be specified.</p>	<p>The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his duly authorized proxy in writing; where the appointing shareholder is a legal entity, such instrument shall be under its seal or under the hand of its director or duly authorized proxy. Such instrument shall contain the number of shares represented by a proxy; if several persons are appointed as proxies, the number of shares represented by each proxy should be specified.:</p> <ol style="list-style-type: none"> 1. <u>Name of the proxy;</u> 2. <u>Whether the proxy has voting rights;</u> 3. <u>Indication of consent, objection or abstention concerning each proposal on the shareholders' general meeting agenda;</u> 4. <u>Date of signing of the authorization letter and validity period;</u> 5. <u>Signature (or chop) of the appointing shareholder. If the appointing shareholder is a corporate shareholder, it should add the chop of the legal person.</u>

No.	Existing Articles	Amended Articles
24	<p data-bbox="256 300 826 331">Article 67</p> <p data-bbox="256 367 826 680">Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that if the shareholder does not give instructions, the proxy shall vote at his own discretion.</p> <p data-bbox="256 716 826 967">Proxies should, when attending the general meeting on behalf of the shareholders, present their identification proof and the power of attorney signed by the entrusting party or signed by a legal representative of the entrusting party or a duly authorized proxy. The power of attorney should specify the date of issuance.</p> <p data-bbox="256 1003 826 1227">If a corporate shareholder (other than the recognized clearing house or its nominees) delegates its legal representative to attend the meeting, the Company shall have the right to request such legal representative to provide a proof of his identity and a valid proof of his legal representative qualification.</p>	<p data-bbox="831 300 1396 331">Article 77</p> <p data-bbox="831 367 1396 680">Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that if the shareholder does not give instructions, the proxy shall vote at his own discretion.</p> <p data-bbox="831 716 1396 967">Proxies should, when attending the general meeting on behalf of the shareholders, present their identification proof and the power of attorney signed by the entrusting party or signed by a legal representative of the entrusting party or a duly authorized proxy. The power of attorney should specify the date of issuance.</p> <p data-bbox="831 1003 1396 1254"><u>An individual shareholder who attends the general meeting in person shall produce his identification documents or other valid document or certificate which can prove his identity and his stock account card. Where a proxy is appointed to attend the meeting, the proxy shall produce his own identification documents and the proxy form.</u></p> <p data-bbox="831 1290 1396 1514">If a corporate shareholder (other than the recognized clearing house or its nominees) delegates its legal representative to attend the meeting, the Company shall have the right to request such legal representative to provide a proof of his identity and a valid proof of his legal representative qualification.</p> <p data-bbox="831 1550 1396 1915"><u>A legal person shareholder shall attend the meeting by its authorized representative or the attorney as appointed by such authorized representative. An authorized representative who attends the general meeting in person shall produce his identification documents, valid certificate which can prove his identity. Where an attorney is appointed to attend the meeting, the attorney shall produce his own identification documents and the relevant power of attorney executed by such authorized representative pursuant to the laws.</u></p>

No.	Existing Articles	Amended Articles
25		<p>Article 79</p> <p><u>The Company shall prepare a log book to record the parties attending the general meeting. The log book shall set out the name of the person or unit attending the meeting, their identification document numbers, resident address, the number of voting shares they have and the name of the principals or unit.</u></p>
26		<p>Article 80</p> <p><u>The convener and the legal advisers retained by the Company shall jointly verify the eligibility of the shareholders to vote based on the Company's shareholder register provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares they have. Registration shall come to a close before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote.</u></p>
27		<p>Article 81</p> <p><u>All directors, supervisors and the Secretary to the Board shall be present at general meetings, and the managers and other senior management members shall be in attendance at the meetings.</u></p>
28		<p>Article 82</p> <p><u>The Company shall formulate the rules of procedures for general meetings, which stipulate procedures for convening general meetings and voting procedures, including the notice, registration, consideration of proposed motions, voting, vote counting, announcement of voting results, formation of meeting resolutions, keeping and signing of meeting minutes, and announcement, as well as the authorization principle by the general meetings to the Board and the specific powers so authorized. The rules of procedures for general meetings shall constitute an appendix to the Article of Association, which shall be proposed by the Board and approved by the general meeting.</u></p>

No.	Existing Articles	Amended Articles
29		<p>Article 83</p> <p><u>At the annual general meeting, the Board and the supervisory committee shall make report on their works in the past year to the general meeting. Each independent director shall also make work report.</u></p>
30		<p>Article 84</p> <p><u>The directors, supervisors and senior management members shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the general meeting.</u></p>
31		<p>Article 85</p> <p><u>The meeting presider shall declare the number of shareholders and proxies present and the total number of shares with voting rights they hold before voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.</u></p>
32		<p>Article 86</p> <p><u>The conveners shall ensure the continuation of the general meeting, till the final resolution is made. If the general meeting is suspended or the resolution cannot be made due to force majeure or other special cause, necessary measures shall be taken to restore the general meeting or directly terminate the general meeting, and public announcement shall be made in time. Meanwhile, the convener shall report to the local office of the CSRC at the place where the Company is situated and the relevant stock exchange.</u></p>

No.	Existing Articles	Amended Articles
33	<p data-bbox="256 300 826 331">Article 70</p> <p data-bbox="256 376 826 703">Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting. When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p data-bbox="256 748 826 1039">In accordance with the applicable laws, regulations and Hong Kong Listing Rules, where any shareholder is required to abstain from voting on any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted.</p>	<p data-bbox="831 300 1396 331">Article 88</p> <p data-bbox="831 376 1396 703">Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting. When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p data-bbox="831 748 1396 1413"><u>When material issues affecting the interests of small and medium investors are being considered at the general meeting, the votes of such investors shall be counted separately. The separate counting results shall be promptly and publicly disclosed. The Board, independent directors and shareholders who satisfy the relevant regulations and conditions may publicly solicit voting rights from the shareholders. When soliciting voting rights from the shareholders, information such as specific voting intentions should be fully disclosed to the shareholders being solicited. Soliciting voting rights from the shareholders with compensation or disguised compensation is prohibited. The Company shall not set a lowest shareholding percentage when soliciting the shareholder voting rights.</u></p> <p data-bbox="831 1458 1396 1771"><u>When considering related transactions during the general meeting, the related shareholders must not participate in the voting, and the number of shares with voting rights represented by him/ her shall not be included in the total number of valid votes. The announcement on the resolutions shall fully disclose the voting of the nonrelated shareholders.</u></p>

No.	Existing Articles	Amended Articles
		<p>In accordance with the applicable laws, regulations and Hong Kong Listing Rules <u>listing rules of the stock exchange at the location where the Company's shares are listed</u>, where any shareholder is required to abstain from voting on any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted.</p>
34		<p>Article 89</p> <p><u>Voting at the general meeting shall be conducted by poll with registration.</u></p>
35		<p>Article 90</p> <p><u>Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: for, against or abstain, except for the securities registration and settlement institutions which, being the nominal holders of shares under Stock Connect between the Mainland and Hong Kong, shall make declarations according to the intentions of the beneficial holders.</u></p> <p><u>For voters whose voting slips are left blank, incorrectly completed, illegible or without vote casting, he shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as "abstain".</u></p>

No.	Existing Articles	Amended Articles
36	<p data-bbox="256 300 826 331">Article 72</p> <p data-bbox="256 376 826 741">A poll shall be taken at such time and place as specified, not being later than 30 days from the date of the meeting or adjourned meeting at which a vote will be taken on a poll in such manner (including the use of ballot or voting papers or tickets) as the chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.</p> <p data-bbox="256 786 826 1176">Where a resolution is voted by a show of hands as permitted under the Hong Kong Listing Rules, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.”</p>	<p data-bbox="831 300 1396 331">Article 92</p> <p data-bbox="831 376 1396 741">A poll shall be taken at such time and place as specified, not being later than 30 days from the date of the meeting or adjourned meeting at which a vote will be taken on a poll in such manner (including the use of ballot or voting papers or tickets) as the chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.</p> <p data-bbox="831 786 1396 1176">Where a resolution is voted by a show of hands as permitted under the Hong Kong Listing Rules, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.”</p>

No.	Existing Articles	Amended Articles
37	<p data-bbox="256 300 826 336">Article 77</p> <p data-bbox="256 376 826 479">The following matters shall be resolved by way of special resolutions at a general meeting:</p> <p data-bbox="256 524 826 703">(1) Increase or reduction of the share capital, repurchase of the shares of the Company and issue of shares of any class, stock warrants or other similar securities of the Company;</p> <p data-bbox="256 748 826 784">(2) Issuance of corporate bonds;</p> <p data-bbox="256 824 826 927">(3) Division, merger, dissolution and liquidation or change in the form of the Company;</p> <p data-bbox="256 972 826 1039">(4) Amendments to this Articles of Association;</p> <p data-bbox="256 1084 826 1330">(5) Any purchase or disposal of substantial assets made or guarantee provided by the Company within one (1) year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;</p> <p data-bbox="256 1375 826 1411">(6) Share incentive scheme;</p> <p data-bbox="256 1456 826 1733">(7) Any other matters as required by the laws, administrative regulations, the Hong Kong Listing Rules or this Articles of Association and matters which, if resolved by way of an ordinary resolution at general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</p>	<p data-bbox="831 300 1396 336">Article 97</p> <p data-bbox="831 376 1396 479">The following matters shall be resolved by way of special resolutions at a general meeting:</p> <p data-bbox="831 524 1396 703">(1) Increase or reduction of the share capital, repurchase of the shares of the Company and issue of shares of any class, stock warrants or other similar securities of the Company;</p> <p data-bbox="831 748 1396 784">(2) Issuance of corporate bonds;</p> <p data-bbox="831 824 1396 927">(3) Division, merger, dissolution and liquidation or change in the form of the Company;</p> <p data-bbox="831 972 1396 1039">(4) Amendments to this Articles of Association;</p> <p data-bbox="831 1084 1396 1330">(5) Any purchase or disposal of substantial assets made or guarantee provided by the Company within one (1) year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;</p> <p data-bbox="831 1375 1396 1411">(6) Share incentive scheme;</p> <p data-bbox="831 1456 1396 1803">(7) Any other matters as required by the laws, administrative regulations, Hong Kong Listing Rules <u>listing rules of the stock exchange where the Company's shares are listed</u> or this Articles of Association and matters which, if resolved by way of an ordinary resolution at general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</p>

No.	Existing Articles	Amended Articles
38		<p data-bbox="831 300 959 331">Article 98</p> <p data-bbox="831 376 1401 965"><u>Independent directors are entitled to propose to the Board to convene extraordinary general meetings. Concerning the above request, the Board shall, in accordance with the requirements of laws, administrative regulations and this Articles of Association, response in writing as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal. If the Board agrees to convene an extraordinary general meeting, a notice of such meeting shall be dispatched within 5 days after the resolution has been adopted by the Board. If the Board refuses to hold an extraordinary meeting, it shall publicly announce the reasons.</u></p>
39		<p data-bbox="831 972 959 1003">Article 99</p> <p data-bbox="831 1048 1401 1599"><u>The supervisory committee is entitled to propose to the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with laws, administrative regulations and this Articles of Association, response in writing as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal. If the Board agrees to convene an extraordinary general meeting, a notice of such meeting shall be dispatched within 5 days after the resolution has been adopted by the Board. Changes made to the original proposal in the notice shall be approved by the supervisory committee.</u></p> <p data-bbox="831 1644 1401 1930"><u>If the Board refuses to hold an extraordinary general meeting, or gives no response within 10 days upon receipt of such proposal, the Board shall be deemed to be unable or to have failed to perform its duties and responsibilities of convening the general meeting, and the supervisory committee may hold and preside over such meeting by itself.</u></p>

No.	Existing Articles	Amended Articles
40	<p data-bbox="256 300 826 336">Article 78</p> <p data-bbox="256 376 826 560">Shareholders requesting the convening of an extraordinary general meeting or a meeting of shareholders of different classes (“class meeting”) shall proceed in accordance with the procedures set forth below:</p> <p data-bbox="256 600 826 1153">(1) Two or more shareholders holding a total of 10% or more of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The Board shall convene the extraordinary general meeting or the class meeting as soon as possible after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the date on which the written request is made by shareholder(s).</p> <p data-bbox="256 1193 826 1635">(2) If the Board fails to issue a notice of such a meeting within 30 days after having received the above-mentioned written notice, the shareholders who made such request may convene the meeting by themselves within four (4) months after the Board received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which general meetings are to be convened by the Board.</p> <p data-bbox="256 1675 826 1926">Any reasonable expenses incurred by shareholders’ convening and presiding over a meeting by reason of the failure of the Board to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.</p>	<p data-bbox="831 300 1396 336">Article 100</p> <p data-bbox="831 376 1396 660">Shareholders <u>who individually or in aggregate hold more than 10% of the shares carrying the right to vote at the meeting sought to be held</u> requesting the convening of an extraordinary general meeting or a meeting of shareholders of different classes shall proceed in accordance with the procedures set forth below:</p> <p data-bbox="831 701 1396 1332">(1) Two or more shareholders holding a total of <u>more than 10%</u> or more of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The Board shall convene the extraordinary general meeting or the class meeting as soon as possible <u>make a written response as to whether or not it agrees to hold the extraordinary general meeting or the class meeting within ten (10) days</u> after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the date on which the written request is made by shareholder(s).</p> <p data-bbox="831 1373 1396 1668">(2) If the Board agrees to convene the <u>extraordinary general meeting or the class meeting</u>, it shall issue the notice of the extraordinary general meeting or the class meeting in 5 days after making the resolution of the Board. If there is any change to the original proposal in the notice, it shall be approved by the original proposer.</p> <p data-bbox="831 1709 1396 1993">(3) If the Board disapproves the proposal to <u>convene the extraordinary general meeting or the class meeting</u>, or fails to provide a response in 10 days after receiving the request, shareholders shall be entitled to propose to the <u>supervisory committee in writing for the purpose of convening the extraordinary general meeting or the class meeting.</u></p>

No.	Existing Articles	Amended Articles
		<p>(4) If the supervisory committee approves the convening of the extraordinary general meeting or the class meeting, it shall issue a notice thereof within 5 days of receipt of said request, provided that any changes made in such notice to the original proposal shall be subject to prior consent from the original proposer.</p> <p>(5) If no notice is issued by the supervisory committee of the extraordinary general meeting or the class meeting within the stipulated period, the supervisory committee shall be deemed to have failed to convene and chair the general meeting, in which case the shareholder(s) individually or jointly holding more than 10% of the Company's shares for consecutive 90 days may convene and chair such meeting on their own.</p> <p>(2) If the Board fails to issue a notice of such a meeting within 30 days after having received the above-mentioned written notice, the shareholders who made such request may convene the meeting by themselves within four (4) months after the Board received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which general meetings are to be convened by the Board. <u>The shareholding proportion of the convening shareholders before the announcement of the resolutions passed at the shareholders' general meeting shall not be under 10%. The convening shareholders shall submit the relevant evidentiary materials to the dispatched office of the securities regulatory authorities of the PRC and the stock exchange(s) when the convening shareholders issue the notice of shareholders' general meeting and the announcement of the resolutions passed at the shareholders' general meeting.</u></p> <p>Any reasonable expenses incurred by shareholders' convening and presiding over a meeting by reason of the failure of the Board to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.</p>

No.	Existing Articles	Amended Articles
41		<p>Article 101</p> <p><u>In the event that the supervisory committee or shareholders convenes a general meeting by themselves, they shall notify the Board in writing and lodge a filing with the local office of the CSRC at the place where the Company is situated and the stock exchange(s).</u></p> <p><u>The Board and the secretary to the Board shall cooperate with regard to such meeting and the Board shall provide the register of members as of the record day.</u></p> <p><u>All necessary expenses for the meeting convened by shareholders or the supervisory committee shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.</u></p>

No.	Existing Articles	Amended Articles
42	<p data-bbox="256 300 826 331">Article 80</p> <p data-bbox="256 376 826 479">The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall state the following contents:</p> <ol data-bbox="256 524 826 1518" style="list-style-type: none"> <li data-bbox="256 524 826 591">(1) Time, venue and agenda of the meeting and name or title of the convener; <li data-bbox="256 636 826 815">(2) The name of the chairman of the meeting and the names of the directors, supervisors, general manager and senior management attending or present at the meeting; <li data-bbox="256 860 826 1039">(3) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company; <li data-bbox="256 1084 826 1187">(4) The process of review and discussion, summary of any speech and voting results of each proposal; <li data-bbox="256 1232 826 1335">(5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations; <li data-bbox="256 1379 826 1411">(6) Names of vote counter and scrutineer; <li data-bbox="256 1456 826 1518">(7) The contents to be included as specified in this Articles of Association. <p data-bbox="256 1563 826 1883">Directors, supervisors, secretary to the Board, conveners and their representatives and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance sheet of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than ten (10) years.</p>	<p data-bbox="831 300 1396 443">Article 80 The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall state the following contents:</p> <ol data-bbox="831 488 1396 1482" style="list-style-type: none"> <li data-bbox="831 488 1396 555">(1) Time, venue and agenda of the meeting and name or title of the convener; <li data-bbox="831 600 1396 779">(2) The name of the chairman of the meeting and the names of the directors, supervisors, general manager and senior management attending or present at the meeting; <li data-bbox="831 824 1396 1003">(3) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company; <li data-bbox="831 1048 1396 1151">(4) The process of review and discussion, summary of any speech and voting results of each proposal; <li data-bbox="831 1196 1396 1299">(5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations; <li data-bbox="831 1344 1396 1375">(6) Names of vote counter and scrutineer; <li data-bbox="831 1420 1396 1482">(7) The contents to be included as specified in this Articles of Association. <p data-bbox="831 1527 1396 1883">Directors, supervisors, secretary to the Board, conveners and their representatives and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance sheet of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than ten (10) years.</p>

No.	Existing Articles	Amended Articles
43	<p data-bbox="256 300 826 333">Article 81</p> <p data-bbox="256 378 826 479">The list of candidates for directors and supervisors shall be submitted to general meetings for voting by way of a motion.</p> <p data-bbox="256 524 826 748">When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of this Articles of Association or the resolutions of the general meeting.</p> <p data-bbox="256 792 826 1229">The “cumulative voting system” as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of directors or supervisors to be elected, and the voting right held by the shareholders may be used collectively when the directors or supervisors are elected at the general meeting. The Board shall simultaneously provide shareholders with the biographical details and basic information about the candidates for directors and supervisors.</p> <p data-bbox="256 1274 826 1453">Save and except for the cumulative voting system, the general meeting shall vote on all motions item by item, and shall vote on the motions in time sequence when various proposals are put forward for a single matter.</p>	<p data-bbox="831 300 1396 333">Article 103</p> <p data-bbox="831 378 1396 479">The list of candidates for directors and supervisors shall be submitted to general meetings for voting by way of a motion.</p> <p data-bbox="831 524 1396 748">When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of this Articles of Association or the resolutions of the general meeting.</p> <p data-bbox="831 792 1396 1229">The “cumulative voting system” as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of directors or supervisors to be elected, and the voting right held by the shareholders may be used collectively when the directors or supervisors are elected at the general meeting. The Board shall simultaneously provide shareholders with the biographical details and basic information about the candidates for directors and supervisors.</p> <p data-bbox="831 1274 1396 1630">Save and except for the cumulative voting system, the general meeting shall vote on all motions item by item, and shall vote on the motions in time sequence when various proposals are put forward for a single matter. <u>Unless the general meeting is adjourned or is prevented from making resolutions due to force majeure or other extraordinary reasons, the general meeting shall not delay in voting on, or fail to vote on any proposal.</u></p>
44		<p data-bbox="831 1637 1396 1671">Article 104</p> <p data-bbox="831 1715 1396 1895"><u>Proposals shall not be modified when being reviewed by the general meeting. Otherwise, any modification shall be deemed to be a new proposal and shall not be put to vote at such general meeting.</u></p>

No.	Existing Articles	Amended Articles
45		<p>Article 105</p> <p><u>One single vote may be cast only once by using one single method of voting, being on-site voting, or online voting, or another method of voting. If one single vote has been cast multiple times, the vote of the first time shall govern.</u></p>
46		<p>Article 106</p> <p><u>Before the general meeting votes on a proposal, two shareholders shall be elected as representatives to join in the vote calculation and supervision. Where any matter to be reviewed is associated with any shareholder, such shareholder and its proxy shall not join in the vote calculation and supervision.</u></p> <p><u>When the general meeting votes on a proposal, the lawyers, shareholders' representatives and supervisors' representatives shall jointly take charge of vote calculation and supervision and announce the voting results on site. The voting results of the resolutions shall be recorded in the minutes of the meeting.</u></p> <p><u>Shareholders or their proxies who vote online or by means of another method shall have the right to inspect and verify their own voting results through the relevant voting system.</u></p>

No.	Existing Articles	Amended Articles
47		<p data-bbox="831 300 975 331">Article 107</p> <p data-bbox="831 376 1402 667"><u>The conclusion time of the on-site general meeting shall not occur earlier than its counterpart in the online form or in another form; and the chairman of the meeting shall announce the particulars and result of the votes cast on each proposal and declare, on the basis of such voting results, if the relevant proposal(s) have been passed.</u></p> <p data-bbox="831 712 1402 965"><u>Until the formal announcement of the voting results, the companies, vote counters, scrutineers, substantial shareholders, internet service providers and other related parties involved in the on-site, online and other voting methods are obligated to maintain in confidence the particulars of the vote.</u></p>
48	<p data-bbox="256 972 384 1003">Article 83</p> <p data-bbox="256 1048 826 1151">If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting.</p> <p data-bbox="256 1196 826 1375">The minutes of meeting and the attendance record of attendants signed by the attending shareholders and proxies together with authorization letters shall be kept at the Company's domicile.</p>	<p data-bbox="831 972 975 1003">Article 109</p> <p data-bbox="831 1048 1402 1151"><u>Minutes of the general meeting shall be taken by the secretary of the Board. The minutes shall state the following contents:</u></p> <p data-bbox="831 1196 1402 1263">(1) <u>Time, venue and agenda of the meeting and name or title of the convener;</u></p> <p data-bbox="831 1308 1402 1487">(2) <u>The name of the chairman of the meeting and the names of the directors, supervisors, managers and other senior management attending or present at the meeting;</u></p> <p data-bbox="831 1532 1402 1709">(3) <u>The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company;</u></p>

No.	Existing Articles	Amended Articles
		<p>(4) <u>The process of review and discussion, summary of any speech and voting results of each proposal;</u></p> <p>(5) <u>Shareholders' questions, opinions or suggestions and corresponding answers or explanations;</u></p> <p>(6) <u>Names of the lawyers, the vote-counter and the scrutineer(s);</u></p> <p>(7) <u>The contents to be included as specified in this Articles of Association.</u></p> <p>If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting.</p> <p>The minutes of meeting and the attendance record of attendants signed by the attending shareholders and proxies together with authorization letters shall be kept at the Company's domicile.</p> <p><u>The convener shall warrant that the contents of the minutes are true, accurate and complete. The directors, supervisors, secretary of the Board, convener or their representatives and the presider of the meeting shall sign the minutes. The minutes shall be kept together with the signature register of shareholders attending the meeting in person and proxy forms and valid materials relating to voting through internet or otherwise for a period of not less than 10 years.</u></p>

No.	Existing Articles	Amended Articles
49		<p>Article 110</p> <p><u>The resolution made at the general meeting shall be announced betimes. The number of shareholders and their proxies attending the meeting, the total number of voting shares in their possession, the proportion of their voting shares in the total voting shares of the Company, the voting mode, the voting result of each motion, and the details of each approved resolution shall be specified in the announcement.</u></p>
50		<p>Article 111</p> <p><u>If the motion is not approved or the resolution made at the previous general meeting is amended at that meeting, the special prompt shall be provided in the announcement of general meeting's resolution.</u></p>
51		<p>Article 112</p> <p><u>Where a resolution relating to the distribution of cash dividends, the issue of bonus shares or the increase in share capital by way of a conversion of the capital reserve has been passed by the general meeting, the Company shall implement such resolution within 2 months of the conclusion of the general meeting.</u></p>

No.	Existing Articles	Amended Articles
52	<p>Article 86</p> <p>The Company shall not proceed to change or abrogate the class shareholders' rights unless such change or abrogation has been approved by way of a special resolution at the general meeting and by a separate class meeting of the affected class shareholders in accordance with Articles 88 to 92 of this Articles of Association.</p> <p>Upon approval by the securities regulatory authorities under the State Council, transfer by the Company's shareholders of domestic shares of their shares to overseas investors for listing and trading overseas, or the conversion of domestic shares into foreign shares for listing and trading overseas, shall not be deemed as change or abrogation of the rights of class shareholders.</p>	<p>Article 115</p> <p>The Company shall not proceed to change or abrogate the class shareholders' rights unless such change or abrogation has been approved by way of a special resolution at the general meeting and by a separate class meeting of the affected class shareholders in accordance with Article 88<u>117</u> to 92<u>121</u> of this Articles of Association.</p> <p>Upon approval by the securities regulatory authorities under the State Council, transfer by the Company's shareholders of domestic shares of their shares to overseas investors for listing and trading overseas, or the conversion of domestic shares into foreign shares for listing and trading overseas, shall not be deemed as change or abrogation of the rights of class shareholders.</p>

No.	Existing Articles	Amended Articles
53	<p data-bbox="256 300 826 336">Article 88</p> <p data-bbox="256 376 826 629">Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 87, except that interested shareholders shall not vote at class meetings.</p> <p data-bbox="256 672 826 779">The term “interested shareholders” in the preceding paragraph shall have the following meanings:</p> <p data-bbox="256 822 826 1149">(1) If the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 29 hereof, the controlling shareholders as defined in Article 53 in this Articles of Association shall be “interested shareholders”;</p> <p data-bbox="256 1191 826 1408">(2) If the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 29 hereof, holders of shares in relation to such agreement shall be “interested shareholders”;</p> <p data-bbox="256 1451 826 1809">(3) Under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.</p>	<p data-bbox="831 300 1396 336">Article 117</p> <p data-bbox="831 376 1396 629">Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 87<u>116</u>, except that interested shareholders shall not vote at class meetings.</p> <p data-bbox="831 672 1396 779">The term “interested shareholders” in the preceding paragraph shall have the following meanings:</p> <p data-bbox="831 822 1396 1149">(1) If the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 29 hereof, the controlling shareholders as defined in Article 53<u>57</u> in this Articles of Association shall be “interested shareholders”;</p> <p data-bbox="831 1191 1396 1408">(2) If the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 29 hereof, holders of shares in relation to such agreement shall be “interested shareholders”;</p> <p data-bbox="831 1451 1396 1809">(3) Under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.</p>

No.	Existing Articles	Amended Articles
54	<p>Article 89</p> <p>Resolutions of a class meeting may be passed only by more than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 88.</p>	<p>Article 118</p> <p>Resolutions of a class meeting may be passed only by more than two-thirds of the voting rights of that class represented at the meeting in accordance with <u>Article 88 117</u>.</p>
55	<p>Article 94</p> <p>Directors shall be elected by the general meeting. Every term of a director is three (3) years. Upon expiry of the term, a director shall be eligible for re-election and re-appointment.</p> <p>The written notice of the intention to propose a candidate for election as a director, and the notice of acceptance by such candidate of his willingness to be nominated shall be served to the Company no less than seven (7) days prior to the date of convening the meeting. Such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and end no later than seven (7) days prior to the convening of the general meeting. The Company will fully disclose the biographical details, reasons for election and views of candidates on nomination in the notice of general meeting.</p> <p>.....</p> <p>An executive director may also act as a general manager, vice general manager or other senior management (except for supervisor) of the Company.</p>	<p>Article 123</p> <p>Directors shall be elected by the general meeting. Every term of a director is three (3) years. Upon expiry of the term, a director shall be eligible for re-election and re-appointment. <u>Before the term of office of a director expires, the general meeting cannot terminate his (her) duties without a reason.</u></p> <p><u>The term of office of a director commences from the date he takes up the appointment, until the current term of office of board of directors expires. If the term of office of a director expires but re-election is not made forthwith, the resigning director shall continue to carry out his duties in accordance with the laws, administrative regulations, department regulations and this Articles of Association before the elected director takes office.</u></p> <p><u>Managers or other senior management may serve concurrently as directors. However, the total number of directors serving the office of manager or other senior management concurrently and staff representative holding the office of director shall not exceed half of the total number of directors of the Company.</u></p>

No.	Existing Articles	Amended Articles
	<p>Independent non-executive directors of the Company shall have the requisite professional knowledge and experience, and shall be able to represent the benefits of all shareholders. At least one independent non-executive director shall ordinarily reside in Hong Kong.</p> <p>Independent non-executive directors shall have the sufficient time and requisite knowledge and capabilities to perform their duties. The Company shall be responsible to provide necessary information to the independent non-executive directors for performing their duties. Of which, independent non-executive directors may directly report to the general meeting, the China Securities Regulatory Commission and other relevant authorities. Save as stipulated otherwise in this section, the requirement of a director's qualification and duties under Chapter 14 of this Articles of Association is applicable to independent non-executive directors. The term of independent non-executive directors of the Company shall not exceed 9 years on a consecutive basis. If continued renewal of term is required, it shall be tabled by the Board by way of separate resolution at general meetings for consideration and review and an explanation for renewal of term shall also be given.</p> <p>A director is not required to hold any shares in the Company.</p>	<p>The written notice of the intention to propose a candidate for election as a director, and the notice of acceptance by such candidate of his willingness to be nominated shall be served to the Company no less than seven (7) days prior to the date of convening the meeting. Such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and end no later than seven (7) days prior to the convening of the general meeting. The Company will fully disclose the biographical details, reasons for election and views of candidates on nomination in the notice of general meeting.</p> <p>.....</p> <p>An executive director may also act as a general manager, vice general manager or other senior management (except for supervisor) of the Company.</p> <p>Independent non-executive directors of the Company shall have the requisite professional knowledge and experience, and shall be able to represent the benefits of all shareholders. At least one independent non-executive director shall ordinarily reside in Hong Kong.</p>

No.	Existing Articles	Amended Articles
		<p>Independent non-executive directors shall have the sufficient time and requisite knowledge and capabilities to perform their duties. The Company shall be responsible to provide necessary information to the independent non-executive directors for performing their duties. Of which, independent non-executive directors may directly report to the general meeting, the China Securities Regulatory Commission and other relevant authorities. Save as stipulated otherwise in this section, the requirement of a director's qualification and duties under Chapter 14 of this Articles of Association is applicable to independent non-executive directors. The term of independent non-executive directors of the Company shall not exceed <u>96</u> years on a consecutive basis. If continued renewal of term is required, it shall be tabled by the Board by way of separate resolution at general meetings for consideration and review and an explanation for renewal of term shall also be given, unless otherwise provided by the law, regulations and listing rules of the stock exchange at the location where the Company's shares are listed.</p> <p>A director is not required to hold any shares in the Company.</p>
56		<p>Article 124</p> <p><u>Where the resign of a director takes effect or the term of office of a director comes to expiration, the director shall conduct all the handover procedures with the Board. The director is still not free from the duty of loyalty to the Company and shareholders, which will not be certainly lifted upon the expiration of the term and remains effective during the reasonable period specified in this Articles of Association.</u></p>

No.	Existing Articles	Amended Articles
57		<p>Article 125</p> <p><u>Any director shall not act in his own name on behalf of the Company or the Board, without the legitimate authorization of this Articles of Association or the Board. Where a director acts in his own name, in case the third party shall reasonably believe he is on behalf of the Company or the Board, the director shall state his position and identity in advance.</u></p>
58		<p>Article 126</p> <p><u>Where a director violates laws, administrative regulations, department regulations or this Articles of Association in performance of his duties to the Company, and thus causes losses to the Company, he or she shall be liable for compensation.</u></p>

No.	Existing Articles	Amended Articles
59		<p data-bbox="831 300 1402 331">Article 127</p> <p data-bbox="831 376 1402 667"><u>Independent non-executive directors are directors who do not hold any position in the Company other than as director, member or chairman of the special committee of the Board and do not maintain with the Company or its substantial shareholders a connection which may possibly hamper their independent and objective judgments.</u></p> <p data-bbox="831 712 1402 1077"><u>Independent non-executive directors must make up at least a third of the Board and must consist of at least three members. The Company shall have at least one independent non-executive director who shall have relevant professional qualifications or have professional specialty in audit or related financial management and shall have at least one independent non-executive director who lives in Hong Kong.</u></p> <p data-bbox="831 1122 1402 1263"><u>An independent non-executive director shall meet the qualifications and requirements on independence as stipulated in laws, regulations and the Listing Rules.</u></p> <p data-bbox="831 1308 1402 1742"><u>If at any time the Company's independent non-executive director does not comply with the number, qualifications requirements as stipulated in the Hong Kong Listing Rules, the Company shall notify the Hong Kong Stock Exchange responsively, give relevant details and reasons in the form of public announcements, and appoint enough independent non-executive directors to meet the requirements of the Hong Kong Listing Rules within three months after the said incompliance.</u></p> <p data-bbox="831 1787 1402 1921"><u>Independent non-executive directors may directly report to the general meeting, the China Securities Regulatory Commission and other relevant authorities.</u></p>

No.	Existing Articles	Amended Articles
60	<p data-bbox="256 300 826 336">Article 95</p> <p data-bbox="256 371 826 465">The Board is accountable to the general meetings, and shall exercise the following functions and powers:</p> <p data-bbox="256 501 826 595">(1) To be responsible for the convening of general meetings and report its work to the general meetings;</p> <p data-bbox="256 631 826 667">.....</p> <p data-bbox="256 703 826 828">(16) To review any notifiable transactions and connected transactions which are required to be approved by the general meeting under the Hong Kong Listing Rules;</p> <p data-bbox="256 864 826 1025">(17) To approve notifiable transactions and connected transactions which are not required to be approved by the general meeting under the Hong Kong Listing Rules;</p> <p data-bbox="256 1061 826 1223">(18) To decide on other major affairs of the Company, save and except for matters to be approved by the general meetings as required by the Company Law and this Articles of Association;</p> <p data-bbox="256 1258 826 1420">(19) Other powers and duties authorized by the laws, administrative regulations, department rules, the Hong Kong Listing Rules, the general meeting or this Articles of Association.</p> <p data-bbox="256 1456 826 1688">Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.</p>	<p data-bbox="831 300 1396 336">Article 128</p> <p data-bbox="831 371 1396 465">The Board is accountable to the general meetings, and shall exercise the following functions and powers:</p> <p data-bbox="831 501 1396 595">(1) To be responsible for the convening of general meetings and report its work to the general meetings;</p> <p data-bbox="831 631 1396 694">..... ...</p> <p data-bbox="831 730 1396 963">(16) To review any notifiable <u>or disclosable</u> transactions and connected transactions which are required to be approved by the general meeting under the Hong Kong Listing Rules <u>listing rules of the stock exchange at the location where the Company's shares are listed</u>;</p> <p data-bbox="831 999 1396 1232">(17) To approve notifiable <u>or disclosable</u> transactions and connected transactions which are not required to be approved by the general meeting under the Hong Kong Listing Rules <u>listing rules of the stock exchange at the location where the Company's shares are listed</u>;</p> <p data-bbox="831 1267 1396 1429">(18) To decide on other major affairs of the Company, save and except for matters to be approved by the general meetings as required by the Company Law and this Articles of Association;</p> <p data-bbox="831 1464 1396 1697">(19) Other powers and duties authorized by the laws, administrative regulations, department rules, Hong Kong Listing Rules <u>listing rules of the stock exchange at the location where the Company's shares are listed</u>, the general meeting or this Articles of Association.</p> <p data-bbox="831 1733 1396 1966">Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.</p>

No.	Existing Articles	Amended Articles
61		<p>Article 129</p> <p><u>The Board of the Company shall explain to the general meeting any non-standard audit opinions issued by the certified public accountants on the Company's financial statements.</u></p>
62		<p>Article 130</p> <p><u>The Board shall formulate the rules of procedures for the Board to ensure its implementation of the resolutions passed at the general meeting to enhance efficiency and to ensure scientific decision-making.</u></p>
63		<p>Article 131</p> <p><u>The Board shall establish the limits of authority for external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted wealth management and connected transaction and put in place stringent examination and decision making procedures; major investment projects shall be assessed and examined by an expert or professional panel and put to the general meeting for approval.</u></p>
64	<p>Article 97</p> <p>The chairman of the Board shall exercise the following functions and powers:</p> <p>(1) To preside over general meetings and to convene and preside over Board meetings;</p> <p>(2) To check the implementation of resolutions of the Board;</p> <p>(3) To sign securities issued by the Company;</p> <p>(4) Other functions and powers conferred by the Board or required under the Hong Kong Listing Rules.</p>	<p>Article 133</p> <p>The chairman of the Board shall exercise the following functions and powers:</p> <p>(1) To preside over general meetings and to convene and preside over Board meetings;</p> <p>(2) To check the implementation of resolutions of the Board;</p> <p>(3) To sign securities issued by the Company;</p> <p>(4) Other functions and powers conferred by the Board or required under the Hong Kong Listing Rules<u>listing rules of the stock exchange at the location where the Company's shares are listed.</u></p>

No.	Existing Articles	Amended Articles
65		<p data-bbox="831 300 975 331">Article 140</p> <p data-bbox="831 376 1402 1115"><u>If any director of the Company is associated with the enterprises that are involved in the matters to be resolved at the meeting of the Board, he shall not exercise his or her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such meeting of the Board shall be convened by a majority of the directors present thereat who are not connected. The resolution of the meeting of the Board shall be passed by more than half of the non-connected directors, resolutions concerning matters which shall be approved by more than two-thirds of the directors, shall be adopted by the affirmative vote of more than two-thirds of all non-connected directors present at such meeting is less than three, relevant proposals shall be submitted to the general meeting for consideration.</u></p>
66	<p data-bbox="256 1122 400 1153">Article 104</p> <p data-bbox="256 1198 826 1818">The Board shall keep minutes of resolutions on matters discussed at the meeting. The minutes shall be signed by the directors present at the meeting and by the person who recorded the minutes. The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or this Articles of Association and results in the Company sustaining serious losses, the directors participating in the resolution shall be liable to compensate the Company. If, however, it can be proven that a director expressly objected to the decision when the resolution is voted on and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.</p>	<p data-bbox="831 1122 975 1153">Article 141</p> <p data-bbox="831 1198 1402 1818">The Board shall keep minutes of resolutions on matters discussed at the meeting. The minutes shall be signed by the directors present at the meeting and by the person who recorded the minutes. The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or this Articles of Association and results in the Company sustaining serious losses, the directors participating in the resolution shall be liable to compensate the Company. If, however, it can be proven that a director expressly objected to the decision when the resolution is voted on and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.</p>

No.	Existing Articles	Amended Articles
	<p>Opinions expressed by independent non-executive directors shall be stated in the resolution of the Board.</p>	<p>Opinions expressed by independent non-executive directors shall be stated in the resolution of the Board.</p> <p><u>The minutes of the meeting of the Board shall be kept for no less than 10 years by the secretary of the Company as the Company's files.</u></p>
67	<p>Article 111</p> <p>The Company has one (1) general manager and a certain number of vice general managers, who shall be appointed or dismissed by the Board. The vice general manager shall assist the general manager in his work, and shall be accountable to the general manager. In absence or incapability of the general manager in performing his duties for any reasons, such duties shall be performed by the vice general manager(s). The Board of the Company may decide upon whether a member of the Board shall concurrently act as the general manager.</p> <p>Each general manager, vice general manager and other senior management shall have an every term of office of three (3) years, and shall be eligible for re-election.</p> <p>Persons holding positions at the controlling shareholder or actual controller of the Company (other than being a director) may not concurrently serve as the Company's senior management members.</p>	<p>Article 148</p> <p>The Company has one (1) general manager and a certain number of vice general managers, who shall be appointed or dismissed by the Board. The vice general manager shall assist the general manager in his work, and shall be accountable to the general manager. In absence or incapability of the general manager in performing his duties for any reasons, such duties shall be performed by the vice general manager(s). The Board of the Company may decide upon whether a member of the Board shall concurrently act as the general manager.</p> <p>Each general manager, vice general manager and other senior management shall have an every term of office of three (3) years, and shall be eligible for re-election <u>reappointment</u>.</p> <p>Persons holding positions at the controlling shareholder or actual controller of the Company (other than being a director) may not concurrently serve as the Company's senior management members.</p>

No.	Existing Articles	Amended Articles
68		<p data-bbox="831 300 975 331">Article 151</p> <p data-bbox="831 376 1402 555"><u>The general manager shall formulate its detailed work plan, to be executed upon approval by the Board of Directors. The detailed work plan of the general manager shall include the following:</u></p> <p data-bbox="831 600 1402 667">(1) <u>the condition, procedure and attendees of the general manager meeting;</u></p> <p data-bbox="831 712 1402 813">(2) <u>the respective job description and division of labor of general manager and other senior management members;</u></p> <p data-bbox="831 857 1402 1003">(3) <u>the application of Company's funds and assets; authority to sign the significant contracts and report to the Board of Directors and Board of supervisors;</u></p> <p data-bbox="831 1048 1402 1115">(4) <u>other matters that the Board of Directors deems necessary.</u></p>
69		<p data-bbox="831 1122 975 1153">Article 152</p> <p data-bbox="831 1198 1402 1413"><u>The general manager may resign before the expiry of his terms of office and detailed procedure and methods in relation to resignation shall be referred to the employment contracts between such manager and the Company.</u></p>
70	<p data-bbox="256 1420 400 1451">Article 114</p> <p data-bbox="256 1496 826 1675">The general manager of the Company, in exercising his functions and powers, shall act honestly and diligently in accordance with the laws, administrative regulations and this Articles of Association.</p>	<p data-bbox="831 1420 975 1451">Article 153</p> <p data-bbox="831 1496 1402 1675">The general manager of the Company, in exercising his functions and powers, shall act honestly and diligently in accordance with the laws, administrative regulations and this Articles of Association.</p> <p data-bbox="831 1720 1402 1933"><u>The senior management shall be liable for any losses caused to the Company by their breach of any laws, administrative regulations, departmental rules and regulations or the Articles of Association in performing their duties for the Company.</u></p>

No.	Existing Articles	Amended Articles
71	Article 118 The Company's directors, general manager and financial controller shall not act concurrently as supervisors.	Article 157 The Company's directors, general manager, <u>vice general manager(s) and financial controller</u> other senior management shall not act concurrently as supervisors.
72	Article 119 The supervisory committee shall have at least 2 meetings each year. The chairman of the supervisory committee shall be responsible for convening the meetings.	Article 158 The supervisory committee shall have at least <u>2 meetings each year one meeting every six months</u> . The chairman of the supervisory committee shall be responsible for convening the meetings. <u>Supervisors may propose to convene extraordinary Supervisory Committee meeting.</u>
73		Article 161 <u>The notice of the meeting of the supervisory committee shall contain the following content:</u> <u>(1) the date, venue and duration of the meeting;</u> <u>(2) the purpose and the items to be considered;</u> <u>(3) the date on which the notice is despatched.</u>
74		Article 163 <u>The supervisory committee formulates the rules of procedures for the supervisory committee, identify the method of negotiation and way of resolution in order to ensure working efficiency and scientific decision-making.</u>

No.	Existing Articles	Amended Articles
75		<p data-bbox="836 300 975 331">Article 164</p> <p data-bbox="836 376 1398 517"><u>The supervisory committee shall record in the minute book decision on matters discussed, supervisors who attended the meeting shall sign on the attendance book.</u></p> <p data-bbox="836 562 1398 772"><u>A supervisor is entitled to request for some descriptive record to be made with regard to his speech in the meeting. The minutes of the meeting of the supervisory Committee shall be kept as the Company's files for a period of not less than 10 years.</u></p>
76	<p data-bbox="261 786 400 817">Article 123</p> <p data-bbox="261 862 821 1003">A supervisor shall faithfully perform his supervisory duties in accordance with the laws, administrative regulations and this Articles of Association.</p>	<p data-bbox="836 786 975 817">Article 165</p> <p data-bbox="836 862 1398 1003">A supervisor shall faithfully perform his supervisory duties in accordance with the laws, administrative regulations and this Articles of Association.</p> <p data-bbox="836 1048 1398 1301"><u>A Supervisor shall comply with the laws, administrative regulations and this Articles of Association and have obligations of loyalty and diligence towards the Company and shall not abuse their rights to accept bribes or other illegal income and shall not misappropriate the properties of the Company.</u></p> <p data-bbox="836 1346 1398 1451"><u>A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.</u></p> <p data-bbox="836 1496 1398 1675"><u>A supervisor may not make use of his or her connected relationship to harm the Company's interests. For any losses caused to the Company arising therefrom, he shall be liable to make indemnification.</u></p> <p data-bbox="836 1720 1398 1930"><u>If a supervisor violates the provisions of laws, administrative regulations, departmental rules and regulations or this Articles of Association while performing the duties for the Company and causing losses to the Company, he shall be liable to make indemnification.</u></p>

No.	Existing Articles	Amended Articles
77	<p data-bbox="256 300 826 336">Article 129</p> <p data-bbox="256 371 826 577">The Company’s directors, supervisors, general manager, vice general manager(s) and other senior management shall not cause the following persons or institutions (“Related Parties”) to do what they are prohibited from doing:</p> <p data-bbox="256 613 826 645">.....</p> <p data-bbox="256 680 826 846">(6) Any person who may be deemed as an associate of the directors, supervisors, general manager and other senior management under the Hong Kong Listing Rules.</p>	<p data-bbox="831 300 1396 336">Article 171</p> <p data-bbox="831 371 1396 577">The Company’s directors, supervisors, general manager, vice general manager(s) and other senior management shall not cause the following persons or institutions (“Related Parties”) to do what they are prohibited from doing:</p> <p data-bbox="831 613 1396 645">.....</p> <p data-bbox="831 680 1396 920">(6) Any person who may be deemed as an associate of the directors, supervisors, general manager and other senior management under the Hong Kong Listing Rules<u>listing rules of the stock exchange at the location where the Company’s shares are listed.</u></p>
78	<p data-bbox="256 927 826 963">Article 131</p> <p data-bbox="256 999 826 1272">Except for circumstances prescribed in Article 52 of this Articles of Association, the Company’s directors, supervisors, general manager, vice general manager(s) and other senior management may be relieved from liability for specific breaches of his obligation by the informed consent of shareholders given at a general meeting.</p>	<p data-bbox="831 927 1396 963">Article 173</p> <p data-bbox="831 999 1396 1272">Except for circumstances prescribed in Article 52<u>56</u> of this Articles of Association, the Company’s directors, supervisors, general manager, vice general manager(s) and other senior management may be relieved from liability for specific breaches of his obligation by the informed consent of shareholders given at a general meeting.</p>
79	<p data-bbox="256 1279 826 1314">Article 137</p> <p data-bbox="256 1350 826 1480">A loan security provided by the Company in breach of paragraph 1 of Article 135 shall be unenforceable against the Company, except for the following:</p> <p data-bbox="256 1516 826 1722">(1) When the loan is provided to a Related Party of a director, supervisor, general manager or other senior management of the Company or its parent company, the loan provider is not aware of the circumstance;</p> <p data-bbox="256 1758 826 1850">(2) The collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.</p>	<p data-bbox="831 1279 1396 1314">Article 179</p> <p data-bbox="831 1350 1396 1480">A loan security provided by the Company in breach of paragraph 1 of Article 135<u>177</u> shall be unenforceable against the Company, except for the following:</p> <p data-bbox="831 1516 1396 1722">(1) When the loan is provided to a Related Party of a director, supervisor, general manager or other senior management of the Company or its parent company, the loan provider is not aware of the circumstance;</p> <p data-bbox="831 1758 1396 1850">(2) The collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.</p>

No.	Existing Articles	Amended Articles
80	<p data-bbox="256 300 826 336">Article 140</p> <p data-bbox="256 376 826 517">The Company shall enter into written contracts with the directors, supervisors and other senior management containing at least the following provisions:</p> <p data-bbox="256 562 826 1037">(1) An undertaking by the directors, supervisors and other senior management to the Company that he shall observe and comply with the Company Law, the Special Provisions, this Articles of Association, the Codes on Takeovers and Mergers and Share Buy-backs and other regulations of the Hong Kong Stock Exchange, and a clarification that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his office is assignable;</p> <p data-bbox="256 1093 288 1115">.....</p> <p data-bbox="256 1160 826 1294">A director or supervisor may not sue the Company for benefits due to him on the basis of the above-mentioned matters, except under a contract as mentioned above.</p>	<p data-bbox="831 300 1402 336">Article 182</p> <p data-bbox="831 376 1402 517">The Company shall enter into written contracts with the directors, supervisors and other senior management containing at least the following provisions:</p> <p data-bbox="831 562 1402 1077">(1) An undertaking by the directors, supervisors and other senior management to the Company that he shall observe and comply with the Company Law, the Special Provisions, this Articles of Association, the Codes on Takeovers and Mergers and Share Buy-backs and other regulations of the Hong Kong Stock Exchange<u>stock exchanges where the securities are listed</u>, and a clarification that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his office is assignable;</p> <p data-bbox="831 1133 863 1155">.....</p> <p data-bbox="831 1200 1402 1335">A director or supervisor may not sue the Company for benefits due to him on the basis of the above-mentioned matters, except under a contract as mentioned above.</p>

No.	Existing Articles	Amended Articles
81	<p data-bbox="256 300 826 331">Article 141</p> <p data-bbox="256 376 826 779">The contract for emoluments entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company’s directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payments for loss of office or retirement. For the purposes of the preceding paragraph, the term “a takeover of the Company” shall refer to any of the following circumstances:</p> <p data-bbox="256 824 826 891">(1) Anyone makes a general offer to all shareholders;</p> <p data-bbox="256 936 826 1037">(2) Anyone makes a general offer so that the offeror becomes a controlling shareholder (as defined in Article 53 hereof).</p> <p data-bbox="256 1081 826 1406">If a director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.</p>	<p data-bbox="831 300 1402 331">Article 183</p> <p data-bbox="831 376 1402 779">The contract for emoluments entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company’s directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payments for loss of office or retirement. For the purposes of the preceding paragraph, the term “a takeover of the Company” shall refer to any of the following circumstances:</p> <p data-bbox="831 824 1402 891">(1) Anyone makes a general offer to all shareholders;</p> <p data-bbox="831 936 1402 1037">(2) Anyone makes a general offer so that the offeror becomes a controlling shareholder (as defined in Article 53<u>57</u> hereof).</p> <p data-bbox="831 1081 1402 1406">If a director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.</p>

No.	Existing Articles	Amended Articles
82	Article 148	Article 190
	<p>After the end of the first six (6) months of each financial year, the Company shall publish its results within a period of 2 months and issue its interim report within a period of three (3) months. After the end of each financial year, the Company shall publish its results within a period of three (3) months and issue its annual report within a period of 4 months.</p> <p>If there are other requirements imposed by the securities regulatory authorities in the place where the Company's shares are listed, such requirements shall prevail.</p>	<p>After the end of the first six (6) months of each financial year, the Company shall publish its results within a period of 2 months and issue its interim report within a period of three (3) months. After the end of each financial year, the Company shall publish its results within a period of three (3) months and issue its annual report within a period of 4 months.</p> <p>If there are other requirements imposed by the securities regulatory authorities in the place where the Company's shares are listed, such requirements shall prevail.</p> <p><u>The Company shall deliver its annual financial report to the CSRC and the stock exchanges within 4 months from the ending date of each financial year, shall deliver its half-yearly financial report to the CSRC branches and stock exchanges within 2 months from the ending date of the first 6 months of each financial year, and shall deliver its quarterly financial report to the CSRC branches and stock exchanges within 1 month from the ending dates of the first 3 months and first 9 months respectively of each financial year.</u></p> <p><u>The Company shall prepare the above financial reports according to the laws, regulations or requirements of the regulatory authorities.</u></p>

No.	Existing Articles	Amended Articles
83		<p data-bbox="831 300 975 331">Article 196</p> <p data-bbox="831 376 1402 443"><u>Decision-making Procedures and Mechanism relating to Profit Distribution</u></p> <p data-bbox="831 488 1402 1115">(I) <u>The annual profit distribution proposal of the Company shall be proposed and prepared by the Board of Directors in accordance with the requirements of the Articles of Association and in view of the profitability and capital supply and needs. Independent Directors shall issue their independent opinions on the profit distribution proposal, which is subject to the consideration and approval by the Board of Directors before submission to the general meeting for consideration and approval by the Shareholders. Independent Directors may seek opinions from minority Shareholders, prepare a distribution proposal and submit it directly to the Board of Directors for consideration.</u></p> <p data-bbox="831 1160 1402 1742">(II) <u>In considering the profit distribution proposal at the general meeting, the Shareholders shall be provided with the method of online voting. A number of channels shall be adopted to actively communicate and exchange information with the Shareholders, especially minority Shareholders, take into full account the opinions and requests of them and answer their questions in a timely manner. Once a resolution on the profit distribution proposal has been approved at the general meeting, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months of the general meeting.</u></p>

No.	Existing Articles	Amended Articles
		<p><u>(III) If the Company is profitable for any year and the conditions for cash dividends have been met, but the Board of Directors fails to submit a profit distribution proposal at the general meeting in accordance with the existing profit distribution policy, the Board of Directors shall give a special explanation on the reason for no cash dividend distribution, the use of the fund that has not been utilised for distribution but retained by the Company and the utilisation plan, and shall disclose the same in regular reports, on which independent Shareholders shall express their independent opinions.</u></p>
84		<p>Article 197</p> <p><u>Profit Distribution Policy:</u></p> <p><u>(I) Profit distribution principles: The Company adopts consistent and stable profit distribution policies, which should emphasize on investors' reasonable investment return while maintaining sustainable development of the Company, but the profit distribution shall not exceed the range of the accumulated distributable profits or damage the Company's ability to continue operations.</u></p> <p><u>(II) Form of the profit distribution: The Company may distribute profit in the form of cash, shares, or by the combination of cash and shares, and shall adopt cash distribution as the prioritised mean to distribute profit provided that the conditions for cash distribution are satisfied.</u></p>

No.	Existing Articles	Amended Articles
		<p data-bbox="831 300 1197 331"><u>(III) Cash distribution interval</u></p> <ol style="list-style-type: none"> <li data-bbox="895 376 1402 555">1. <u>The Company must make profit distribution at least once a year, provided that the Company records profit for the year with positive accumulative profit undistributed.</u> <li data-bbox="895 600 1402 824">2. <u>The Company may make interim profit distribution. The Board may propose to declare interim dividend according to the current profit scale, cash flows, development stage and capital needs.</u> <p data-bbox="831 857 1402 1261"><u>(IV) The Board shall propose differentiated cash dividend policies according to the procedures as set out in the Articles of the Association by considering the following different circumstances after taking into full consideration the characteristics of the industry in which the Company operates, its stage of development, its business model, profitability and whether there are any arrangements for significant capital expenses:</u></p> <ol style="list-style-type: none"> <li data-bbox="895 1305 1402 1563">(1) <u>If the Company is at mature stage and there are no arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 80% of the total profit to be distributed;</u> <li data-bbox="895 1608 1402 1852">(2) <u>If the Company is at mature stage and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 40% of the total profit to be distributed;</u>

No.	Existing Articles	Amended Articles
		<p data-bbox="900 300 1402 555">(3) <u>If the Company is at growth stage and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 20% of the total profit to be distributed;</u></p> <p data-bbox="900 600 1402 779"><u>If the stage of development of the Company is difficult to identify and there are arrangements for significant capital expenses, the preceding provision shall apply.</u></p> <p data-bbox="836 824 1402 891"><u>The specific conditions for the cash dividend distribution are as follows:</u></p> <p data-bbox="836 936 1402 1149">(1) <u>Positive figures are recorded for the distributable profits of the Company (i.e. the remaining after-tax profits after the Company has covered loss and has extracted statutory reserve fund) during the preceding financial year;</u></p> <p data-bbox="836 1193 1402 1339">(2) <u>A standard unqualified audit report is issued by an auditor for the financial report of the Company during the preceding financial year.</u></p> <p data-bbox="879 1384 1402 1594"><u>If the Company recorded negative distributable profits for the preceding financial year or the auditor issued non-standard qualified audit report, the Company shall not distribute cash dividends during that year.</u></p>

No.	Existing Articles	Amended Articles
		<p data-bbox="831 300 1402 450">(3) <u>The Company has no such events as major investment plans or significant cash expenditures (excluding fund-raising projects).</u></p> <p data-bbox="831 488 1402 824"><u>Significant investment plans or significant cash expenditures refer to: the accumulated expenses for proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months amount to or exceed 50% of the latest audited net assets of the Company and are more than RMB50 million.</u></p> <p data-bbox="831 862 1402 1377">(V) <u>Conditions for distributing scrip dividends : When the Company has a good business operation and the Board believes that the distribution of scrip dividends will be in the interests of the Shareholders of the Company as a whole, the Company may propose a plan for distribution of scrip dividends, provided that there are sufficient cash for dividend distribution. In distributing profit by way of scrip dividend, true and reasonable factors such as the growth of the Company and the dilution to net assets per share shall be taken into account.</u></p> <p data-bbox="831 1415 1402 1630">(VI) <u>If there is any misappropriation of the Company's capital by any shareholder of the Company, the Company shall deduct the cash dividends allocated to such shareholder in order to repay the amount of misappropriated capital.</u></p>

No.	Existing Articles	Amended Articles
85		<p data-bbox="831 300 1396 336">Article 198</p> <p data-bbox="831 376 1396 481"><u>Conditions, Decision-making Procedure and Mechanism for Adjusting the Profit Distribution Policy:</u></p> <p data-bbox="831 521 1396 593"><u>(I) Conditions for adjusting the profit distribution policy</u></p> <ol style="list-style-type: none"> <li data-bbox="895 633 1396 884">1. <u>The profit distribution policy shall be adjusted when the state or the competent authorities promulgate new laws, regulations or regulatory rules in relation to the profit distribution policy of the listed companies.</u> <li data-bbox="895 925 1396 1512">2. <u>The Company may make any adjustment to the profit distribution policy based on the actual circumstance when there are material changes in the external operating environment or the operation of the Company. The above material changes in the external operating environment or the operation of the Company refer to the significant adverse effect on the operation of the Company as a result of the changes in the market, policy or macroeconomy environment where the Company operates.</u>

No.	Existing Articles	Amended Articles
		<p data-bbox="831 300 1402 371">(II) <u>Decision-making Procedure for Adjusting the Profit Distribution Policy</u></p> <p data-bbox="831 412 1402 1447"><u>The Board shall take full consideration of the opinions of the independent directors and the minority shareholders during the process of studying and demonstrating the adjustment of the profit distribution policy. When considering and passing the adjustment of profit distribution policy, the Board shall obtain approval from the majority of all directors and more than half of the independent directors. If there are adjustments or amendments to the profit distribution policy as set out in the Articles of Association, the Board should consider and passed the same before submitting to the general meeting for consideration and approval, and the Company can provide the voting platform in the form of network for the convenience of the shareholders to attend the general meeting. The Company shall take the right protection of the shareholders as the starting point, and give detailed demonstration and explain reasons in the proposal of the general meeting. The passing of the adjustment or amendments to the profit distribution policy at the general meeting shall be subject to the approval from two thirds of the voting rights held by the shareholders (including their proxies) present at the general meeting.</u></p> <p data-bbox="831 1487 1402 1742"><u>If the Company adjusts the profit distribution policy according to the production and operation conditions, investment plans and the long-term needs, the adjusted profit distribution policy shall not be in breach of the relevant requirements of the stock exchanges where the shares are listed.</u></p>

No.	Existing Articles	Amended Articles
86		<p data-bbox="831 300 975 333">Article 201</p> <p data-bbox="831 378 1402 557"><u>The Company shall implement its internal audit system with professional auditors to carry out internal audit supervision to the financial and economic activities of the Company.</u></p> <p data-bbox="831 602 1402 781"><u>The system of the internal audit and the duties of such auditors shall be implemented after the approval of the Board. The responsible auditor shall be responsible for and report to the Board.</u></p>
87	<p data-bbox="256 786 400 819">Article 158</p> <p data-bbox="256 864 826 931">An accounting firm engaged by the Company shall have the following rights:</p> <p data-bbox="256 976 826 1223">(1) The right of access at any time to the account books, records or vouchers of the Company and the right to require the directors, general manager, vice general manager(s) or other senior management of the Company to provide the relevant information and explanations;</p> <p data-bbox="256 1267 826 1447">(2) The right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;</p> <p data-bbox="256 1491 826 1744">(3) The right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.</p>	<p data-bbox="831 786 975 819">Article 204</p> <p data-bbox="831 864 1402 931">An accounting firm engaged by the Company shall have the following rights:</p> <p data-bbox="831 976 1402 1223">(1) The right of access at any time to the account books, records or vouchers of the Company and the right to require the directors, general manager, vice general manager(s) or other senior management of the Company to provide the relevant information and explanations;</p> <p data-bbox="831 1267 1402 1447">(2) The right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;</p> <p data-bbox="831 1491 1402 1744">(3) The right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.</p>

No.	Existing Articles	Amended Articles
		<u>The Company shall ensure the provision of true and complete accounting evidence, books of account, financial and accounting reports and other accounting data to the accounting firm engaged by it, and no refusal, withholding and false information are allowed.</u>
88	<p data-bbox="256 524 826 560">Article 165</p> <p data-bbox="256 600 826 667">The merger of the Company may be effected by way of absorption or new establishment.</p> <p data-bbox="256 707 826 1261">As for a merger, the parties to the merger shall conclude an agreement and prepare balance sheets and checklists of properties. The Company shall inform creditors of the merger within 10 days from the date when the merger resolution is passed, and make at least three (3) announcements of the merger on newspapers within 30 days from the date when the merger resolution is passed. Within 30 days after receipt of the notices or (for those who have not received the notices) within 45 days after publication of the announcement, the creditors are entitled to require the Company to settle the debts or to provide corresponding guarantees.</p> <p data-bbox="256 1301 826 1447">After the merger of the Company, the credits and debts of all the parties thereto will be inherited by the continuing company or the newly formed company after the merger.</p>	<p data-bbox="831 524 1396 560">Article 211</p> <p data-bbox="831 600 1396 667">The merger of the Company may be effected by way of absorption or new establishment.</p> <p data-bbox="831 707 1396 999"><u>A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved.</u></p> <p data-bbox="831 1039 1396 1592">As for a merger, the parties to the merger shall conclude an agreement and prepare balance sheets and checklists of properties. The Company shall inform creditors of the merger within 10 days from the date when the merger resolution is passed, and make at least three (3) announcements of the merger on newspapers within 30 days from the date when the merger resolution is passed. Within 30 days after receipt of the notices or (for those who have not received the notices) within 45 days after publication of the announcement, the creditors are entitled to require the Company to settle the debts or to provide corresponding guarantees.</p> <p data-bbox="831 1632 1396 1774">After the merger of the Company, the credits and debts of all the parties thereto will be inherited by the continuing company or the newly formed company after the merger.</p>

No.	Existing Articles	Amended Articles
89	<p>Article 168</p> <p>The Company shall be dissolved and liquidated according to the law under any of the following circumstances:</p> <p>(1) The general meeting decides to dissolve it;</p> <p>(2) It needs to be dissolved due to merger or division of the Company;</p> <p>(3) The Company is declared bankrupt according to the law for being unable to pay its due debts;</p> <p>(4) The Company's business licence is revoked or it is ordered to close down or it is deregistered according to laws;</p> <p>(5) If the Company gets into serious trouble in operations and management and continual operation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the people's court to dissolve the Company.</p>	<p>Article 214</p> <p>The Company shall be dissolved and liquidated according to the law under any of the following circumstances:</p> <p>(1) <u>the business term of the Company set out in the Articles of Association expires, or other events which triggers the dissolution of the Company occurs;</u></p> <p>(2) The general meeting decides to dissolve it;</p> <p>(3) It needs to be dissolved due to merger or division of the Company;</p> <p>(4) The Company is declared bankrupt according to the law for being unable to pay its due debts;</p> <p>(5) The Company's business licence is revoked or it is ordered to close down or it is deregistered according to laws;</p> <p>(6) If the Company gets into serious trouble in operations and management and continual operation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the people's court to dissolve the Company.</p>

No.	Existing Articles	Amended Articles
90	<p data-bbox="256 300 826 331">Article 169</p> <p data-bbox="256 376 826 591">Where the Company is dissolved according to the provisions of sub-paragraph (1) of the preceding Article, a liquidation committee shall be formed within 15 days and its members shall be determined by the general meeting by way of an ordinary resolution.</p> <p data-bbox="256 636 826 887">Where the Company is dissolved according to the provisions of sub-paragraph (2) of the preceding Article, the liquidation work shall be carried out by the parties involved in the merger or division in accordance with the contract entered into at the time of such merger or division.</p> <p data-bbox="256 931 826 1187">Where the Company is dissolved according to the provisions of sub-paragraphs (3) and (5) of the preceding Article, the people's court shall, in accordance with relevant laws, arrange the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation work.</p> <p data-bbox="256 1232 826 1485">Where the Company is dissolved according to the provisions of sub-paragraph (4) of the preceding Article, the competent authority shall arrange the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation work.</p>	<p data-bbox="831 300 1402 331">Article 215</p> <p data-bbox="831 376 1402 555"><u>Upon the occurrence of the situation mentioned in sub-paragraph (1) of the preceding Article, the Company may continue to exist by amending the Articles of Association.</u></p> <p data-bbox="831 600 1402 779"><u>The amendment to the Articles of Association pursuant to the preceding Article shall be subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meetings.</u></p> <p data-bbox="831 824 1402 1261"><u>Where the Company is dissolved according to the provisions of sub-paragraphs (1), (2), (5) and (6) of the preceding Article, a liquidation committee shall be formed within 15 days and the members of which shall be appointed by way of ordinary resolution at a general meeting. If a liquidation committee is not established within the stipulated period, the creditors can apply to the people's court, requesting the court to appoint relevant personnel to form the liquidation committee to carry out liquidation work.</u></p> <p data-bbox="831 1305 1402 1485"><u>If the Company is dissolved according to the provisions of sub-paragraph (4) of the preceding Article, the bankruptcy liquidation shall be carried out in accordance with the laws relating to the enterprise bankruptcy.</u></p>

No.	Existing Articles	Amended Articles
91		<p data-bbox="831 300 975 331">Article 222</p> <p data-bbox="831 376 1402 517"><u>Members of the liquidation committee shall perform their duty honestly and discharge the obligation of liquidation in accordance with laws.</u></p> <p data-bbox="831 562 1402 703"><u>Members of the liquidation committee shall not take personal advantage of their posts to take bribes, receive other illegal incomes, or misappropriate assets of the Company.</u></p> <p data-bbox="831 748 1402 891"><u>Members of the liquidation committee shall compensate the losses brought to the Company or the creditors due to their intentional or gross negligence.</u></p>
92		<p data-bbox="831 898 975 929">Article 223</p> <p data-bbox="831 974 1402 1115"><u>Where the Company is declared bankrupt according to law, it shall carry out bankruptcy liquidation in accordance with laws relating to the enterprise bankruptcy.</u></p>
93		<p data-bbox="831 1122 975 1153">Article 226</p> <p data-bbox="831 1198 1402 1747"><u>The Company shall issue notice and disclose information to shareholders of A shares through newspapers and websites for information disclosure specified by the competent securities authority at the place where A shares are listed in accordance with the laws and regulations. For notice issued by the Company to the shareholders of overseas-listed foreign-invested Shares in accordance with the Articles of Association, the Listing Rules of the Hong Kong Stock Exchange, laws and regulations, the relevant notice shall be at the same time published by means specified in Listing Rules of the Hong Kong Stock Exchange.</u></p>

No.	Existing Articles	Amended Articles
94	Article 179	Article 228
	<p>The amendments to the Articles of Association involving the Mandatory Provisions shall become effective upon approval by the company approval department authorized by the State Council and the securities regulatory authority under the State Council. If there is any change relating to the registered particulars of the Company, the changes shall be registered in accordance with law.</p>	<p>The amendments to the Articles of Association involving the Mandatory Provisions shall become effective upon approval by the company approval department authorized by the State Council and the securities regulatory authority under the State Council. <u>Amendments to the Articles of Association passed by resolutions at the shareholders' general meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval.</u> If there is any change relating to the registered particulars of the Company, the changes shall be registered in accordance with law.</p> <p><u>The Board shall revise the Articles of Association in accordance with the resolution of the shareholders' general meeting regarding the revision of the Articles of Association and the approval opinion from the competent authorities. Where the amendment to the Articles of Association is related to the information required to be disclosed by laws and regulations, such changes, in accordance with laws or regulations, shall be announced.</u></p>

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Chapter 1 General

Article 1 In order to regulate the conduct of the Company and to ensure the lawful exercise of powers by the shareholder's general meeting, these Rules are formulated in accordance with the requirements of laws, regulations, regulatory documentations such as the Company Law of the PRC (hereinafter referred to as the "Company Law"), the Securities Law of the PRC (hereinafter referred to as the "Securities Law"), State Council's Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong, the Rules of Shareholders' General Meeting of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and the Articles of Association of the Company.

Article 2 Shareholders' general meetings shall be convened in strict compliance with the relevant requirements of the laws, administrative regulations, these Rules and the Articles of Association to ensure the lawful exercise of rights of the shareholders.

The Board of the Company shall perform its duties pragmatically to organize shareholders' general meetings in a serious and timely manner. All the Directors of the Company shall ensure with their diligence the normal convocation of the shareholders' general meetings and its lawful exercise of rights.

Article 3 Shareholders' general meetings shall exercise its functions and powers within the scope as specified in the Company Law and the Articles of Association.

Article 4 Shareholders' general meeting are classified as annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year and shall be held within 6 months from the end of the previous accounting year. Extraordinary general meetings are not convened regularly and shall be convened within 2 months should the circumstances where the convocation of an extraordinary meeting is required in accordance with Article 9 of these Rules.

In the event that shareholders' general meetings cannot be held within the time periods as stated above, the Company shall report to the representative organizations of the China Securities Regulatory Commission in the Company's locality and the stock exchange of the place where its shares are listed (hereinafter referred to as "Stock Exchange") and shall issue an announcement setting out the reasons.

Article 5 In holding the shareholders' general meeting, it shall conform to the principle of simplicity, and no additional interest shall be granted to shareholders or their proxies attending the meeting.

Article 6 Where the Company convenes a shareholders' general meeting, the Company shall retain lawyers to issue legal opinions and make an announcement in respect of the following:

- (1) whether the procedures for the convocation of the shareholders' general meetings comply with the requirements of laws, administrative regulations, these Rules and the Articles of Association;
- (2) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;
- (3) whether the voting procedures and the voting results are lawful and valid;
- (4) the issue of legal opinions on other relevant issues upon the request of the Company.

Chapter 2 Functions and Powers of Shareholders' General Meeting

Article 7 The shareholders' general meeting is the organ of authority of the Company and shall exercise the following powers according to the law:

- (1) to decide on the operating direction and investment plans;
- (2) to elect and replace the Directors (other than those who are staff representatives) and to determine the remuneration of the relevant Directors;
- (3) to elect and replace the Supervisors who are shareholder representatives and to determine the remuneration of such Supervisors;
- (4) to consider and approve directors' reports;
- (5) to consider and approve supervisors' reports;
- (6) to consider and approve annual financial budget plans and final accounting plans of the Company;
- (7) to consider and approve the Company's profit distribution plans and plans to cover company losses;
- (8) to adopt resolutions relating to increase or reduction of the Company's registered capital and acquisition of the Company's shares;
- (9) to adopt resolutions relating to merger, division, dissolution, liquidation and change of corporate form of the Company;
- (10) to adopt resolutions relating to issuance of debentures and other securities and the listing of the Company;

- (11) to adopt resolutions relating to the employment, dismissal or discontinuation of employment of an accounting firm;
- (12) to amend the Articles of Association;
- (13) to consider the proposal of the shareholder(s) individually or in aggregate holding on behalf of the Company over 3% of the voting shares;
- (14) to consider and approve the following matters relating to guarantees:
 - 1. any guarantee provided upon the total external security of the Company and the holding subsidiaries of the Company reaching or exceeding 50% of the latest audited net assets of the Company;
 - 2. any guarantee provided upon the total external security of the Company reaching or exceeding 30% of the latest audited total assets of the Company;
 - 3. any guarantee for targets with gearing ratio over 70%;
 - 4. any guarantee for any single security amount exceeding 10% of the latest audited net assets of the Company;
 - 5. any guarantee provided to shareholders, factual controlling person and its related party;
 - 6. other guarantee that required approval from shareholders' general meeting as specified in the requirements of the stock exchange where the shares of the Company are listed and of the Articles of Association.
- (15) to consider matters relating to the acquisition or disposal by the Company of material assets or the granting of security within one year with a value exceeding 30% the latest audited total asset value of the Company;
- (16) to consider matters relating to related party transactions which shall be resolved by the shareholders' general meetings pursuant to the requirements of the listing rules of the place where the Company's shares are listed;
- (17) to consider matters relating to the change of use of the capital raised;
- (18) to consider share incentive schemes;
- (19) to consider other matters which shall be resolved by shareholders' general meetings in accordance with the requirements of the laws, administrative regulations, department rules or the Articles of Association.

For matters relating to the requirements of laws, administrative regulations and the Articles of Association and requiring decision of shareholders' general meetings shall be passed to it for consideration in order to protect the decision rights of the Company's shareholders in respect thereof. For specific matters which are related to those resolved and on which could not be decided promptly at shareholders' general meetings, such meetings may authorize the Board for decisions to the extent as authorized by the shareholders' general meetings under necessary and reasonable circumstances.

Where an ordinary resolution requiring authorization to the Board by a shareholders' general meeting, such authorization shall be passed by over one half of the voting right held by the shareholders present in person or by proxy at the shareholders' general meeting; for authorization in respect of a special resolution, it shall be passed by over two-thirds of the voting right held by the shareholders present in person or by proxy at the shareholders' general meeting. Content of the authorization shall be precise and clear.

In consideration of the proposals for the provision of guarantees to shareholders, factual controlling persons and other related parties, the shareholders controlled by such shareholders or such factual controlling person shall abstain from voting in such respect, which shall be passed by over half of the voting right held by other shareholders present in person at the shareholders' general meeting.

Chapter 3 Convocation of the Shareholders' General Meetings

Article 8 The Board shall convene scheduled shareholders' general meetings according to the time limit as stipulated under Article 4 of these Procedural Rules.

Article 9 The Company shall convene an extraordinary general meeting within 2 months from the date of occurrence of any of the following circumstances:

- (1) the number of directors is less than the quorum as required by Company Law or less than two-thirds of the number as required by the Articles of Association;
- (2) the loss amount not covered by the Company accounts for one-thirds of the total capital;
- (3) shareholders holding over 10% of the issued and outstanding shares of the Company with voting right request in writing the convocation of an extraordinary general meeting;
- (4) such circumstances deemed necessary by the Board or as proposed to be convened by the Supervisory Committee;
- (5) other circumstances specified in the laws, administrative regulations, department rules or the Articles of Association.

The Supervisory Committee shall have the right to propose to the Board to convene an extraordinary general meeting, and shall put forward its proposal to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply as to whether it agrees to hold the extraordinary general meeting or not within 10 days of the receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution of the Board is made. In the event of the notice making any change to the original motion, the consent of the Supervisory Committee shall be obtained.

If the Board does not agree to convene the extraordinary general meeting or fails to give a reply within 10 days of the receipt of the proposal, the Board shall be deemed to be unable or to have failed in performing its duty of convening a shareholders' general meeting, the Board shall give the reasons and make an announcement in respect thereof and the Supervisory Committee may convene and preside over the meeting by itself.

Article 10 Ordinary shareholder(s) individually or in aggregate holding over 10% of the voting rights of the shares having the right to vote in such a meeting may sign one or several written requests in the same form requesting the Board to convene an extraordinary general meeting or a class shareholders' general meeting, and the subject matters for discussion at the meeting shall be specified. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply as to whether it agrees to hold the extraordinary general meeting or not upon receipt of the written requests.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of such meeting within 5 days after the resolution of the Board is made. In the event of the notice making any change to the original requests, the consent of the relevant shareholders shall be obtained.

If the Board does not agree to convene the extraordinary general meeting, or fails to give a reply within 10 days of receipt of the requests, ordinary shareholder(s) individually or in aggregate holding over 10% of the shares in the Company are entitled to propose to the Supervisory Committee to convene an extraordinary general meeting. Such proposal shall be made in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall issue a notice of such meeting within 5 days upon receipt of the proposal. In the event of the notice making any change to the original motion, the consent of the relevant shareholders shall be obtained.

If the Supervisory Committee fails to give notice of general meeting within the requisite period, the Supervisory Committee shall be deemed to have failed to convene and preside over the general meeting, and ordinary shareholder(s) individually or in aggregate holding over 10% of the shares in the Company for over 90 consecutive days may convene and preside over the general meeting on their own accord.

The calculation of the number of shares held as aforesaid shall be made as at the date of the written requests.

Article 11 In the event that the Supervisory Committee or the shareholders shall decide to convene any shareholders' general meeting by themselves, the Board shall be notified in writing thereof and a filing thereof shall be made with the branch of the China Securities Regulatory Commission in the locality of the Company and the stock exchange.

The shareholding of the shareholders convening such general meeting shall not be less than 10 % prior to the announcement of any resolution of such ordinary shareholders' general meeting.

The Supervisory Committee and the shareholders convening such shareholders' general meeting shall, upon the issuance of the notice of the shareholders' general meeting and the announcement of any resolution of the shareholders' general meeting, submit relevant materials to the branch of the China Securities Regulatory in the locality of the Company and the stock exchange.

Article 12 The Board and the Secretary to the Board shall provide support to any shareholders' general meeting convened by the Supervisory Committee or the shareholders. The Board shall provide the register of shareholders as of the record date for the entitlement. If the Board fails to provide the register of shareholders, the convener may apply to the securities registration and clearing authority to obtain it upon presentation of the announcement relating to the notice of the shareholders' general meeting. Register of shareholders obtained by the convening shareholders shall not be used for any purpose other than the convening of the general meeting.

Article 13 Over one half of the independent directors who request to convene an extraordinary general meeting or a class shareholders' general meeting shall follow the procedures set out below:

- (1) sign one or several written requests in the same form requesting the Board to convene an extraordinary general meeting or a class shareholders' general meeting, and the subject matters for discussion at the meeting shall be specified. The Board shall give a written reply as to whether it agrees to hold the extraordinary general meeting or a class shareholders' general meeting within 10 days of the receipt of the written requests.
- (2) If the Board agrees to convene the extraordinary general meeting or class shareholders' general meeting, it will issue a notice of such meeting within 5 days after the resolution of the Board is made. In the event of the notice making any change to the original requests, the consent of the original proposer shall be obtained.
- (3) If the Board does not agree to convene the extraordinary general meeting or class shareholders' general meeting, it shall give the reasons and make an announcement in respect thereof.

Article 14 All expenses necessary for convening shareholders' general meetings by the Supervisory Committee or the shareholders themselves shall be borne by the Company.

Chapter 4 Proposals and Notifications for the Shareholders' General Meeting

Article 15 Whenever the Company convenes a general meeting, the Board, the supervisory committee and shareholder(s) individually or together holding more than 3% of the Company's shares shall have the right to propose motions in writing to the Company. The Company shall place such proposed motions on the agenda of such meeting if they are matters falling within the functions and powers of general meetings.

Shareholder(s) individually or together holding more than 3% of the Company's shares shall have the right to propose an extempore motion 10 days prior to the general meeting by submitting the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within 2 days after receiving the proposed motion to notify other shareholders, and shall place such proposed motions on the agenda of such general meeting if they are matters falling within the functions and powers of general meetings and submit to the general meeting for consideration.

Where required otherwise by the listing rules of the stock exchange where the Company's shares are listed, such requirements shall be satisfied. Shareholders shall propose motions which meet the following requirements:

- (1) The content does not infringe the law, regulations and falls within the scope of the Company's business and the functions and powers of general meetings;
- (2) With definite topics to discuss and specific matters to resolve; and
- (3) Is made in writing submitted or delivered to the Board.

Save as the aforesaid requirements, no amendments to the proposals specified in the notice of shareholders' general meetings nor additional proposals shall be made upon issuance of a notice of the shareholders' general meeting by the convener.

Motions that are not specified in the notice of shareholders' general meeting or do not comply with the requirements of this Article shall not be put to vote at the shareholders' general meeting.

Article 16 For the convocation of shareholders' general meeting by the Company, it shall, 45 days prior to the meeting, notify all registered shareholders in writing of issues to be considered as well as date and place of the meeting. Directors intending to attend the shareholders' general meeting shall, 20 days prior to the meeting, send to the Company a written reply with regard to their intention of attending the meeting.

Commencement of the notification period shall not include the date for convening the meeting.

In respect of the notification of this Article, the date of issue shall be the date on which such notification being lodged with the postal office for mailing by the Company or the share registrar designated by the Company

Unless otherwise required by the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of members, or by publication on the Company's website or other means as required by the Articles of Association. For holders of domestic shares, the notice of a general meeting may also be given by public announcement.

The announcement as specified in the preceding paragraph shall, within the period of 45 to 50 days before the meeting, be published in one or more newspapers as designated by the securities regulatory organization of the State Council. All domestic shareholders shall be deemed as having received notice with regard to the shareholders' general meeting upon the publication of the announcement.

If, by accident or omission, notice of the meeting is not sent to persons entitled to the notice or such persons fail to receive the notice, the meeting and resolution adopted at the meeting shall not be rendered void therefor.

Article 17 Content of the notice and supplementary notice of the meeting shall thoroughly and completely disclose the specific contents of all proposals, as well as all the information or explanations which are necessary for the shareholders to make a reasonable judgment in respect of the matters to be discussed. Notice of shareholders' general meetings shall satisfy the following requirements:

- (1) Be made in writing;
- (2) Specify the place, date and time of the meeting;
- (3) Specify the matters to be deliberated at the meeting;
- (4) Specify the record date for the entitlement of the shareholders to attend the general meeting;
- (5) Provide to the shareholders of the information and explanations as necessary for the shareholders to make sound decisions about the matters to be deliberated. This principle includes, but not limited to, the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and sincere explanations about related causes and effects when the Company proposes merger, repurchase of shares, restructuring of share capital or other restructuring;
- (6) In the event that any of the directors, supervisors, general managers, vice general manager(s) or other senior management has material interests in matters to be deliberated, the nature and extent of the interests shall be disclosed. If the matters to be deliberated affect any director, supervisor, general manager, vice general manager(s) or other senior management as a shareholder in a manner different from how they affect other shareholders of the same class, the difference shall be explained;
- (7) Contain the full text of any special resolution to be proposed for adoption at the meeting;
- (8) Contain a conspicuous statement indicating that a shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily be shareholders;

- (9) Specify delivery time and place of the power of attorney for proxy voting at the meeting;
- (10) Specify the name and telephone number of the contact person for the meeting.
- (11) If the shareholders' general meeting can be attended online or other methods, the notice of shareholders' general meeting shall clearly specify the time of voting and the procedures for voting for attendance on line or through other methods.

Content of the notice and supplementary notice of the meeting shall thoroughly and completely disclose the specific contents of all proposals. In the event that Independent Directors are required to express their views on the matters to be discussed, the notice of the meeting (or any supplemental notice) shall also disclose the views of the Independent Directors and the reasons for forming such views.

An extraordinary general meeting shall not decide on matters not specified in the notice.

The gap between the record date for the entitlement of the domestic shareholders and the date of meetings shall be less than 7 working days. Once the record date for the entitlement is determined, it shall not be changed.

Article 18 If the election of Directors or Supervisors is proposed to be discussed at a shareholders' general meetings, the notice of such meeting shall fully disclose detailed information of the Director candidates or Supervisor candidates, which shall at least include:

- (1) personal particulars, such as educational background, working experiences, and concurrent positions;
- (2) whether such candidates are connected with the Company, its controlling shareholders or its factual controlling persons;
- (3) the number of shares of the Company held by such candidates; and
- (4) whether such candidates have been subjected to the punishment of China Securities Regulatory Commission or any other relevant department or the reprimand of the stock exchange.

Save and except for the cumulative voting system for electing directors and supervisors, each candidate of directors and supervisors shall put forward motion for single matter.

Article 19 The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting based on the written replies received 20 days prior to the holding of the general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one half of the total number of the Company's voting shares, the Company may hold the general meeting. If not, the Company shall within five (5) days inform the shareholders again by public notice of the matters to be considered as well as the date and place of the meeting. Upon notification by the public announcement, the Company may hold the general meeting.

Article 20 Following the issue of the notice of shareholders' general meeting, such meeting shall not be postponed or cancelled and the motions set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement stating the reasons therefor at least 2 working days prior to the date on which the meeting is originally scheduled.

Chapter 5 Convening of Shareholders' General Meetings

Article 21 The Company shall convene shareholders' general meetings at the Company's legal address or the place prescribed in the Articles of Association.

A venue shall be set aside for the convening of physical shareholders' general meetings. The Company may provide assistance to shareholders in their participation of shareholders' general meeting by the provision of various means and channels with advanced information technology such as an online voting platform on a preferential basis provided the legality and validity of the shareholders' general meetings can be assured. The Company also provides assistance to shareholders in their participation of shareholders' general meeting by the provision of on line voting and other means Attendance of shareholders' general meeting by the aforesaid methods shall be treated as valid. Online voting is not applicable to H Shareholders.

If the shareholders' general meeting of the Company can be attended online or other methods, the notice of shareholders' general meeting shall clearly specify the time of voting and the procedures for voting for attendance on line or through other methods.

Shareholders may attend shareholders' general meetings in person and exercise their voting right, and may attend and vote to the extent authorized in their stead by proxy.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint 1 or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf. Such proxies may exercise the following rights as entrusted by the shareholder:

- (1) The shareholder's right to speak at the general meeting;
- (2) The right to demand by himself or jointly with others, to make a resolution by voting;
- (3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than 1 proxy, such proxies may only exercise their voting rights on a poll.

The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his duly authorized proxy in writing; where the appointing shareholder is a legal entity, such instrument shall be under its seal or under the hand of its director or duly authorized proxy. Such

instrument shall contain the number of shares represented by a proxy; if several persons are appointed as proxies, the number of shares represented by each proxy should be specified. Proxy forms issued by shareholders appointing others to attend the shareholders' general meeting shall specify the following:

- (1) Name of proxy;
- (2) Whether or not the proxy is entitled to vote;
- (3) Instructions in relation to voting for or against or giving up voting rights on each matter considered in the shareholders' general meeting;
- (4) Date of the issuance and the validity of the proxy form;
- (5) Signature (or seal) of the appointer.

Article 22 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting 24 hours before the convening of the relevant meeting at which the proxy is authorized to vote or 24 hours before the designated time of voting. Where the instrument is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorization document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

If the entrusting party is a legal entity, its legal representative or any representative authorized by the Board or by other decision-making body shall attend the general meeting of the Company on its behalf.

If a shareholder is a recognized clearing house or its agent, it may authorize one or more proxy(ies) as it thinks fit to act as its proxy(ies) at any general meeting or any class meeting. However, if more than 1 proxy are appointed, the power of attorney shall specify the number and class of shares represented by each of such persons under the authorization, and signed by authorized persons of recognized clearing house. Such authorized persons may attend meeting on behalf of the recognized clearing house or its agent (without presentation of evidence of its shareholding, notarized authorization and/or any further proof demonstrating the duly granting of the same) and exercise the right of the recognized clearing house or its agent, as if they were individual shareholders of the Company.

Article 23 Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that if the shareholder does not give instructions, the proxy shall vote at his own discretion.

Proxies should, when attending the general meeting on behalf of the shareholders, present their identification proof and the power of attorney signed by the entrusting party or signed by a legal representative of the entrusting party or a duly authorized proxy. The power of attorney should specify the date of issuance.

If a corporate shareholder (other than the recognized clearing house or its nominees) delegates its legal representative to attend the meeting, the Company shall have the right to request such legal representative to provide a proof of his identity and a valid proof of his legal representative qualification.

Article 24 Where the entrusting party has deceased, incapacitated to act, withdrawn the appointment or the signed power of attorney, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before the commencement of the relevant meeting.

Article 25 Registration book for attending the shareholders' general meeting shall be prepared by the Company. The registration book shall specify the name of attendee (or the attending unit), identity card number, address, number of shares held with voting rights, and name of the appointer (or the appointing unit), etc.

Article 26 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares.

Article 27 All Directors, Supervisors and the secretary to the Board shall attend the shareholders' general meeting. General manager and other Senior Management personnel shall be present at the meeting.

Article 28 A general meeting shall be convened by the Board, and presided over and chaired by the chairman of the Board. If the chairman is unable to attend the meeting for reasons, the Board may designate a director to convene and take the chair of the meeting in his stead. If no chairman of the meeting has been designated, more than half of the directors shall nominate a director to preside over the meeting.

If a general meeting is convened by the supervisory committee, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to or will not discharge his duties, more than half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from exceeding half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman of the meeting and continue with the meeting.

Article 29 If the shareholders' general meeting of the Company can be attended online or other methods, the notice of shareholders' general meeting shall clearly specify the time of voting and the procedures for voting for attendance on line or through other methods.

The opening time of voting for the shareholders' general meeting online or by other means shall not be made before 3:00 pm of the date preceding the date of convening the meeting and shall be no later than 9:30 am on the date of convening the physical meeting , and the time of conclusion thereof shall not be earlier than 3:00 pm on the date at which such physical meeting shall conclude.

Article 30 The Board and other conveners shall take necessary measures to ensure proper order of the shareholders' general meeting. With regard to activities that disturb the order of the shareholders' general meeting, provocation or activities that are harmful to the legal rights and interests of other shareholders, the Company is entitled to take action to restrain such activities and promptly report the same to relevant authorities.

Article 31 All ordinary shareholders or their proxies that are shown in the register of shareholders as at the shareholding record date shall be entitled to attend the shareholders' general meeting, and the Company and the convener shall not reject their attendance for whatever reason.

Article 32 The chairman of meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of their voting shares which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 33 The shareholders' general meeting shall not amend a proposal while it is being considered thereat, and a proposal so amended will be deemed a new proposal and it shall not be voted on at the then shareholders' general meeting.

Chapter 6 Votes of Shareholders' General Meeting

Article 34 Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a general meeting shall be passed by exceeding half of the voting rights held by shareholders (including their proxies) attending the general meeting.

Special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

Article 35 Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting. When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.

In accordance with the applicable laws, regulations and the requirements of the stock exchange on which the shares are listed, where any shareholder is required to abstain from voting on any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted.

Article 36 Shareholders should abstain from voting should they be connected with the subject of the agenda of a shareholders' general meeting and the voting shares held by them shall not be included in the total voting shares represented by shareholders present at a shareholders' general meeting.

Where material matters affecting the interests of small-to-medium sized investors are being considered at a shareholders' general meeting, each vote cast by the small-to-medium sized investors shall be counted separately. Results of votes counted separately shall be disclosed in a timely manner.

Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

The Company's Board, Independent Directors and shareholders who satisfy the relevant qualifications may publicly solicit the voting rights of other shareholders. In soliciting voting rights of shareholders, information such as specific voting intention shall be sufficiently disclosed to the shareholders from whom voting rights are being solicited. Solicitation of voting rights at any consideration, whether in direct or indirect form, is prohibited. The Company may not propose any minimum shareholding restriction on the solicitation of voting rights.

Where related party transactions are being considered at a shareholders' general meeting, related shareholders shall not participate in the voting and by whom the total number of voting shares represented shall not be counted. The announcement of the resolutions of the shareholders' general meeting shall sufficiently disclose the votes cast by shareholders who are not related to such transactions.

Article 37 A resolution put to vote at the general meeting of the Company shall be decided on a poll, save that the chairman of the meeting, may in good faith, allow a resolution which relates purely to a procedural or administrative issue to be decided on a show of hands, subject to compliance with the Hong Kong Listing Rules.

Article 38 A poll shall be taken at such time and place as specified, not being later than 30 days from the date of the meeting or adjourned meeting at which a vote will be taken on a poll in such manner (including the use of ballot or voting papers or tickets) as the chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.

Where a resolution is voted by a show of hands as permitted under the Hong Kong Listing Rules, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

Article 39 A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issues shall be taken at such time as the chairman of the meeting directs, and any matter other than that upon which a poll has been demanded may proceed with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 40 When a poll is taken at a meeting, a shareholder (including his proxy) who has the right to two (2) or more votes need not cast all his votes in the same way.

Resolutions shall be voted one by one by a poll at a general meeting.

Article 41 When the number of votes for and against a resolution is equal, whether the vote is taken by a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 42 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) Work reports of the Board and the supervisory committee;
- (2) Profit distribution plan and loss make-up plan formulated by the Board;
- (3) Appointment or dismissal of the members of the Board and the members of the supervisory committee and their remuneration and payment methods thereof;
- (4) Annual preliminary and final budgets, balance sheet, profit statement and other financial statements of the Company;
- (5) Annual report of the Company;
- (6) Matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations, the requirements of the stock exchange on which our shares are listed or the Articles of Association.

Article 43 The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) Increase or reduction of the share capital, repurchase of the shares of the Company and issue of shares of any class, stock warrants or other similar securities of the Company;

- (2) Issuance of corporate bonds;
- (3) Division, merger, dissolution and liquidation or change in the form of the Company;
- (4) Amendments to the Articles of Association;
- (5) Any purchase or disposal of substantial assets made or guarantee provided by the Company within 1 year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (6) Share incentive scheme;
- (7) Any other matters as required by the laws, administrative regulations, the requirements of the stock exchange on which our shares are listed or the Articles of Association and matters which, if resolved by way of an ordinary resolution at general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.

Article 44 During the annual shareholders' general meeting, the Board and the Supervisory committee shall respectively give a report on their work in the previous year to shareholders' general meeting. Each of the independent shareholders shall deliver his work report.

Article 45 Directors, supervisors and senior management shall give on the general meetings explanation and elaboration in respect of shareholders' questions.

Article 46 The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall state the following contents:

- (1) Time, venue and agenda of the meeting and name or title of the convener;
- (2) The name of the chairman of the meeting and the names of the directors, supervisors, general manager and senior management attending or present at the meeting;
- (3) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company;
- (4) The process of review and discussion, summary of any speech and voting results of each proposal;
- (5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (6) Names of vote counter and scrutineer;
- (7) The contents to be included as specified in the Articles of Association.

Directors, supervisors, secretary to the Board, conveners and their representatives and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance sheet of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than ten (10) years.

Article 47 The list of candidates for directors and supervisors shall be submitted to general meetings for voting by way of a motion.

When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.

The “cumulative voting system” as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of directors or supervisors to be elected, and the voting right held by the shareholders may be used collectively when the directors or supervisors are elected at the general meeting. The Board shall simultaneously provide shareholders with the biographical details and basic information about the candidates for directors and supervisors.

Save and except for the cumulative voting system, the general meeting shall vote on all motions item by item, and shall vote on the motions in time sequence when various proposals are put forward for a single matter. Unless the shareholders’ general meeting is adjourned or is unable to reach resolution due to force majeure or other special reasons, the shareholders’ general meeting shall not abandon or fail to vote on the motions.

Article 48 Insofar as a particular resolution is concerned, a shareholder shall only cast its vote in one of the following ways: physically, on line or by other method as stipulated. In the event of multiple votes being cast by the same shareholder on the same resolution, the vote that was cast in the first instance shall prevail.

Article 49 Shareholders attending the shareholders’ general meeting shall vote for, against or abstain from voting on the resolutions put forward for voting. Securities registration and clearing authority is the nominal holder of the stock under the Shanghai-Hong Kong Stock Connect, saved as reporting at the discretion of the holders.

For voting slips that are left blank, incorrectly completed, illegible or not cast, the voter shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as “abstention”.

Article 50 Two shareholders’ representatives shall be elected to participate in vote counting and to supervise the counting process before any voting takes place at the shareholders’ general meeting, but shareholders (and their proxies) who have an interest in the matters under consideration shall not participate in vote counting and the supervision of the counting process.

The Company’s lawyers, shareholders’ representatives and Supervisors’ representatives shall be responsible for vote counting and supervising the counting process when the voting takes place at the shareholders’ meeting.

Shareholders or their proxies who vote online or by means of another method shall have the right to inspect and verify their own voting results through the relevant voting system.

Article 51 The closing time of the shareholders' general meeting at the venue where such meeting is physically held shall not be earlier than that for attending such meeting on line or by other means. The chairman of the meeting shall announce how the votes were cast and the voting results in respect of each resolution, and announce whether such resolution has been passed according to the voting results.

Before the official announcement of the voting results, the Company the counting officers, the voting observers, the major shareholders and the online service providers and other relevant parties shall be obliged to keep confidential the way the votes were cast.

Resolutions of the shareholders' general meeting shall be announced promptly. The number of shareholders and proxies attending the meeting, the total number of voting shares they represented and the percentage of the total number of the voting shares of the Company they represented, the voting methods, the voting result for each motion and details of each of the resolutions passed shall be stated clearly in the announcement. °

Article 52 If the chairman of the meeting has any doubt about the voting result, he/she may check the votes. If the chairman of the meeting has not checked the votes, and shareholders or proxies attending the meeting disagrees to the voting result announced by the chairman of the meeting, they shall have the right to request for counting of the votes immediately after the announcement, whereupon the chairman of the meeting shall immediately check the votes.

Article 53 Where vote checking to be conducted by the shareholders' general meeting, the result of such checking shall be recorded in the minutes.

The minutes of meeting and the attendance record of attendants signed by the attending shareholders and proxies together with authorization letters shall be kept at the Company's domicile.

Article 54 Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within 7 days upon receipt of payment of reasonable charges.

Article 55 The convener shall ensure that a shareholders' general meeting is held continuously until final resolutions have been reached. In the event that the shareholders' general meeting is adjourned or the shareholders fail to reach resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement of such termination shall be made promptly. At the same time, the convener shall report to the branch of the China Securities Regulatory Commission in the locality of the Company, and to the stock exchange in accordance with the relevant regulations of the stock exchange at the place where the Company is listed.

Article 56 Resolutions of the Company's shareholders' general meeting which violate the laws and regulations shall be rendered void.

Controlling shareholders and factual controlling person shall neither restrict nor prevent the small-to-medium investors from lawful exercise of their voting right, and shall not prejudice the legal interest of such investors.

In the event that the convening procedures of the shareholders' general meeting, or the voting procedures thereof contravene any law or administrative regulation or the Articles of Association, or the content of any resolution adopted at the shareholders' general meeting contravenes the Articles of Association, the shareholders may, within 60 days of the date of adoption of the relevant resolution, apply to the People's Court for rescission of such resolution.

Article 57 In the event that a motion has not been adopted or a resolution of a previous shareholders' general meeting has been amended by the current shareholders' general meeting, the same shall be specifically mentioned in the announcement of the resolutions of the shareholders' general meeting.

Article 58 Where a resolution relating to the election of Directors and Supervisors, the appointment of the newly appointed Directors and Supervisors shall take effect pursuant to the Articles of Association.

Article 59 Where a resolution relating to the distribution of cash dividends, the issue of bonus shares or the increase in share capital by way of a conversion of the capital reserve has been passed by the shareholders' general meeting, the Company shall implement such resolution within 2 months of the conclusion of the shareholders' general meeting.

Chapter 7 Special Procedures for Voting by Class Shareholders

Article 60 Shareholders who hold different classes of shares are class shareholders.

Class shareholders shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and the Articles of Association. Adequate voting rights will, in appropriate circumstances, be secured to preference shareholders.

Where the share capital of the Company includes shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares.

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

Article 61 The Company shall not proceed to change or abrogate the class shareholders' rights unless such change or abrogation has been approved by way of a special resolution at the general meeting and by a separate class meeting of the affected class shareholders in accordance with this Procedural Rules.

Upon approval by the securities regulatory authorities under the State Council, transfer by the Company's shareholders of domestic shares of their shares to overseas investors for listing and trading overseas, or the conversion of domestic shares into foreign shares for listing and trading overseas, shall not be deemed as change or abrogation of the rights of class shareholders.

Article 62 The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following circumstances:

- (1) An increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class; save as upon approval by the securities regulatory authorities under the State Council, transfer by the Company's shareholders of domestic shares of their shares to overseas investors for listing and trading overseas;
- (2) A conversion of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;
- (3) A removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) A reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;
- (5) An addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) A removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) A creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) An imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;
- (9) An issuance of rights to subscribe for, or convert into, shares of such class or another class;
- (10) An increase in the rights and privileges of shares of another class;

(11) Restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring;

(12) Any amendment or cancellation of the provisions of this chapter.

Article 63 Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 62, except that interested shareholders shall not vote at class meetings.

The term “interested shareholders” in the preceding paragraph shall have the following meanings:

- (1) If the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with the Articles of Association, the controlling shareholders as defined in the Articles of Association shall be “interested shareholders”;
- (2) If the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with the Articles of Association, holders of shares in relation to such agreement shall be “interested shareholders”;
- (3) Under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.

Article 64 Resolutions of a class meeting may be passed only by more than two-thirds of the voting rights of that class represented at the meeting.

Article 65 When the Company is to hold a class meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver their written replies to the Company of their attendance.

If the number of the voting shares represented by the shareholders intending to attend the meeting is more than half of the total number of voting shares of that class, the Company may hold the class meeting of shareholders. If not, the Company shall within 5 days inform the shareholders once again of the matters to be considered at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class meeting.

Article 66 If the number of the voting shares represented by the shareholders intending to attend the meeting is more than half of the total number of voting shares of that class, the Company may hold the class meeting of shareholders. If not, the Company shall within 5 days inform the shareholders once again of the matters to be considered at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class meeting.

Article 67 The notice of class meeting of shareholders shall be delivered only to the shareholders entitled to vote thereat.

The procedure for a class meeting shall, to the extent possible, be identical with the procedure for a general meeting. Provisions of the Articles of Association relevant to the procedure for the holding of a general meeting shall be applicable to a class meeting.

Article 68 In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders.

The special procedure for voting by class shareholders shall not apply under the following circumstances:

- (1) Where the Company issues domestic shares and overseas-listed foreign shares, upon approval by a special resolution of its shareholders at a general meeting, either separately or concurrently once every 12 months, not exceeding 20% of each of the existing issued domestic shares and overseas-listed foreign shares of the Company;
- (2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council; or
- (3) Where with the approval by the securities regulatory authorities of the State Council the shareholders who hold the unlisted shares of the Company cause these shares held by them to be listed and traded on an overseas stock exchange.

Chapter 8 Supplementary Provisions

Article 69 Terms “over”, “not exceed” and “within” shall include the number itself and the terms “beyond”, “less than” and “more than” shall not include the number itself.

Article 70 The procedural rules of the shareholders' general meeting shall serve as an annex to the Articles of Association and shall be formulated by the Board, be approved by the shareholders' general meeting and be interpreted by the Board.

Article 71 This procedural rules of the shareholders' general meeting shall be effective and implemented from the date upon approval by the shareholders' general meeting.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Article 1 Objectives

In order to further standardize the proceedings of and decision-making by the board of directors of Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司) (hereinafter referred to as the “Company”), facilitate the directors and the board of directors to perform their duties more efficiently and to improve the level of standardized operation and scientific decision making of the board of directors, these Rules are hereby formulated in accordance with requirements of laws, regulations, regulatory documentations such as the Company Law of the PRC (hereinafter referred to as the “Company Law”), the Securities Law of the PRC (hereinafter referred to as the “Securities Law”), State Council’s Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and the Articles of Association of the Company.

Article 2 Special Committees

The Board shall establish special committees of the Board including strategy, audit, nominating, remuneration committees according to relevant requirements, as well as other special committees the Board may deem necessary.

Article 3 Secretary of the Board

The Company has one Secretary of the Board appointed by the Board. His/her primary responsibilities include:

- (1) to ensure that the Company has complete organizational documents and records;
- (2) to ensure that the Company prepares and delivers the reports and documents required by competent authorities in accordance with the laws;
- (3) to ensure that the Company’s registers of shareholders are properly maintained and ensure that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay;

Article 4 Board Office

A Board office has been established under the Board to deal with daily affairs of the Board.

The Secretary of the Board shall serve concurrently as the officer in charge of the Board office and keep the seals of the Board and the Board office.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 5 Composition of the Board

The Company has established a Board that comprises 5 to 19 Directors, including one Chairman. There is no Vice Chairman. Among which, external directors (means a Director that does not take office in the Company) shall take up at least one-half of the Board members and there shall be at least three independent directors, taking up at least one-third of the Board members.

Article 6 Election of Directors and Term of Office

Directors shall be elected at general meetings. The term of office of the Directors shall be three years. Upon maturity of the current term of office, a Director shall be eligible to offer himself for re-election and re-appointment. The Chairman shall be elected or removed by more than one-half of all Directors. The term of office of the Chairman shall be three years. Upon maturity of the current term of office, the Chairman shall be eligible to offer himself for re-election and re-appointment. The term of independent directors of the Company shall not exceed 6 years on a consecutive basis, unless otherwise provided by the law, regulations and listing rules of the stock exchange at the location where the Company's shares are listed.

Article 7 Functions and Powers of the Board

The Board is accountable to the general meetings, and shall exercise the following functions and powers:

- (1) To be responsible for the convening of general meetings and report its work to the general meetings;
- (2) To implement resolutions of the general meetings;
- (3) To decide on the Company's business plans and investment programs as well as its financing programs other than those to be approved by the general meetings in accordance with this Articles of Association;
- (4) To formulate the annual financial budgets and final accounts of the Company;
- (5) To formulate the Company's profit distribution plans and plans on making up losses;
- (6) To formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;
- (7) To formulate plans for the Company's substantial acquisitions and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

- (8) Within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of security on the Company's assets, wealth management entrustment, connected transactions;
- (9) To decide on establishment of internal management organizations of the Company;
- (10) To appoint or dismiss general manager and secretary to the Board, to appoint or dismiss senior management including vice general manager(s) and the person in charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations and rewards and punishments;
- (11) To formulate the basic management system of the Company;
- (12) To formulate proposals to amend this Articles of Association;
- (13) To manage information disclosure of the Company;
- (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 work reports submitted by the general manager of the Company either on regular or ad hoc basis and review his work;
- (16) To review any major transactions, very significant disposals, very significant acquisitions and reverse takeover of the Company under the Listing Rules of which the securities are listed and submit to the shareholders for approval;
- (17) To approve any disclosable transactions other than major transactions, very significant disposals, very significant acquisitions and reverse takeover of the Company under the Listing Rules of which the securities are listed;
- (18) To approve connected transactions which are not required to be approved by the general meeting or announced under the Listing Rules of which the securities are listed;
- (19) To review connected transactions which are required to be approved by the general meeting under the Listing Rules of which the securities are listed;
- (20) Other powers and duties authorized by the laws, administrative regulations, department rules, Listing Rules of which the securities are listed, the general meeting or this Articles of Association.

Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 8 Functions and Powers of the Chairman

The Chairman shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;
- (2) to check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) to exercise other duties and powers assigned by the Board or required by the Listing Rules of which the securities are listed.

If the Chairman is unable to perform his duties, the Director designated by the chairman shall perform his duties.

Article 9 Number of Meetings

Board meetings are categorized into regular meetings and extraordinary meetings. The Board shall convene at least one regular meeting each in the first and second half of a year. The Board shall convene at least four meetings a year. The Chairman shall convene the meetings and notify all Directors at least 14 days before the meeting. The Chairman shall convene and preside over an extraordinary Board meeting within ten days upon receipt of a proposal under any of the following circumstances:

- (1) when the Chairman considered necessary or proposed by the general manager;
- (2) proposed by Shareholders representing more than one-tenth of voting rights;
- (3) proposed by more than one-third of the Directors;
- (4) proposed by more than one-half of independent Directors;
- (5) proposed by the Supervisory Committee.

The Company shall hold an annual meeting of non-executive directors only (including independent non-executive directors) that the chairman shall preside over to review the operational conditions of the Company independently.

Article 10 Proposal of Regular Meetings

Before giving the notice on convening a regular meeting, the Board office shall fully consult all Directors to form the initial proposal and then submit it to the Chairman for approval.

The Chairman, if necessary, shall consult the managers or other senior management officers before finalizing the proposal.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 11 Extraordinary Meetings

In any of the following circumstances, the Board shall convene an extraordinary meeting:

- (1) proposed by Shareholders representing more than one-tenth of voting rights;
- (2) jointly proposed by more than one-third of the Directors;
- (3) proposed by the Supervisory Committee;
- (4) when the Chairman considered necessary;
- (5) proposed by more than one-half of independent Directors;
- (6) proposed by the managers;
- (7) required by the securities regulatory authorities;
- (8) other circumstances as specified by the Company's Articles of Association.

Article 12 Proposal Procedures of Extraordinary Meetings

Where an extraordinary meeting is proposed as preceding article stipulates, a written proposal (affixed with the seal) shall be presented by the proposer through the Board office or directly to the Chairman. The written proposal shall contain the following items:

- (1) name(s) of the proposer(s);
- (2) reason for the proposal or objective proposal-based reason;
- (3) time or time frame, venue or manner of the proposed meeting;
- (4) clear and specific proposal;
- (5) contact of the proposer(s), date of the proposal, etc.

Content of the proposal shall be relevant to the matters within the functions and powers of the Board specified in the Company's Articles of Association. The materials relevant to the proposal should be submitted together.

Upon receiving the above written proposal and relevant materials, the Board office shall present them to chairman on the same day. If the Chairman believes the proposal is not clear or specific, or the related materials are inadequate, the proposer may be requested to make modification or supplementation.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

The Chairman shall convene and preside over a Board meeting within ten days upon receipt of the proposal or required by securities regulatory authorities.

Article 13 Convening and Presiding over Meetings

The Board meeting shall be convened and presided over by the chairman. In the event that the chairman of the Board is unable to or fails to perform his duties, a director jointly recommended by more than half of the directors shall convene and preside over the meeting.

Article 14 Notice of Meeting

Notice of a regular meeting and extraordinary meeting shall be given to all Directors, supervisors, managers and secretary of the Board 14 days and 3 days before the date of meeting. The Board office shall send the written notice of meeting to all Directors, supervisors, managers and secretary of the Board by hand, fax, e-mail or other means. Where the notice is not served by hand, telephone acknowledgement and records shall be made accordingly.

Under emergency situations where an extraordinary meeting needs to be convened as soon as possible, notice of the meeting may be given by telephone or by other means of verbal communication at any time. The convener shall provide an explanation for such action at the meeting.

Article 15 Content of the Notice of Meeting

Written notice of the Board meeting shall at least include:

- (1) time and venue of the meeting;
- (2) method by which the meeting is held;
- (3) matters to be discussed (the motions);
- (4) the convener and the chairman of the meeting, the person who proposes the extraordinary meeting of the Board and his written proposal;
- (5) meeting materials necessary for voting of the Directors;
- (6) request of the Directors to attend the meeting in person or by proxy;
- (7) contact person and the contact information;
- (8) issue date of the notice.

Verbal notice shall at least include the information of the aforesaid item (1) and (2) and the explanations on holding the extraordinary meeting of the Board under emergency situations.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 16 Changes on the Notice of Meeting

After the delivery of the written notice of the regular Board meeting, if there are changes in matters including the convening time and place of the meeting or the adding, changing and cancelling of meeting proposals, written notice for the change shall be sent, stating the explanation and relevant content and materials of new proposals within 3 days before the original convening date of the meeting. If the meeting is to be held in less than 3 days, the meeting date shall be delayed accordingly or be held as schedule after approved by all Directors.

After the delivery of the written notice of the extraordinary meeting of the Board, if there are changes in matters including the convening time and place of the meeting or the adding, changing and cancelling of meeting proposals, the approval by all Directors shall be made in advance and relevant records shall also be taken.

Article 17 Convening of Meetings

Board meetings shall only be held only if more than one-half of the Directors are present. If relevant Directors refuse to attend the meeting or are negligent in attending the meeting, which causes the number of attendees fail to meet the requirement for the minimum number of attendees for the convening of the meeting, the Chairman and Secretary of the Board shall report to regulatory bodies in time.

Supervisors may sit in on the Board meetings; whereas the general managers and Secretary to the Board who are not Directors shall sit in on the Board meeting. The chairman of the meeting may inform other personnel to sit in on the Board when considered necessary.

Article 18 Attending in Person or by Proxy(ies)

The Directors, in principle, shall attend the Board meetings in person. Any Director who fails to attend the meeting due to certain reasons shall review the meeting materials and form a clear opinion and may authorize other Director in writing to attend on his/her behalf. The instrument shall set forth the scope of authority.

The proxy director shall present the instrument appointing the proxy to the chairman of the meeting, state the details regarding the appointment of proxy in the attendance record and exercise the rights of Directors within the scope of authority. A Director failing to attend the Board meeting in person or by proxy shall be deemed as having waived his voting rights at such meeting.

The instrument appointing a proxy shall specify:

- (1) Names of the appointer and proxy;
- (2) Brief comments of the appointer on each proposal;
- (3) Appointer's scope of authority and voting intention on the proposal;

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

- (4) Appointer's signature, date of the signature, etc.

The appointing director who authorizes another director to sign the written opinions for confirmation of the regular report shall make a special authorization in the instrument appointing the proxy.

The proxy director shall present the instrument appointing the proxy to the chairman of the meeting and state the details regarding the appointment of proxy in the attendance record.

Article 19 Limitations on the Proxy(ies)

Where an appointing director and the proxy director attend the Board meeting, the following principles shall be followed:

- (1) when considering the related transactions, the uninterested director shall not authorize an interested director to attend the meeting, and the interested director shall not accept the appointment by the uninterested director;
- (2) independent directors shall not authorize the non-independent directors to attend the meeting, and the non-independent directors shall not accept the appointment by the independent directors;
- (3) Directors shall not fully authorize other Directors to attend the meeting without giving their personal opinions and voting intentions on the proposal, and the relevant Directors shall not accept full appointment and grant unclearly defined authorization;
- (4) A director shall not accept the appointment made by more than two Directors. Director shall not appoint a Director who has accept the appointment made by two Directors to attend the meeting.

Article 20 Methods of convening a Meeting

The Board meeting shall be held onsite in principle. Extraordinary meetings of the Board may be held by means of communication including telephone conference or video conference provided that Directors can fully express their views, and Directors attending the meetings shall sign on the resolutions. In addition, the Board meeting may also be held onsite in combination with other means.

The Board may accept meetings of the Board in the form of communications over written resolutions to replace meetings onsite. However, such motions must be delivered to each Director by hand, mail, telegraph, email or facsimile. After the Board has delivered the motion to all Directors and that the number of Directors giving consent and signature to the motion has reached the quorum, such motion, if delivered to the secretary to the Board by means of communication referred above, shall become a Board resolution and no convening of the Board meeting shall be required.

For meetings other than onsite meetings, the number of participating Directors shall be calculated by the Directors present in the video, Directors who express opinions by phone, and the valid votes delivered by fax, e-mail or other means within the prescribed period, or the written confirmation submitted by the Directors subsequently to confirm their attendance of the meeting.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 21 Procedures of Meetings

The chairman of the meeting shall seek opinions on each proposal from the participating Directors.

For motions that shall be approved by independent directors in advance according to the applicable regulations, chairman of the meeting shall designate an independent director to read out the written approval opinions of the independent directors before the relevant motions are discussed.

A Director who hinders the normal process of the meeting or affects the speech by other Directors shall be promptly stopped by the chairman of the meeting.

Unless the unanimous consent of all Directors attending the meeting is obtained, the Board meeting shall not vote on proposals not included in the notice of the meeting. The Directors who are entrusted by other Directors to attend the meeting on their behalf shall not vote on proposals not included in the notice of the meeting on behalf of such other Directors.

Article 22 Express of Opinions

Directors shall carefully read the relevant meeting materials, and independently and prudently express their well-informed views.

Directors may, before the meeting, seek information necessary for the decision making from relevant persons from the convener, general manager and senior management members, the special committees, accounting firms and law firms, and also, during the meeting, make recommendations to the chairman of the meeting to invite the aforesaid persons and persons in charge of the aforementioned institutions to explain relevant situations at the meeting.

Article 23 Voting in Meetings

After adequate discussion of each proposal, the chairman shall submit it to voting by the attending Directors as and when appropriate.

Each Director is entitled to one vote, voting by poll shall be taken in a registered or written form.

The voting intention of the Directors shall be divided into the following categories: affirmative, negative or abstaining from voting. The attending Directors shall choose any one of the aforesaid voting intentions. If any Director does not choose any intentions or simultaneously chooses two or more intentions, the chairman of the meeting shall require such Director to make a new choice. If such Director refuses to do so, he/she shall be deemed as abstaining from voting. If any Director leaves the meeting venue midway without returning and thus does not make a choice, he/she shall be deemed as abstaining from voting.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 24 Vote Counting

Upon completion of voting by the Directors attending the meetings, securities administrative representative or relevant staff of the Board office shall promptly collect the votes of the Directors and have them counted by the secretary to the Board under the supervision of a Supervisor or an independent Director.

At an onsite meeting, the chairman of the meeting shall announce the counting result on the spot. In other cases, the chairman of the meeting shall require the secretary to the Board to notify the Directors the voting results before the next working day following the expiry of the voting time limit.

If a Director votes after the chairman of the meeting has announced the voting result or beyond the expiry of the voting time limit, votes by such Director shall not be counted.

Article 25 Formation of a Resolution

Save as the abstaining situation as prescribed under this Article, the proposals considered and the relevant resolutions formed by the Board shall be passed by a simple majority of the Board voting in favor of such resolution. Where the relevant laws, administrative regulations or the Company's Articles of Association have any provisions on approval of more directors in respect of the resolutions formed by the Board, such provisions shall apply.

Any resolution adopted by the Board within its scope of authority in respect of any matters relating to the provision of guarantee in accordance with the Company's Articles of Association shall be approved by a majority of Directors, and by more than two-thirds of the Directors present at the meeting.

If different resolutions conflict with each other in contents and meanings, the resolutions formed later in time shall prevail.

Article 26 Abstain from Voting

In any of the following circumstances, the directors shall abstain from voting on the relevant proposals:

- (1) Where the listing rules of where the securities are listed provide that the Directors shall abstain from voting;
- (2) Where the Directors themselves consider that they shall abstain from voting;
- (3) Where the Company's Articles of Association provide that the directors shall abstain from voting as a result of their connected relationship with the enterprises involved in the proposals.

Where any director is required to abstain from voting, relevant Board meeting may be held when more than half of the uninterested directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested Directors. If the number of uninterested attending Directors is less than three, the relevant proposal shall not be voted on but shall be submitted to the general meeting for deliberation.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 27 No Overstepping of Authority

The Board shall act as authorized by the general meetings and the Company's Articles of Association, and shall not make any resolution beyond its authority.

Article 28 Special Requirement regarding Profit Distribution

Where the issues relating to profit distribution need to be resolved at the Board meeting, the profit distribution proposal to be submitted to the Board may first be submitted to the certified public accountants, who shall be required to produce a draft audit report (all financial data except those involving profit distribution have been determined). After resolving on profit distribution, the Board shall require the certified public accountants to produce a formal audit report, according to which the Board shall resolve on other relevant issues in the regular report based on the formal audit report issued by the certified public accountants.

Article 29 Abandoned Proposal

Where a proposal fails to be passed at a Board meeting, any proposal with the same contents shall not be considered again before the period of one month has lapsed in the absence of any significant changes in the relevant conditions and factors.

Article 30 Suspension of Voting

Chairman of the meeting shall require the subject matter to be postponed for voting at the meeting if more than half of the Directors present at the meeting or more than two independent Directors consider the proposal to be indefinite and unspecific, or where an informed judgement cannot be made due to other reasons including inadequate meeting materials.

Directors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of a proposal.

Article 31 Audio Records of Meetings

Audio records may be made where necessary for the whole process of a Board meeting held onsite, via video or telephone and by other means.

Article 32 Minutes of Meetings

The Board shall record in minutes all conclusion reached in meetings. Minutes shall be signed by all attending Directors, Secretary to the Board and the person taking the minutes. The Directors shall be responsible for the resolutions passed at the Board meeting. Any Director who votes for a resolution which violates the relevant laws, regulations or the Articles of Association and thus resulting in material losses to the Company, shall be liable for compensation to the Company. A Director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting may be exempt from the liability.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Opinions expressed by independent Directors shall be included in the Board resolution.

Article 33 Content of the Minutes of Meetings

The minutes shall include the following information:

- (1) the session number, time, venue and form of the meeting;
- (2) the delivery of the notice of meeting;
- (3) the convener and chairman;
- (4) attendance of Directors in person and by proxy(ies);
- (5) the proposals considered at the meeting, key summaries and major opinions of Directors on relevant issues, and voting intentions on the proposals;
- (6) the voting methods and results for each resolution (the poll results shall set out the numbers of votes for, against or abstained);
- (7) other issues that the attending supervisors consider necessary.

Article 34 Meeting Summary and Resolution Records

In addition to the minutes of meeting, the Secretary of the Board may also arrange the staff members of the Office of the Board to make summarized record of the meeting when necessary, and to make separate records of the resolutions formed at the meeting based on the voting results.

Article 35 Signature of Directors

The attending Directors shall sign their names on the minutes of meeting and record of resolution for confirmation on behalf of themselves or the Directors who appoint them to attend the meeting. If any Director holds dissenting opinions to the minutes of meeting or record of resolution, he/she may make a written note when signing his/her name. Where necessary, the Director may report the same to the regulatory authority or make a public declaration.

If any Director refuses to give confirmation by signature in accordance with the preceding paragraph, nor does he/she express dissenting opinions with written explanation, report his/her dissenting opinions to the regulatory authority or deliver a public declaration, such Director shall be deemed to be in total agreement with the contents of the minutes of meeting and records of resolutions.

Article 36 Announcement of Resolutions

The announcement of the resolutions adopted by the Board shall be made by the Secretary of the Board according to relevant regulations under the listing rules of where the securities are listed. Before the disclosure of an announcement of resolutions, the attending Directors, the persons attending the meeting as non-voting delegates, the personnel for recording and other services, etc. shall be obliged to keep the resolutions confidential.

APPENDIX IX RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 37 Implementation of Resolutions

Chairman of the Board shall procure the relevant persons to implement the resolutions formed by the Board, check the implementation of resolutions, and report at future meetings of the Board the implementation of resolutions adopted.

Article 38 Maintenance of Meeting Archives

The Board meeting archives including meeting notices, meeting materials, attendance lists of the meeting, letter of authorization for appointment of Director's proxy, audio record of the meeting, votes, meeting minutes signed by the attending Directors for confirmation, meeting summary, meeting minutes, announcement of resolutions, shall be kept by the Secretary of the Board.

The meeting archives of the Board meeting shall be kept for ten years or more.

Article 39 Supplementary Provisions

In the Rules, reference to "over" or "more than" shall be inclusive.

These Rules and any amendments thereto are formulated by the Board and shall come into effect from the date of approval at a general meeting.

These Rules shall be subject to the interpretation by the Board.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Article 1 Objectives

In order to further standardize the proceedings of and decision-making by Supervisory Committee of the Company, facilitate the supervisors and the Supervisory Committee to perform their duties more efficiently and improve the corporate governance structure, these Rules are hereby formulated in accordance with requirements of laws and regulations such as the Company Law of the PRC (hereinafter referred to as the “Company Law”), the Securities Law of the PRC (hereinafter referred to as the “Securities Law”), State Council’s Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Code of Corporate Governance for Listed Companies and the Articles of Association of the Company.

Article 2 Office of Supervisory Committee

The Supervisory Committee shall set an office or a department with related functions for handling the daily affairs of the Supervisory Committee.

The chairman of the Supervisory Committee shall take charge of the Office of the Supervisory Committee and keep the seal of the Supervisory Committee. The chairman of the Supervisory Committee may ask the securities administrative representative or other personnel of the Company to assist him in handling daily affairs of the Supervisory Committee.

Article 3 Composition of the Supervisory Committee

The Supervisory Committee comprises of five members, of which one act as chairman of the Supervisory Committee. The term of office of the supervisors shall be three years. Upon maturity of the current term of office, a supervisor shall be eligible to offer himself for re-election and re-appointment.

The Supervisory Committee shall comprise staff representative supervisors, independent supervisors and shareholders’ representative supervisors. Staff representative supervisors shall not be less than one-third of the number of supervisors, external supervisors (supervisors who have not held any position in the Company) shall be more than half of the number of supervisors and there shall be more than two independent supervisors (supervisors who are independent from the shareholders of the Company and have not held any position in the Company).

Supervisors who are not staff representatives shall be elected and removed by general meetings, while staff representative supervisors shall be elected and removed by the staff of the Company democratically.

Article 4 Limitation on Identities of Supervisors

The Company’s Directors, general manager and head of financial department shall not serve concurrently as supervisors.

Article 5 Functions and Powers of the Supervisory Committee

The Supervisory Committee is accountable to the general meetings, and shall exercise the following functions and powers:

- (1) Examine the financial affairs of the Company;
- (2) Supervise the directors, general manager, vice general manager and other senior management to ensure that they do not act in contravention of any laws, administrative regulations, Articles of Association or resolutions of the general meetings during the performance of their functions and make removal proposal in case of any violations;
- (3) Demand redress from Directors, general manager, vice general manager and other senior management should their acts be deemed harmful to the Company's interests;
- (4) Check financial information such as financial reports, business reports and profit distribution schemes to be submitted by the Board to the general meeting, and if there are any queries, engage certified public accountants or practicing auditors in the name of the Company to assist in the review;
- (5) Propose to convene extraordinary meetings, convene and preside over an extraordinary meeting when the Board fails to perform its duty of convening and presiding over the general meeting;
- (6) Negotiate with Directors and senior management or pursue legal actions against the same on behalf of the Company;
- (7) Make proposals on the general meetings;
- (8) Convene extraordinary meetings of the Board;
- (9) Exercise other functions and powers stipulated by the Articles of Association.

Supervisors shall attend Board meetings.

Article 6 Regular Meetings and Extraordinary Meetings of the Supervisory Committee

Meetings of the Supervisory Committee are categorized into regular meetings and extraordinary meetings.

The Supervisory Committee shall convene regular meetings every six months. The Supervisory Committee shall convene an extraordinary meeting within ten days under any of the following circumstances:

- (1) Any supervisor proposes to hold such a meeting;

- (2) The general meeting or Board meeting has passed any resolution which runs counter to relevant laws, regulations, rules, provisions and requirements of the regulatory authority, Articles of Association, resolutions of the general meeting or any other relevant provisions;
- (3) Improper acts of the Directors and senior management may possibly give rise to material damages to the Company or bad impacts on the markets;
- (4) The shareholders lodge a legal action against the Company, Directors, supervisors or senior management;
- (5) The Company, Directors, supervisors or senior management are punished by the securities regulating authority or condemned in public by Stock Exchange;
- (6) The securities regulatory authority requires to hold such meeting;
- (7) If any other circumstance as specified in the Articles of Association occurs.

Article 7 Proposal of Regular Meetings

Before giving the notice of regular meeting of the Supervisory Committee, the office of the Supervisory Committee shall collect proposals from all the supervisors and shall spend at least two days seeking opinions from the staff of the Company. In collecting proposals and seeking opinions, the office of the Supervisory Committee shall state that the Supervisory Committee focuses on supervising the operations of the Company and the conduct of the Directors and senior management, not on making decisions on the operations and management of the Company.

Article 8 Proposal Procedures of Extraordinary Meetings

Where an extraordinary meeting of the Supervisory Committee is proposed by supervisors, a written proposal shall be presented through the office of the Supervisory Committee or directly to the Chairman of the Supervisory Committee. The written proposal shall contain the following items:

- (1) name(s) of the proposing supervisor(s);
- (2) reason for the proposal or objective proposal-based reason;
- (3) time or time frame, venue or manner of the proposed meeting;
- (4) clear and specific proposal;
- (5) contact of the proposing supervisor(s), date of the proposal, etc.

The Office of the Supervisory Committee shall issue the notice of extraordinary meeting of the Supervisory Committee within three days after the Office or chairman of the Supervisory Committee receives the written proposal of the supervisor.

Where the Office of the Supervisory Committee fails to issue the meeting notice, the proposing supervisor shall report to the regulatory authority in due time.

Article 9 Convening and Presiding over Meetings

Meeting of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee. In the event that the chairman of the Supervisory Committee is unable to or fails to perform his duties, a supervisor jointly recommended by more than half of the supervisors shall convene and preside over the meeting.

Article 10 Notice of Meeting

If a regular meeting of the Supervisory Committee is to be held, the office of the Supervisory Committee shall notify the meeting in writing 10 days in advance, and submit it to all the supervisors by fax, E-mail or other means. Where the notice is not served by hand, telephone acknowledgement and records shall be made accordingly.

The Supervisory Committee may convene an extraordinary meeting of the Supervisory Committee by ways of: telephone, fax or other verbal communications. The time frame of notice of extraordinary meeting of the Supervisory Committee: delivered five days before the meeting of the Supervisory Committee. Where the notice is not served by hand, telephone acknowledgement and records shall be made accordingly.

Under emergency situations where an extraordinary meeting of the Supervisory Committee needs to be convened as soon as possible, notice of the meeting may be given by telephone or by other means of verbal communication at any time. The convener shall provide an explanation for such action at the meeting.

Article 11 Content of the Notice of Meeting

Written notice of meeting of the Supervisory Committee shall at least include:

- (1) time and venue of the meeting;
- (2) method by which the meeting is held;
- (3) matters to be discussed (the motions);
- (4) the convener and the chairman of the meeting, the person who proposes the extraordinary meeting and his written proposal;

- (5) meeting materials necessary for voting of the supervisors;
- (6) request of the supervisors to attend the meeting in person;
- (7) contact person and the contact information;
- (8) issue date of the notice.

Verbal notice shall at least include the information of the aforesaid item (1) and (3) and the explanations on holding the extraordinary meeting of the Supervisory Committee under emergency situations.

Article 12 Methods of convening a Meeting

Meetings of the Supervisory Committee shall be held onsite.

Under emergency situations, meeting of the Supervisory Committee may be held by means of communication including telephone conference or video conference provided that Directors can fully express their views, but the convening supervisor (chairman of the meeting) shall make explanations to the attending supervisors the particulars about the emergency. In the case of voting by communications, the supervisors shall fax to the office of the Supervisory Committee their written and signed opinions and voting intents on the matters to be considered.

Article 13 Convening of Meetings

Meetings of the Supervisory Committee shall only be held only if more than two-thirds of the supervisors are present. Supervisors shall attend the meetings of the Supervisory Committee in person. Where a supervisor is unable to attend a meeting for any reason, he may by a written power of attorney appoint another supervisor to attend the meeting on his behalf. The power of attorney shall set out the scope of authorization.

If relevant supervisors refuse to attend the meeting or are negligent in attending the meeting, which causes the number of attendees fail to meet the requirement for the minimum number of attendees for the convening of the meeting, other supervisors shall report to regulatory bodies in time.

Secretary of the Board and securities administrative representatives shall sit in meetings of the Supervisory Committee.

Article 14 Procedures of Meetings

The chairman of the meeting shall seek opinions on each proposal from the participating supervisors.

The chairman of the meeting shall, as proposed by supervisors, require Directors, senior management, other staff of the Company or business personnel of relevant intermediary agencies to attend the meeting and answer questions.

Article 15 Resolutions of Supervisory Committee

Each supervisor is entitled to one vote, voting by poll shall be taken in a registered or written form.

The voting intention of the supervisors shall be divided into the following categories: affirmative, negative or abstaining from voting. The attending supervisors shall choose any one of the aforesaid voting intentions. If any supervisor does not choose any intentions or simultaneously chooses two or more intentions, the chairman of the meeting shall require such supervisor to make a new choice. If such supervisor refuses to do so, he/she shall be deemed as abstaining from voting. If any supervisor leaves the meeting venue midway without returning and thus does not make a choice, he/she shall be deemed as abstaining from voting.

Resolutions of the meeting of the Supervisory Committee shall be approved by more than two-thirds of the members of the Supervisory Committee.

Article 16 Audio Records of Meetings

Audio records may be made where necessary for the whole process of a meeting of the Supervisory Committee.

Article 17 Minutes of Meetings

The Office of Supervisory Committee shall keep minutes of onsite meetings. The minutes shall include the following information:

- (1) the session number, time, venue and form of the meeting;
- (2) the delivery of the notice of meeting;
- (3) the convener and chairman;
- (4) attendance of meeting;
- (5) the proposals considered at the meeting, key summaries and major opinions of supervisors on relevant issues, and voting intentions on the proposals;
- (6) the voting results for each resolution (the poll results shall set out the numbers of votes for, against or abstained);
- (7) other issues that the attending Directors consider necessary.

For a meeting of Supervisory Committee held by communications, the Office of the Supervisory Committee shall sort out the meeting minutes as per the preceding provision.

Article 18 Signature of Supervisors

The attending supervisors shall sign their names on the minutes of meeting for confirmation. If any supervisor holds dissenting opinions to the minutes of meeting, he/she may make a written note when signing his/her name. Where necessary, the supervisor may report the same to the regulatory authority or make a public declaration.

If any supervisor refuses to give confirmation by signature in accordance with the preceding paragraph, nor does he/she express dissenting opinions with written explanation, report his/her dissenting opinions to the regulatory authority or deliver a public declaration, such supervisor shall be deemed to be in total agreement with the contents of the minutes of meeting.

Article 19 Announcement of Resolutions

The announcement of the resolutions adopted by the Supervisory Committee shall be made by the Secretary of the Board according to relevant regulations under the listing rules of where the securities are listed.

Article 20 Implementation of Resolutions

Supervisors shall procure the relevant persons to implement the resolutions formed by the Supervisory Committee. Chairman of the Supervisory Committee shall report at future meetings of the Supervisory Committee the implementation of resolutions adopted.

Article 21 Maintenance of Meeting Archives

The archives of meetings of the Supervisory Committee including meeting notices, meeting materials, attendance lists of the meeting, audio record of the meeting, votes, meeting minutes signed by the attending supervisors for confirmation, announcement of resolutions, shall be kept by dedicated personnel appointed by chairman of the Supervisory Committee.

The materials of meetings of the Supervisory Committee shall be kept for ten years or more.

Article 22 Supplementary Provisions

Any matters not covered by these Rules shall be dealt with in accordance with relevant requirements of the Procedural Rules of the Board of the Company.

In the Rules, reference to “over” or “more than” shall be inclusive.

These Rules and any amendments thereto are formulated by the Supervisory Committee and shall come into effect from the date of approval at a general meeting.

These Rules shall be subject to the interpretation by the Supervisory Committee.

APPENDIX XI WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Chapter 1 General Provisions

Article 1 To further improve the governance structure of Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司) (the “Company”), establish modern corporate systems, optimize the structure of the board of directors, protect the interests of minority shareholders and stakeholders and promote the standardized operation of the Company, these Working Rules for Independent Directors (these “Working Rules”) are formulated pursuant to relevant requirements 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 other relevant laws and provisions, and the Articles of Association of Shanghai Haohai Biological Technology Co., Ltd.* (the “Articles of Association”).

Article 2 Independent directors shall perform their duties independently and fairly and free from any influence by the substantial shareholders and actual controllers of the Company or any entities or individuals that have interest with the Company. In the event that the independence of any independent director being affected by a resolution proposed, he shall make a declaration and abstain from discussion and voting. In the event the independence of an independent director being apparently affected by any condition during his office, he shall inform the Company immediately and tender resignation.

Article 3 Independent directors shall have the obligation to act in good faith and due diligence towards the Company and all of its shareholders. Independent directors shall perform their duties conscientiously in accordance with the requirements of relevant laws and regulations to protect the overall interests of the Company, and especially pay attention to the legal interests of minority shareholders against any damage.

Article 4 Independent directors shall devote sufficient time to perform their duties. In principle, an independent director shall devote at least ten days to visit the listed company to understand the daily operation, financial management and other standardized operation onsite, and make a statement to the board of directors on whether he will have sufficient time and energy to effectively perform his duties as an independent director.

Chapter 2 Qualifications

Article 5 Independent directors of the Company shall be elected or replaced at the general meeting and responsible for all the shareholders of the Company. Independent directors of the Company shall constitute at least one third of the board of directors and have at least three in number, and at least one of them shall be accounting professional.

APPENDIX XI WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 6 In the event that the number of independent directors fall below the minimum requirement prescribed by Article 5 of these Working Rules as a result of an independent director failing to comply with the abovementioned conditions of independence or being unfit to perform his duties, the Company shall appoint additional independent directors to meet the requirement.

Article 7 Independent directors of the Company and persons intended to serve as independent directors, shall take training courses accepted by securities regulatory authorities in the places where the Company's shares are listed upon request.

Article 8 Independent directors of the Company shall meet the following basic conditions:

- (1) Having the qualifications as a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (2) Being independent as required by Article 10 of these Working Rules;
- (3) Having basic knowledge about operations of companies, and being proficient in relevant laws, administrative regulations, regulations and rules;
- (4) Having experience of more than five years in law, economy, finance, management or other areas that is required to perform the duties of an independent director;
- (5) Having obtained the Qualification Certificate of Independent Directors in accordance with the relevant requirements; where the Qualification Certificate of Independent Directors has not been obtained at the time of their nomination, such independent directors shall undertake in writing to take the next qualification training course for independent directors organized by securities regulatory authorities in the places where the Company's share are listed and obtain the aforesaid qualification certificate;
- (6) Other requirements provided in the Articles of Association.

Article 9 Appointment qualifications of independent director candidates shall comply with the following laws, administrative regulations and departmental rules:

- (1) Requirements in the Company Law for the qualifications of serving as a director;
- (2) Requirements in the Civil Servant Law of the People's Republic of China (《中華人民共和國公務員法》) for civil servants holding concurrent positions;
- (3) Requirements in the Notice on Regulating State Official's Service 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)休後擔任上市公司、基金管理公司獨立董事、獨立監事的通知》) issued by CPC Central Commission for Discipline Inspection and Organization Department of the CPC Central Committee;

- (4) Requirements for members of leader team of colleges and universities holding concurrent positions stipulated in the Opinions on Strengthening the Combat against Corruption and Promotion of Clean Conduct in Colleges and Universities (《關於加強高等學校反腐倡廉建設的意見》) issued by CPC Central Commission for Discipline Inspection, the Ministry of Education and the Ministry of Supervision;
- (5) Provisions of the Interim Measures for the Administration of Insurance Companies' Independent Directors (《保險公司獨立董事管理暫行辦法》) issued by the China Insurance Regulatory Commission (if applicable);
- (6) Requirements in other laws, administrative regulations and departmental rules.

Article 10 An independent director shall be independent. The following persons shall not serve as independent directors:

- (1) The employees of the Company or its subsidiaries and their immediate relatives, major social connections (immediate relatives shall mean spouses, parents, children; major social connections refer to siblings, parents-in-law, daughters-in-law, sons-in-law, spouses of siblings, or siblings of spouses);
- (2) Natural person shareholders or their immediate relatives who directly or indirectly hold more than 1% of the Company's issued shares, or are among the Company's top ten shareholders;
- (3) Persons or their immediate relatives who are employed by the corporate shareholders that directly or indirectly hold more than 5% of the Company's issued shares or the Company's top five corporate shareholders;
- (4) Persons who are employed by the Company's actual controllers or its subsidiaries;
- (5) Persons who provide financial, legal, consulting, or other services to the Company and its controlling shareholders or their respective subsidiaries, including all staff of the project teams of intermediaries that provide services, reviewers at all levels, personnel who sign reports, partners and principal persons in charge;
- (6) Persons who are employed as directors, supervisors or senior management personnel by entities that have substantial business relationships with the Company and the Company's controlling shareholders or their respective subsidiaries, or by the controlling shareholders of such entities;
- (7) Persons in any of the above six items in the previous year;
- (8) Other persons specified by the Articles of Association;
- (9) Other persons identified by the CSRC or the stock exchanges on which the Company is listed.

Article 11 An independent director shall not have bad records. Independent director candidates shall not have the following bad records:

- (1) Administrative penalties imposed by the CSRC in the past three years;
- (2) Within a period of time during which the stock exchange publicly recognized as being unfit to serve as a director of listed companies;
- (3) Publicly condemned by the stock exchange or criticized twice or more in the past three years;
- (4) Failure to attend two consecutive board meetings while serving as an independent director, or failure to personally attend more than one third of the total board meetings in one year;
- (5) Expressing independent opinion that is apparently inconsistent with the facts while serving as an independent director.

Article 12 An independent director may hold independent directorship in a maximum of five companies concurrently in principle, and shall ensure the sufficient time and energy to perform his duties as an independent director in an effective manner.

Article 13 An independent director shall not continue to serve as an independent director of the company proposed to serve for when he has served as an independent director of that company for six consecutive years.

Article 14 The independent director candidate nominated as an accounting professional, shall have extensive accounting expertise and experience, and is at least certified in one of the four categories of qualification: certified public accountant (CPA), senior accountant, accounting associate professor and accounting professional doctorate.

Chapter 3 Nomination, Election and Appointment

Article 15 The board of directors and board of supervisors of the Company or shareholders of the Company individually or jointly hold more than 1% of the issued shares of the Company for more than 180 consecutive days are entitled to nominate independent directors to be elected at the general meeting.

Article 16 Nominators of independent directors shall obtain the consent of the nominees prior to any nomination. The nominator shall fully understand the conditions of his nominee's occupation, education, job position, detailed working experience, and all part-time jobs, and give an opinion on his nominee's qualifications and independence for the position of independent director. The nominee shall make a public declaration that no relationship affecting his independence and objective judgment exists between himself and the Company. Prior to convening the general meetings for the election of independent directors, the board of directors of the Company shall make an announcement regarding the above matters to the general meeting.

APPENDIX XI WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 17 The term of office of an independent director shall be the same as that of other directors. Upon expiry of the term, an independent director may be eligible for reelection, provided that such terms in aggregate shall not exceed six years. The term of office of an independent director shall commence from the date on which relevant resolution is passed at the general meeting and end on the expiry of the current board of directors.

Article 18 If an independent director fails to attend the board meeting in person or authorize another independent director to attend for three consecutive times, the board of directors shall propose to replace such independent directors at the general meeting. Except for the above circumstances and the circumstances that a person cannot serve as a director under the Company Law and the rules of the securities regulatory authorities in the places where the Company's shares are listed, independent directors shall not be dismissed without cause before the expiration of his term of office. In the event that an independent director is dismissed from office before such expiry, the Company shall disclose the same as a special matter to the general meeting. If such dismissed independent director considers that the Company's reasons for dismissal are improper, he may make a public declaration in respect thereof.

Article 19 In the event of failure to satisfy the qualification requirements for independent directors after assuming office, such independent directors shall resign within 30 days from the date of occurrence of such circumstances. If such resignation is not tendered as required, the board of directors shall start the decision-making process within two days to remove such independent directors from their duties as an independent director.

Article 20 An independent director may tender his resignation before his term of office expires by submitting a written resignation report and giving an explanation of the circumstances relevant to his resignation or any details which in his opinion are necessary to bring to the attention of the Company's shareholders and creditors.

If the resignation of an independent director causes the number of independent directors in the Company's board of directors to fall below the minimum requirements specified in the Articles of Association, the resignation of such independent director shall only be effective upon his vacancy being filled. The original nominator of the independent director or the board of directors of the Company shall nominate a new independent director candidate within 90 days from the date of resignation of such independent director. Such independent director shall continue to perform his duties as an independent director in accordance with laws, regulations, regulatory documents, the Articles of Association and these Working Rules until a new independent director is appointed and assume office.

Save for those mentioned above, the resignation of an independent director shall take effect from the delivery of his resignation report to the board of directors.

Chapter 4 Duties and Powers

Article 21 In addition to the duties and powers granted by the Company Law and other relevant laws and regulations, independent directors shall also have the following special powers:

- (1) Material connected transactions (referring to connected transactions between the Company and its connected persons with the total value exceeding RMB3 million or exceeding 5% of the Company's latest audited net assets) shall, after being approved by the independent directors, be submitted to the board of directors for consideration. Prior to independent directors form their judgment, intermediaries may be appointed to issue independent financial adviser reports as the basis for such judgment;
- (2) Propose the appointment or dismissal of accounting firm to the board of directors;
- (3) Request to the board of directors to convene extraordinary general meetings;
- (4) Propose to convene board meetings;
- (5) Engage external auditor firms and consulting firms in an independent manner;
- (6) Publicly solicit voting rights from shareholders prior to a general meeting.

To exercise the above powers, independent directors shall obtain the consent of more than half of all independent directors. In the event that the above proposals are not adopted or the above powers cannot be exercised normally, the Company shall disclose the relevant circumstances.

Independent directors shall constitute more than half of members in each of the audit committee, the nomination committee and the remuneration and assessment committee under the board of directors of the Company.

Article 22 In addition to performing the duties stated above, independent directors shall give independent opinion on the following matters to the board of directors or the general meeting:

- (1) Nomination, appointment and replacement of directors;
- (2) Appointment and dismissal of senior management personnel;
- (3) Remuneration for directors and senior management personnel;
- (4) Any existing or new loans borrowed from the Company by or other funds transfer made by the shareholders, actual controllers or affiliated enterprises of the Company that exceeds RMB3 million or 5% of the Company's latest audited net assets, and whether the Company has taken effective measures to collect the amount due;
- (5) Matters that are deemed by independent directors to be detrimental to the interests of minority shareholders;

- (6) Other matters specified in laws, regulations, rules and the Articles of Association.

With respect to the matters mentioned above, independent directors shall provide one of the following kinds of opinions: a consent opinion, a qualified opinion, a dissenting opinion or a non-comment opinion and the respective reasons for giving such opinions. Where consensus cannot be reached among independent directors, each independent director shall give opinion separately.

Article 23 To ensure the effective performance of duties and powers by independent directors, the Company shall provide the following necessary conditions for independent directors:

- (1) The Company shall ensure that independent directors have the same information right as other directors. Where a major issue is to be decided by the board of directors, the Company shall inform the independent director in advance according to the statutory time and provide sufficient information at the same time. Supplemental materials can be requested in case the independent directors consider that the information provided is insufficient. In the event that two or more independent directors consider that the information is insufficient or the argument is unclear, written joint proposal can be submitted by such independent directors, and shall be adopted by the board of directors, to the board of directors to postpone the Board meeting or postpone the deliberation of such matters. Materials provided to the independent directors by the Company shall be kept by the Company and relevant independent directors for at least five years;
- (2) The Company shall provide the working conditions necessary for the independent directors to perform their duties. The secretary to the board of directors of the Company shall actively assist the independent directors to perform their duties, such as introduction of circumstances and provision of materials. The secretary to the board of directors shall deal with the relevant matters in respect of the announcement at the stock exchange in a timely manner where the independent opinion, proposals and written explanations of the independent directors are required to be announced;
- (3) When the independent directors exercise their duties and powers, the relevant staff of the Company shall cooperate positively and shall not refuse, obstruct or conceal or interfere with the independent directors to exercise their powers independently;
- (4) The Company shall bear the expenses incurred by an independent director in engaging intermediary parties and other expenses required to exercise his duties and powers;
- (5) The Company shall offer appropriate allowances to independent directors. The rate of such allowances shall be proposed by the board of directors for consideration and approval at the general meeting;

Save for the above allowances, independent directors shall not receive any other additional and undisclosed benefits from the Company and its substantial shareholders or interested parties and persons;

- (6) The Company may establish the requisite system of liability insurance for independent directors to mitigate the risks that may arise in the normal performance of their duties.

APPENDIX XI WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 24 Independent directors shall take the initiative to perform their obligation of due diligence and engage intermediary institution to conduct special investigation when necessary in case of the following events:

- (1) Failure to submit material matter to the board of directors for consideration as required;
- (2) Failure to perform the obligation of information disclosure in a timely manner;
- (3) False record and misleading statement or material omission in public information;
- (4) Other conditions that may constitute possible violation of laws, regulations or undermining the rights and interests of the public shareholders.

Article 25 Independent directors of the Company shall submit work report stating their performance of duties to the general meeting. The work report shall include (but not limited to) the following content:

- (1) Times for attending board meetings and general meetings in the previous year, as well as the voting;
- (2) Expression of independent opinions;
- (3) Work performed for protecting the legal interests of shareholders;
- (4) Other work performed within the independent directors' duties, such as proposing to convene board meetings, proposing to engage or dismiss accounting firms and independently engaging external auditors and consulting firms.

Article 26 In addition to attend board meetings, independent directors shall ensure sufficient time each year for onsite inspections on establishment and implementation of systems for production, management and internal control of the Company as well as implementation of resolutions of the board of directors.

Chapter 5 Supplementary Provisions

Article 27 For any matters not covered by these Working Rules or any contradiction between these Working Rules and the state's laws and regulations, relevant laws, regulations, rules and the Articles of Association shall prevail.

Article 28 As authorized by the general meeting, the board of directors of the Company shall be responsible for the interpretation of these Working Rules.

Article 29 When used in these Working Rules, the term "more than" shall include the number itself; the term "exceed" shall not include the number itself. The term "related transaction" and "related person" as mentioned in these Working Rules shall have the same meaning as the term "connected transaction" and "connected person" in the Hong Kong Listing Rules.

APPENDIX XI WORKING RULES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 30 Any amendment to these Working Rules shall be proposed by the board of directors for consideration and approval at the general meeting.

Article 31 These Working Rules shall take effect and be implemented from the date on which relevant resolution is passed at the general meeting, except those related to special provisions for domestic listed companies, which are applicable upon the initial public offering and listing of A Shares of the Company.

** for identification purpose only*

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Chapter 1 General Provisions

Article 1 These Rules are formulated pursuant to the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Administrative Measures on Information Disclosure by Listed Companies (《上市公司信息披露管理辦法》) issued by China Securities Regulatory Commission ("CSRC"), the market rules issued by the stock exchanges of listing places, 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》) (the "Listing Rules" of Hong Kong Stock Exchange), Accounting Standards for Business Enterprises (《企業會計準則》), Hong Kong Financial Reporting Standards(《香港財務報告準則》) and other laws, regulations, rules and normative documents as well as the relevant provisions of the Articles of Association of Shanghai Haohai Biological Technology Co., Ltd. (《上海昊海生物科技股份有限公司章程》) (the "Articles of Association"), with a view to govern the connected transactions conducted by Shanghai Haohai Biological Technology Co., Ltd. (上海昊海生物科技股份有限公司) (the "Company"), enhance the level of the Company's standardized operation and safeguard the lawful interests of the Company and all shareholders.

Article 2 A connected transaction shall have a fair price and appropriate procedures for decision-making with standardized information disclosure.

Article 3 The general meeting and the board of directors (the "Board") of the Company shall manage the connected transactions in accordance with the requirements of the regulatory authorities and the relevant provisions of the Articles of Association.

Article 4 The secretary of the Board is responsible for the daily operation of the connected transactions; and other organs are responsible for the specific management of the connected transactions according to their respective duties.

Chapter 2 Scope and Classification of Connected Persons

Article 5 The connected persons of the Company include connected natural person, connected legal person or other entities.

Article 6 The connected persons of the Company include the connected person as defined by domestic securities regulatory authorities (including CSRC and the stock exchanges of listing places, same as below), the connected person as defined by The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") and the connected person as defined under Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards. The "related party" and "related person" referred to herein shall have the same meaning as the "connected party" and "connected person" in the Listing Rules of Stock Exchange.

The connected person as defined by domestic securities regulatory authorities is within the meaning of the Administrative Measures on Information Disclosure by Listed Companies (《上市公司信息披露管理办法》) issued by CSRC and the market rules issued by the stock exchanges of domestic listing places.

The connected person as defined by the Hong Kong Stock Exchange is within the meaning of the Listing Rules of Hong Kong Stock Exchange.

Chapter 3 Reporting of Connected Persons

Article 7 The directors, supervisors and senior management of the Company shall report their connected relationship to the secretary of the Board within ten working days from the date they hold their offices (and the natural person shall do the same within ten working days since they become the substantial natural person shareholders of the Company). In case of any changes to the reported matters, such changes shall be reported within ten working days after the changes occur.

The substantial natural person shareholders referred to in this article represent those natural person shareholders who hold or control more than 5% of the shares or voting rights of the Company.

Article 8 Legal persons or other entities shall report their connected relationship to the secretary of the Board within ten working days from the date they become the substantial non-natural person shareholders of the Company. In case of any changes to the reported matters, such changes shall be reported within ten working days after the changes occur.

The substantial non-natural person shareholders referred to in this article represent those non-natural person shareholders who can directly, indirectly or jointly hold or control more than 5% of the shares or voting rights of the Company.

Article 9 The subsidiaries of the Company shall report the status of their directors, chief executives (including but not limited to general manager, president or chief executive officer), supervisors, substantial shareholders and their respective associates to the secretary of the Board. In case of any changes to the reported matters, such changes shall be reported within ten working days after the changes occur.

Article 10 Natural persons, legal persons or other organizations that undertake the reporting obligations mentioned above shall assure the Company in writing that the reporting content is true, accurate and complete, and shall undertake to indemnify the Company for all losses arising from any false representation or material omission in their reports.

Article 11 A connected natural person shall report the information below:

- (i) Name and identity card number;
- (ii) Description of the connected relationship with the Company (in hierarchy), etc.

A connected legal person or organization shall report the information below:

- (i) Name of the legal person/organization and the code of the legal person organization;
- (ii) Description of the connected relationship with the Company (in hierarchy), etc.

Chapter 4 Information Management of Connected persons

Article 12 The secretary of the Board is responsible for recognizing the connected person of the Company and reporting to the Board and the supervisory committee.

The secretary of the Board shall inform the relevant departments of the Company and its subsidiaries of the connected person it recognized in a timely manner.

Article 13 The departments and subsidiaries of the Company shall timely report to the secretary of the Board if they realize that there are natural persons, legal persons or other entities eligible to be connected persons but they have not yet been recognized, or there are recognized natural persons, legal persons or other entities who are no longer eligible to be connected persons in the ordinary and usual course of business.

Article 14 The departments and institutions related to the management of the connected transactions shall keep the information of the connected persons known to them confidential, and shall not infringe the provisions by using the information of the connected persons to activities other than the management of the connected transactions.

Chapter 5 Definition and Classification of Connected Transactions

Article 15 The “connected transaction” referred to herein represents the transaction between the Company and its subsidiaries and the connected persons of the Company, shall have the same meaning as the “connected transaction” in the Listing Rules of Stock Exchange.

Article 16 The connected transaction includes the connected transaction with connected person as defined by domestic securities regulatory authorities, the connected transaction as defined in the Listing Rules of Hong Kong Stock Exchange and the connected transaction with connected person as defined under Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards.

Article 17 The connected transaction with the connected person includes the connected transaction required to be disclosed promptly, connected transaction required to be submitted to the Board for review and approval and disclosed promptly, and connected transaction required to be submitted to the general meeting for review and approval and disclosed promptly as well as other types of connected transactions.

Article 18 The connected transaction as defined in the Listing Rules of Hong Kong Stock Exchange includes one-off connected transaction and continuing connected transaction.

The continuing connected transaction is connected transaction involving the provision of goods or services or financial assistance, which occur on an ongoing or recurring basis and are expected to extend over a period of time. These transactions are usually conducted in the ordinary and usual course of business of a listed issuer's group.

Article 19 The connected transaction as defined in the Listing Rules of Hong Kong Stock Exchange is categorized as:

- (i) the connected transaction exempts from the reporting, announcement and independent shareholders' approval requirements ("fully-exempt connected transactions");
- (ii) the connected transaction exempts from the independent shareholders' approval, but is subject to the reporting and announcement requirements ("partially-exempt connected transactions");
- (iii) the continuing connected transaction exempt from the reporting, annual review, announcement and independent shareholders' approval requirements ("fully-exempt continuing connected transactions");
- (iv) the continuing connected transaction exempts from the independent shareholders' approval, but is subject to the reporting, annual review and announcement requirements ("partially-exempt continuing connected transactions");
- (v) the connected transaction does not fall within any of the categories set out in paragraphs (i) and (ii) ("non-exempt connected transactions"); and the continuing connected transaction does not fall within any of the categories set out in paragraphs (iii) and (iv) ("non-exempt continuing connected transactions").

Chapter 6 Standards for Review and Disclosure of Connected Transactions

Article 20 According to the rules of the domestic stock exchange at the location where the Company's shares are listed, the connected transaction with the connected person:

- (i) the connected transaction with the transaction amount of RMB0.3 million or above entered into between the Company and/or its subsidiaries and the connected natural person (other than provision of guarantees by the Company and/or its subsidiaries), or connected transaction with the transaction amount of RMB3 million or above entered into between the Company and/or its subsidiaries and the connected legal person or other entities that account for 0.5% or more of the absolute value of the latest audited net assets of the Company (other than provision of guarantees by the Company and/or its subsidiaries) shall be disclosed in a timely manner.

- (ii) the connected transaction entered into between the Company and/or its subsidiaries and a connected person with the transaction amount accounting for 1% or more of the absolute value of the latest audited net assets of the Company (other than provision of guarantees by the Company and/or its subsidiaries) shall be submitted to the Board for review and disclosed timely.
- (iii) the connected transaction entered into between the Company and/or its subsidiaries and a connected person with the transaction amount of RMB30 million or above that account for 5% or more of the absolute value of the latest audited net assets of the Company (other than provision of guarantees by the Company and/or its subsidiaries, the receipt of donation of cash assets by the Company and/or its subsidiaries and the debts for the purpose of releasing the obligations of the Company only) shall be submitted to the general meeting for consideration and disclosed timely.

Where the Company and/or its subsidiaries is intended to enter into a major connected transaction as described in paragraph (iii) above, it should provide with an audit and assessment report in respect of the subject matter of the transaction issued by a securities service agency qualified to carry out securities and futures related businesses. The subject matter involved in such connected transaction as conducted in the ordinary course of business as described in Chapter 7 of these Rules shall be exempt from audit or assessment.

- (iv) the guarantees provided by the Company or its subsidiaries, regardless of the amount, to the connected person shall be timely disclosed after review and approval by the Board and submitted to the general meeting for consideration.
- (v) where the Company or its subsidiaries enters into a connected transaction in the category of “provision of financial assistance other than guarantees” or “entrusted asset management” with the connected person, the transaction amount shall be used as the standard for disclosure, and shall be aggregated in 12 consecutive months based on the transaction classification, and the provisions of paragraphs (i) and (iii) of this article shall apply. The connected transactions, including (1) the transactions with the same connected person; and (2) the transactions with different connected persons below, based on the principle of accumulative calculation for consecutive 12 months, shall apply the provisions of paragraphs (i) and (iii) of this article accordingly.

The same connected person includes a person being under the direct or indirect control of the same legal person or other entity or natural person or having mutual equity control relationship, and a legal person or other entity in which the director or senior management is acted by the same connected natural person.

Any connected transaction for which the decision making process has been performed at a general meeting in accordance with the accumulative calculation principle shall be excluded therefrom.

The Company shall not provide loans directly or through subsidiaries to directors, supervisors and senior management.

- (vi) where the Company and/or its subsidiaries and the connected person establish a company in the manner of joint investment, the total amount contributed by the Company and/or its subsidiaries shall be deemed as the transaction amount and the provisions of paragraphs (i), (ii) and (iii) of this article shall apply accordingly.
- (vii) where the Company and/or its subsidiaries proposes to waive its capital increase right on a pro-rata basis or pre-emptive right over a company jointly invested with the connected person, the amount involved in waiving the capital increase right or pre-emptive right by the Company and/or its subsidiaries shall be deemed as the transaction amount and the provisions of paragraphs (i), (ii) and (iii) of this article shall apply accordingly.

Where the Company and/or its subsidiaries' waiver of the capital increase right or pre-emptive right may result in changes of the scope of consolidated financial statements of the Company, the Company's latest closing total net assets corresponding to the Company and/or its subsidiaries' proposed waivers of the capital increase right or pre-emptive right shall be deemed as the transaction amount and the provisions of paragraphs (i), (ii) and (iii) of this article shall apply accordingly.

- (viii) the connected transactions which are not required to submit to the Board and the general meetings for consideration according to the laws, rules, normative documents and provisions above shall be finalized upon the approval of the general manager of the Company.

The Company may apply to domestic securities regulatory authorities for exemption from review and disclosure for the connected transactions which are in compliance with relevant provisions.

Article 21 The partially-exempt connected transactions stipulated in the Listing Rules of Hong Kong Stock Exchange shall subject to the reporting, announcement and the approval of the Board; and the partially-exempt continuing connected transactions shall subject to the reporting, annual review, announcement and the approval of the Board.

The non-exempt connected transactions stipulated in the Listing Rules of Hong Kong Stock Exchange shall subject to the reporting, announcement and the independent shareholders' approval requirements; and the non- exempt continuing connected transactions shall subject to the reporting, annual review, announcement and the independent shareholders' approval requirements.

Please refer to the original text of the Listing Rules of Hong Kong Stock Exchange and its latest version as amended from time to time for specific standards of review and disclosure.

Article 22 The Company will aggregate a series of connected transactions as stipulated in the Listing Rules of Hong Kong Stock Exchange and treat them as if they were one transaction if they were all completed within a 12-month period or are otherwise related. In such cases, the Company must comply with the requirements for the relevant classification of the connected transactions when aggregated. If the connected transaction is a series of asset acquisitions and the aggregation of such acquisitions may constitute a reverse takeover action, the period for aggregation will be 24 months.

In accordance with provisions of the Listing Rules of Hong Kong Stock Exchange, factors which the Company may take into account in judging whether connected transactions will be aggregated include whether the transactions:

- (i) are entered into with the same party or with parties connected;
- (ii) involve the acquisition or disposal of parts of one asset or securities or an interest in one particular company or group of companies; or
- (iii) together lead to substantial involvement by the Company in a business activity which did not previously form a part of the Company's principal business.

Article 23 The Company shall determine the content of disclosure as required by relevant regulatory provisions, Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards, and timely provide relevant materials to regulatory bodies as required.

Chapter 7 Procedures for Review, Disclosure and Reporting of Connected Transactions

Article 24 According to the rules of the domestic stock exchange at the location where the Company's shares are listed, the connected transaction with the connected person:

- (i) any connected transaction subject to consideration by the Board and timely disclosure shall be reviewed by the secretary of the Board and if approved, submitted to the Board for approval; provided that it shall be approved in writing by more than half of the independent directors before it is submitted to the Board for discussion. The independent directors shall express opinions in writing on the fairness of connected transactions and the implementation of the internal examination and approval procedure.

The independent directors may engage an independent financial adviser to issue a report to support their decisions.

- (ii) any major connected transaction subject to consideration and approval at the shareholders' general meeting shall provide with an audit or assessment report in respect of the subject matter of the transaction issued by a securities service agency qualified to carry out securities and futures related business in accordance with the relevant requirements of CSRC and the market rules issued by the stock exchanges of listing places. The subject matter involved in such connected transaction as conducted in the ordinary course of business shall be exempt from audit or assessment subject to the relevant requirements of the SSE.

Article 25 According to the rules of the domestic stock exchange at the location where the Company's shares are listed, the ordinary connected transaction with the connected person:

- (i) for the ordinary connected transaction conducted for the first time, the Company and/or its subsidiaries shall enter into written agreement with the connected person and make prompt

disclosure, and submit the agreement to the Board or the shareholders' general meeting for consideration based on the total transaction amount involved. In the absence of such total transaction amount, the agreement shall be submitted to the shareholders' general meeting for consideration.

- (ii) where there are lots of ordinary connected transactions in various categories, the Company may make reasonable estimation on the total amount for the ordinary connected transactions to be conducted by the Company and its subsidiaries during the year by category before disclosure in the annual report for the previous year and submit the estimation to the Board or the shareholders' general meeting for consideration and disclose thereof.

The Company shall disclose the ordinary connected transactions that fall within the scope of such estimation in the annual report and interim report. Any excess of the total transaction amount over such estimation shall be re-submitted to the Board or the shareholders' general meeting for consideration and make disclosure based on the exceeded amount.

Article 26 The Company shall distinguish the categories of connected transactions according to the testing methods of the Listing Rules of Stock Exchange and shall accordingly comply with or be exempt from the reporting, announcement and independent shareholder's approval requirements on entering into agreements.

Article 27 Where the Board, independent directors reviewed and expressed their opinions on a connected transaction, a director who has a connected relationship with the connected transaction ("connected director") shall abstain from voting and shall not exercise any voting rights on behalf of other directors. The Board meeting may be held if more than half of the non-connected directors present. The resolutions of the board meeting shall be passed by more than half of non-connected directors. If less than three non-connected directors attended the Board meeting, such transaction shall be submitted to the shareholders' general meeting for consideration.

The connected directors include the following directors or any director falling within the scope of any of the following circumstances:

- (i) a counterparty;
- (ii) a person directly or indirectly controls the counterparty;
- (iii) a legal person or other entity who holds the office in the counterparty or can directly or indirectly control the counterparty or is directly or indirectly controlled by the counterparty;
- (iv) a close family member of the counterparty or a party that directly or indirectly controls the counterparty;

- (v) a close family member of a director, supervisor or senior management of the counterparty or a party that directly or indirectly controls the counterparty;
- (vi) a director considered by any regulatory authority or the Company on basis of the principle of substance over form that its independent business judgment may be affected.

Article 28 For the connected transaction that is subject to consideration at the shareholders' general meeting, the shareholders associated to such connected transaction ("connected shareholders") shall abstain from voting and any shares with voting rights represented by them shall not be counted as total effective voting shares; and they may not exercise the voting right on behalf of other shareholders.

The connected shareholders include the following shareholders or any shareholder falling within the scope of any of the following circumstances:

- (i) a counterparty;
- (ii) a person directly or indirectly controls the counterparty;
- (iii) a person directly or indirectly controlled by the counterparty;
- (iv) a person under a direct or indirect common control of the same legal person or natural person with the counterparty;
- (v) a member whose voting right is restricted and affected as a result of an outstanding share transfer agreement or other agreement with the counterparty or its connected person;
- (vi) a member considered by the regulatory authorities that he or she is benefited from the Company's interests.

Article 29 The connected directors and connected shareholders shall abstain from voting and put to vote in accordance with the provisions of the regulatory authorities and relevant requirements of the Articles of Association.

Article 30 The supervisory committee shall oversee the review, voting, disclosure and performance of a connected transaction and shall express its view in the annual report.

Chapter 8 Performance of Connected Transactions

Article 31 The Company and/or its subsidiaries shall enter into a written agreement with counterparty in relation to a connected transaction to the extent authorized in accordance with the approval conditions. A connected transaction agreement shall have principal terms, including transaction price and settlement method, pricing principle and basis, total transaction amount or specific determination method, time and method of payment, conditions and time of effectiveness of the agreement and period for performance. Any individual may only represent one of the parties to enter into the agreement.

Article 32 In case of any substantial changes to the principal terms of a connected transaction agreement in performance thereof or any renewal upon expiry thereof, the Company and/or its subsidiaries shall submit the amended or renewed connected transaction agreement to the competent authorities for approval.

Article 33 If the term of the connected transaction agreement entered into with the connected person in the ordinary and usual course of business exceeds three years, it shall be subject to the relevant approval procedures and disclosure obligations every three years based on total transaction amount under the agreement.

The connected transaction agreement entered into in the ordinary and usual course of business shall include pricing policy and basis, transaction price, range of total transaction amount or determination method of total transaction amount, time and method of payment, and comparison with actual amount of similar connected transaction agreements entered into in the ordinary and usual course of business over the past three years.

In case of any substantial changes to the principal terms of a connected transaction agreement entered into in the ordinary and usual course of business in performance thereof or any renewal upon expiry thereof, the Company and/or its subsidiaries shall submit the amended or renewed agreement to the Board or shareholders' general meeting for approval based on total transaction amount under the agreement and disclose in a timely manner. Any agreement without stating the total transaction amount shall be submitted to the shareholders' general meeting for review and approval and disclosed in a timely manner.

Article 34 In case of partially-exempt continuing connected transactions and non-exempt continuing connected transactions entered into with a connected person, the Company and/or its subsidiaries must enter into a written agreement in respect of the continuing connected transactions with the counterparty. The agreement must set out the basis of the calculation of the payments to be made. The period for the agreement must be fixed and reflect normal commercial terms and, except in special circumstances, must not exceed 3 years.

The Company and/or its subsidiaries shall, in respect of each connected transaction, set a maximum aggregate annual transaction amount and specify its calculation basis. The Company shall disclose its basis for calculation.

When a connected person no longer meets the conditions of waiver, the Company shall comply with all applicable reporting, annual review, announcement and independent shareholders' approval requirements for its subsequent continuing connected transactions with the connected person, unless as otherwise provided by Hong Kong Stock Exchange.

Article 35 A written agreement for the transaction shall be entered into with a connected person to set out the pricing policy of the connected transactions. If there is any material change to the key terms of the connected transaction, such as the transaction price, the Company shall carry out the review and approval procedures again based on the revised transaction amount.

The pricing of such connected transaction shall be fair and conducted by reference to the following principles:

- (i) if a government-set price is applicable to the subject matter of the transaction, such price may be adopted directly;
- (ii) if a government guidance price is applicable to the subject matter of the transaction, the price for the transaction may be set reasonably within the range of the government guidance price;
- (iii) if in addition to the government-set price or government guidance price, there is an independent third-party market price or charging rate that is comparable, such price or rate may be used as priority reference for the pricing of the transaction;
- (iv) if there is no comparable independent third-party market price applicable to the subject matter of the connected transaction, the price at which the connected person enters into a non-connected transaction with a third party independent of the connected person may be used as reference for the pricing of the transaction;
- (v) if no independent third-party market price or price for independent non-connected transaction is available for reference, a composition price may be set on the basis of a reasonable price, which is made up of a reasonable cost plus a reasonable profit.

Article 36 When setting the price for a connected transaction based on paragraph (3), (4) or (5) of the preceding article, the Company and/or its subsidiaries may use one of the following pricing methods, depending on the nature of the connected transaction:

- (i) cost-plus method, which prices a connected transaction at the reasonable cost of the transaction plus the gross profit of a comparable non-connected transaction, and which is applicable to procurement, sale, transfer and use of tangible assets, provision of services, financing and other connected transaction;
- (ii) resale price method where the fair price at which the connected person purchases goods is the price at which it resells the goods to a non-connected person less the gross profit of a comparable non-connected transaction. This method applies to the simple processing of goods by the reseller other than any substantial value-added processing that changes the look, property, structure or trademark of the goods, or the outright purchase and sale of the same;
- (iii) comparable uncontrolled price method, which prices a connected transaction at the level for a business activity between non-connected persons the same as or similar with the connected transaction in question. This method applies to all the types of connected transaction;

- (iv) transactional net margin method, which determines the net margin of a connected transaction using the margin of a comparable non- connected transaction. This method is applicable to procurement, sale, transfer and use of tangible assets, provision of services, and other connected transactions;
- (v) profit split method, which calculates attributable profits of the Company and/or its subsidiaries and its connected persons based on their respective contribution to the consolidated profit in connection with the connected transaction. This method is applied where a connected transaction is highly integrated and where the results of the transaction are difficult to be assessed separately for each party to the transaction.

Article 37 Where the Company fails to determine the price of the connected transaction with the connected person based on the above methods, the principles and methods for determining the price of the connected transaction shall be disclosed and the fairness of such proving shall be stated.

Article 38 The Company shall not engage an accounting firm controlled by a connected person to provide audit services to the Company.

Article 39 The Company and/or its subsidiaries shall collect and verify any information relating to the management of connected transactions including information of shareholders and the ultimate controller of the counterparty and their equity investments.

Chapter 9 The Supervision of Connected Transactions

Article 40 Supervision Mechanisms

- (i) Before the Company signs any agreement, the person responsible for executing the contract must consider all disclosable information, including but not limited to information related to transactions to be reported and related transactions. If the person is uncertain whether the matter belongs to disclosable information, he/she must immediately consult the secretary of the Board of the Company. If the secretary of the Board of the Company is also uncertain, he/she must immediately consult relevant independent advisors.
- (ii) The key management personnel of each functional department should continuously monitor business activities and report any potential disclosable information in due course.
- (iii) The secretary of the Board shall review the financial reports and budgets on a monthly basis and identify potential issues that should be brought to the attention of the Board.
- (iv) The management and department heads should record and report potential disclosable information communicated with the secretary of the Board and identify potential events related to business activities and should be brought to the attention of the Board.

- (v) The management and department heads should try to ensure that employees complete their business functions while focusing on relevant information that is or will be understood as disclosable information and in a form of email or official operational report in daily or weekly reports and report to department heads in stages.

Article 41 The regular review is mainly coordinated by the secretary of the Board, to identify important disclosable information. Regular review includes:

- (i) The secretary of the Board shall review the monthly financial statements, which shall include an analysis of the difference between the current figures and the budget, the figures of previous month and the same month last year, to identify any notifiable transaction under the Listing Rules;
- (ii) the secretary of the Board shall send quarterly email to the management, the department heads, to discuss the potential disclosable information regarding to the business operation and changes (if any) to the List of Related Parties identified in each business segment;
- (iii) the secretary of the Board shall send quarterly email to all members of the Board, to discuss the results of the review on, among others, the changes to the List of Related Parties, and to follow up emails regarding to the latest List of Related Parties with the management and department heads;
- (iv) the secretary of the Board shall inform all members of the Board and management and department heads of the updated minimum contract amount by email upon the announcement of financial statements; and
- (v) Where any member of the finance department identifies any factor that may constitute disclosable information prior to the finalization or release (if required) of the annual and interim statements, even if the accuracy of such factor is not clear, such factor or information shall also be reported immediately to the secretary of the Board for further consideration.

Article 42 Major matters during the regular review intervals:

- (i) Where an employee identifies factors, developments or major events that he/she believes to be the current or potential disclosable information, he/she shall promptly report the same to his/her management or department head, who are responsible for assessing the importance of such information according to the latest List of Related Parties and the minimum contract amount, and report to the secretary of the Board (if necessary).
- (ii) Upon receiving formal notification, the secretary of the Board shall assess the importance of such information and determine the appropriate actions to be taken. A Board meeting shall be convened as and when necessary, to consider whether such information constitutes disclosable information and shall be disclosed immediately.

- (iii) The company secretary shall maintain the minutes of the meeting for assessing the disclosable information.
- (iv) The Directors shall seek independent professional advice when necessary, to ensure timely and complete disclosure in accordance with the relevant requirements.
- (v) Where the secretary of the Board is aware of any significant difference between the market forecast of the financial performance of the Group and the Group's internal projection, he/she shall promptly inform the Board. The Board shall consider issuing a warning statement when appropriate.
- (vi) If a matter, development or event is not considered as disclosable information, the chairman of the Board may still consider to disclose such information when appropriate, to facilitate the stakeholder's understanding of the development of the Group. In general, such information shall be published in the form of press release. However, where the Board deems appropriate, it can also publish such information through other communication channels such as group publications or news conference.

Article 43 Accuracy and completeness of information:

- (i) Information to be disclosed shall be accurate and complete in all material respects, not misleading or false. The secretary of the Board responsible for ensuring compliance with disclosure requirements and the Board responsible for ensuring the smooth flow of public news shall both take reasonable steps to demonstrate the accuracy and completeness of the relevant information prior to the public disclosure.
- (ii) The relevant department head who has identified or is tacking with the matter, development or major event to be disclosed shall be responsible for providing the secretary of the Board with accurate details when necessary, for the smooth preparation of the relevant statement or news, and to confirm the accuracy and completeness of such information prior to the public disclosure.

Article 44 Where the Board believes that the disclosable information shall be temporarily reserved for legitimate business purposes (for example, the publication of such information will affect the negotiation of a transaction), such decision shall be recorded by the secretary of the Board. The secretary of the Board shall:

- (i) describe the matters under discussion in the record;
- (ii) clearly expressing the materiality of the matter in the record;
- (iii) state the reasons for the delayed disclosure in the record.

Article 45 Where the Company intends to carry out a disclosable transaction or connected transaction that is subject to the announcement requirement, the Board shall:

- (i) inform the stock exchange of the listing place as soon as possible after the agreement on the terms of the transaction; and
- (ii) submit an announcement to the stock exchange of the listing place as soon as possible for publication.

The secretary of the Board shall be responsible for the reasonable arrangement of the announcement process and obtaining the necessary approvals.

Article 46 All directors, secretary of the Board, management and department heads shall be responsible for cooperating with the employees of the Group to implement these Rules. The duties of the secretary of the Board also include reviewing these Rules and proposing appropriate improvements after consultation with the Group or its functional departments.

Chapter 10 Supplementary Provisions

Article 47 Unless otherwise expressly stated herein, the “independent shareholders” referred to in these Rules represent those shareholders of the Company who are not required to abstain from voting in relation to approval of a particular connected transaction at the general meeting.

The “subsidiaries” referred to in these Rules include:

- (i) any company (including legal person or other organization) in which the Company holds a majority of its issued share capital or controls a majority of its voting rights;
- (ii) any company (including legal person or other organization) of which the Company has control over the majority of its board of directors;
- (iii) any legal person or other organization which is accounted for and consolidated in the audited financial reports of the Company as a subsidiary (including legal or other organization) pursuant to applicable corporate accounting standards.

The “connected persons at the level of subsidiaries” referred to in these Rules represent such persons who become connected persons only due to their respective relationship with one or more subsidiary(ies) of the Company.

“Above” referred to in these Rules includes the current number, while “less than” or “within” do not include the current number.

“Timely” referred to in these Rules means such period of time within two trading days from the commencement day or immediately preceding the time of the disclosure.

Article 48 Any matters which are not covered by these Rules shall be implemented in accordance with the requirements of the relevant PRC laws, regulations, rules, regulatory documents, requirements of the securities regulatory authorities located in where the Company's securities listed and the Articles of Association. In the event of any discrepancies between these Rules and any laws, regulations, rules or regulatory documents promulgated by the state or the Articles duly amended upon legal procedures in the future, the requirements of the relevant state laws, regulations, rules, regulatory documents and the Articles of Association shall prevail, and these Rules shall be amended accordingly in a timely manner and submitted to the general meeting for consideration and approval.

Article 49 These Rules shall be interpreted and amended by the Board of the Company.

Article 50 These Rules shall come into effect and be implemented from the date on which they are considered and approved at the general meeting of the Company, except those related to special provisions for domestic listed companies, which are applicable from the date of the initial public offering and listing of RMB ordinary shares (A Shares).

APPENDIX XIII SPECIAL RULES FOR PREVENTION OF MAJOR SHAREHOLDERS AND RELATED PARTIES TO OCCUPY THE COMPANY'S FUNDS

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Chapter I General Provisions

Article 1 These Rules are formulated pursuant to the relevant provisions of 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 Notice on Several Issues concerning Regulating Fund Transactions between Listed Companies and Their Connected Persons and External Guarantees of Listed Companies (《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》), the Notice on Regulating behaviors of External Guarantees of Listed Companies (《關於規範上市公司對外擔保行為的通知》), 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》) (the "Listing Rules") and the Articles of Association of Shanghai Haohai Biological Technology Co., Ltd. (《上海昊海生物科技股份有限公司章程》) (the "Articles of Association") and in the light of the actual conditions of the Company, with a view to further strengthen and standardize the fund management of Shanghai Haohai Biological Technology Co., Ltd. (上海昊海生物科技股份有限公司) (the "Company") and its subsidiaries, establish a long-term and effective mechanism for precautions against controlling shareholders and connected persons from appropriating funds of the Company and its subsidiaries, eradicate the behaviors of appropriating funds of the Company by controlling shareholders and other connected persons, and protect the legitimate rights and interests of the Company, shareholders and other stakeholders.

Article 2 These Rules are applicable to the fund management between controlling shareholders, actual controllers and other connected persons ("Controlling Shareholders and Connected Persons") of the Company. These Rules apply to the fund transactions between Controlling Shareholders and Connected Persons and subsidiaries of the Company that are included in the Company's consolidated accounting statements. The term "Connected Persons" as used in these Rules refers to the connected persons as defined under Administrative Measures for Information Disclosure by Listed Companies (《上市公司信息披露管理辦法》) and No. 36 "Connected Person Disclosures (《關聯方披露》) and Hong Kong Financial Reporting Standards (《香港財務報告準則》) under Accounting Standards for Business Enterprises (《企業會計準則》) issued by the Ministry of Finance and the connected persons as defined by the stock exchanges of the listing places. If a party has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control, joint control or significant influence from another party, they constitute connected persons.

Article 3 Funds appropriation referred herein includes but is not limited to operating fund appropriation and non-operating fund appropriation. Operating fund appropriation refers to fund appropriation by Controlling Shareholder and Connected Persons through connected transactions in the production and operation segments such as procurement and sales; nonoperating fund appropriation means payments for such expenses as wages, welfares, premiums, advertisement fees, etc. and other expenditures by Controlling shareholders and Connected Persons; payment of fund for repayments of debts on behalf of Controlling shareholders and Connected Persons; loans advanced

APPENDIX XIII SPECIAL RULES FOR PREVENTION OF MAJOR SHAREHOLDERS AND RELATED PARTIES TO OCCUPY THE COMPANY'S FUNDS

directly or indirectly to Controlling Shareholders and Connected Persons, either paid or for free; liabilities arising from the guarantee for Controlling Shareholder and Connected Persons; and other funds provided to the Controlling Shareholder and Connected Persons without the consideration of goods and services.

Article 4 Controlling Shareholders of the Company shall exercise the rights of investors in strict compliance with law, and shall have a fiduciary duty to the Company and public shareholders of the Company. They shall not damage the interests of the Company and the legitimate rights and interests of the public shareholders by means of funds appropriation.

Chapter II Preventing Controlling Shareholders and Connected Persons from Appropriation of the Company's Fund

Article 5 In the course of operating funds transactions between the Company and Controlling Shareholders and Connected Persons, the Company shall strictly prevent Controlling Shareholders and Connected Persons from appropriation of the Company's funds. The Company shall not directly or indirectly provide funds, assets and resources to Controlling Shareholders and Connected Persons in the form of advances such as wages, benefits, insurance, advertisements, etc., and also shall not bear the costs and other expenses for each other.

Article 6 The Company shall not directly or indirectly provide funds for use by Controlling Shareholders of the Company by:

1. lending the Company's funds with or without consideration for use by Controlling Shareholders of the Company;
2. assignment of loans for connected parties through banks or non-banking financial bodies;
3. entrusting controlling shareholders of the Company to carry out investments;
4. issuance of commercial acceptance notes without real transactions background for controlling shareholders of the Company;
5. repaying debts for controlling shareholders of the Company
6. other means as required by CSRC.

Article 7 Connected transactions between the Company and Controlling Shareholders and Connected Persons shall strictly comply with the Articles of Association of Shanghai Haohai Biological Technology Co., Ltd. (《上海昊海生物科技股份有限公司章程》) and the Administrative Rules Governing Connected Transactions of Shanghai Haohai Biological Technology Co., Ltd. (《上海昊海生物科技股份有限公司關聯交易管理制度》) as well as the trading rules of stock exchanges of the listed places etc. for decision making and implementation. When connected transactions occur

**APPENDIX XIII SPECIAL RULES FOR PREVENTION OF MAJOR SHAREHOLDERS
AND RELATED PARTIES TO OCCUPY THE COMPANY'S FUNDS**

between the Company with Controlling Shareholders and Connected Persons, funds approval and payment process shall be strictly implemented according to relevant provisions of connected transaction agreements and funds management, and no abnormal operating fund appropriation shall be developed.

Article 8 The Company shall strengthen and standardize related guarantee activities and strictly control risks of guarantees provided to Controlling Shareholders and Connected Persons. The Company shall not provide guarantee of any form to Controlling Shareholders and Connected Persons.

Chapter III Specific Scope and Measures

Article 9 Directors, supervisors, senior management personnel of the Company and the chairmen and general managers of subsidiaries of the Company shall have legal obligations and responsibilities for maintaining the safety of the Company's funds and properties, and shall perform their duties diligently in accordance with the Articles of Association, the Rules of Procedures for the Board of Directors, the Rules of Procedures for the Supervisory Committee, the Work Rules for General Managers, and the Administrative Rules Governing Connected Transactions.

Article 10 The chairman of the Company is the first person responsible for preventing funds appropriation and settlement of debts resulting from funds appropriation. The general manager of the Company is the directly responsible person, and the person in charge of accounting work and person in charge of the accounting department are the person responsible for the work.

Article 11 The financial department of the Company shall regularly inspect the Company and its subsidiaries, report non-operating funds transactions with the Company's connected persons, and firmly eradicate occurrence of non-operating funds appropriation by connected persons of the Company. The internal audit department conducts regular internal audit work every quarter regarding funds appropriation by connected persons of the Company, supervises and inspects implementation of operating activities and internal control, evaluates the objects and contents of each inspection, and proposes improvement suggestions and handling opinions to ensure the consistent implementation of internal control and normal operation of production and operation activities.

Article 12 When a certified public accountant engaged by the Company audits the Company's annual financial accounting report, it shall conduct a special audit regarding funds appropriation by connected persons of the Company and issue a special explanation, while the Company shall make an announcement thereon.

Article 13 The general meeting, the board of directors and the general manager shall consider and approve the connected transactions carried out by the Company with its connected persons through production and operation segments such as procurement and sales according to their respective authority and duties stipulated in the Administrative Rules Governing Connected Transactions (《關聯交易管理制度》) of the Company. When providing funds to connected persons due to connected transactions, relevant provisions in connected transaction agreement and funds management shall be strictly implemented in accordance with the funds approval and payment procedures, and no abnormal operating funds appropriation shall be established.

Article 14 In case Controlling Shareholders and Connected Persons of the Company encroaching on assets of the Company and harming the interests of the Company and the public shareholders, the board of directors of the Company shall take effective measures to require the Controlling Shareholders to cease the infringement and compensate for the losses. When the Company's connected persons refuse to correct, the Company's board of directors shall promptly report the same to the securities regulatory authority, and if necessary, institute legal proceedings against the Controlling Shareholders and other connected persons, apply for judicial freezing of the shares held by the Controlling Shareholder to protect the legitimate rights and interests of the Company and public shareholders. The supervisory committee of the Company shall supervise the board of directors of the Company in its performance of the above duties. When the board of directors fails to perform its duties, the supervisory committee may perform the duties on its behalf.

Article 15 In case of behaviors of funds appropriation by the Company's Controlling Shareholders and Connected Persons, the Company shall formulate a plan for debt settlement as required by law, and shall report and announce the same to the securities regulatory authority and the exchange in a timely manner as required.

Chapter IV Investigation and Disciplinary Actions

Article 16 Where a Controlling Shareholder or actual controller of the Company violates the provisions of these Rules and uses the connected relationship to appropriate funds of the Company, damages the interests of and causes losses to the Company, it shall be liable for compensation, while the relevant responsible person shall bear corresponding responsibilities. In the occurrence of non-operating funds appropriation and non-compliant guarantees by Controlling Shareholders and Connected Persons due to violation of these Rules by the Company which causes losses to the investors, the Company shall investigate the legal responsibility of the responsible person apart from imposing administrative sanctions and economic penalties on the same.

Article 17 The directors, supervisors and senior management personnel of the Company are obliged to protect the funds of the Company from appropriation by Controlling Shareholders. If the directors, supervisors and senior management personnel of the Company assist the Controlling Shareholders and Connected Persons in and connive the actions of the same to encroach on the assets of the Company, the board of directors of the Company shall, according to the seriousness of the situation, impose disciplinary action on the directly responsible person, and initiate removal of the person with serious responsibility until criminal responsibility is pursued.

Article 18 All directors of the Company shall carefully treat and strictly control debt risks arising from guarantees of Controlling Shareholders and Connected Persons, and shall bear legal responsibilities for losses arising from violations of regulations or improper external guarantees.

Article 19 A system of “moratorium upon appropriation” on shares held by controlling shareholders shall be set up, pursuant to which the Company shall apply for freezing the controlling shareholder’s shareholding in the Company by judicial order immediately upon discovery of any appropriation by the controlling shareholder. If the appropriation cannot be repaid by cash, equities of such party shall be used for such repayment purpose.

Article 20 Funds of the Company appropriated by Controlling Shareholders and Connected Persons shall be settled in cash in principle. In conformity with the prevailing laws and regulations, the Company may explore financial innovative methods for repayment but shall obtain the approvals from relevant authorities in accordance with the requisite legal procedures. The Company shall strictly control the repayment of funds appropriated by Controlling Shareholders and Connected Persons by way of non-cash assets. Where Controlling Shareholders and Connected Persons propose to repay funds of the Company appropriated by them by way of non-cash assets, the relevant responsible person shall perform the internal approval procedures of the Company in advance shall strictly observe relevant state regulations.

Chapter V Supplementary Provisions

Article 21 The right of interpretation of these Rules vests in the board of directors of the Company.

Article 22 These Rules shall become effective upon consideration and approval by the general meeting of the Company and from the date of completion of the Company’s domestic initial public offering.

Article 23 Matters that are not covered by these Rules shall be implemented according to the provisions of relevant laws, administrative regulations and normative documents as well as the Articles of Association. If the relevant provisions of these Rules conflict with the relevant laws, regulations and rules to be issued or amended in the future and the Articles of Association to be amended according to statutory procedures, it shall be implemented according the provisions of such relevant laws, regulations, rules and the Articles of Association. The board of directors shall make timely amendment to these Rules.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Chapter 1 General Provisions

Article 1 In order to regulate the use and management of proceed raised of Shanghai Haohai Biological Technology Co., Ltd. (the “Company”), increase utilising efficiency of proceeds raised, prevent risks in fund use, ensure safety of fund use and protect interest of investors, these Rules are formulated in accordance with the requirements under the PRC Company Law, the Securities Law of the PRC, the Administrative Measures on Initial Public Offerings and Listing of Shares, the Guideline No. 2 on Supervision and Administration of Listed Companies — Regulatory Requirements on Management and Use of Proceeds of Listed Companies (《上市公司監管指引第2號—上市公司募集資金管理和使用的監管要求》), and other relevant laws and regulations, rules and regulatory documents as well as the business rules published by the stock exchange(s) on which the shares of the Company are listed in China and the Articles of Association of Shanghai Haohai Biological Technology Co., Ltd., with reference to actual situation of the Company.

Article 2 For the purpose of these Rules, the term “proceeds” refers to the proceeds raised by the Company through public offering of securities (including the initial public offering, right issue, follow-on offering, issue of convertible corporate bonds and issue of detachable convertible corporate bonds etc.) and private placement to investors, excluding any proceeds raised by the Company through share incentive scheme.

Article 3 The Board of Directors of the Company is responsible for establishing a sound management system for proceeds of the Company and ensuring effective implementation of these Rules. The Management Rules on Proceeds shall have clear requirements on deposit by designated account, use, change, supervision and accountability of proceeds.

The Company’s directors, supervisors and senior management shall, with due diligence and responsibility, oversee the Company in regulating the use of proceeds and consciously safeguard the safety of the Company’s proceeds and shall not participate in, assist or connive at the Company’s unauthorized or disguised change in the use of proceeds.

The Company’s controlling shareholder(s), de facto controller(s) shall not directly or indirectly use or misappropriate the proceeds of the Company or obtain illegitimate interests from the investment projects to be financed by the proceeds (the “Proceeds-financed Projects”).

Where the Proceeds-financed Projects are made by a subsidiary of the Company or other enterprises controlled by the Company, the Company shall ensure the subsidiary or other enterprises controlled by it to comply with its Management Rules on Proceeds.

Article 4 Upon receipt of the proceeds, the Company should conduct verification procedures in a timely manner, and be provided a capital verification report by an accounting firm qualified for securities business.

Chapter 2 Deposit of Proceeds

Article 5 The Company's proceeds shall be deposited into a designated account (the "Designated Account for Proceeds") as opened by the Board of Directors for centralised administration.

The Designated Account for Proceeds shall not be used for deposit of funds other than the proceeds or for other purposes.

Article 6 A tripartite custody agreement (the "Agreement") with respect to the deposit at the Designated Account for Proceeds shall be entered into among the Company, the sponsor(s) and the commercial bank (the "Commercial Bank") with which the proceeds are deposited within one month upon receipt of the proceeds. The Agreement shall set out at least the following:

- (I) The Company shall deposit the proceeds into the Designated Account for Proceeds in a centralised way;
- (II) The Commercial Bank shall provide the Company with bank statements of the Designated Account for Proceeds on a monthly basis and make copies to the sponsor(s);
- (III) If the Company withdraws an amount of more than RMB50 million from the Designated Account for Proceeds once or at multiple times within 12 months and the amount reaches 20% of the total amount of proceeds net of issuance expenses (the "Net Proceeds"), the Company or the Commercial Bank shall notify the sponsor(s) promptly;
- (IV) The sponsor(s) may make inquiries to the Commercial Bank on the Designated Account for Proceeds at any time;
- (V) The sponsor(s)'s duties of supervision, the Commercial Bank's duties of giving notice and coordination, as well as the supervision of the sponsor(s) and Commercial Bank on the Company's use of the proceeds;
- (VI) If the Commercial Bank fails for three times to duly issue a statement of account to the sponsor(s) or inform the sponsor(s) of the withdrawal of a large sum of money from the designated account, and does not facilitate the sponsor(s) in inquiring about and investigating the designated accounts, the Company may terminate the Agreement and cancel the said Designated Account for Proceeds.
- (VII) The rights, obligations and default liabilities of the Company, the Commercial Bank and the sponsor(s).

The Company shall, within two trading days after entering into of such agreement, file with the stock exchange(s) on which its shares are listed in China and make an announcement thereon.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

As to the Proceeds-financed Projects to be implemented through the subsidiaries controlled by the Company, the Agreement shall be signed among the Company, the subsidiaries controlled by the Company which will implement the Proceeds-financed Projects, the Commercial Bank and the sponsor(s), and the Company and the subsidiaries controlled by it shall be together deemed as a party.

If the above agreement is early terminated before the expiration of its effective terms due to the change of sponsor(s) or Commercial Bank or other reasons, the Company shall, within two weeks upon the termination of the Agreement, enter into a new agreement with relevant parties, and shall file with the stock exchange(s) on which its shares are listed in China and make an announcement thereon within two trading days after entering into of such agreement.

Chapter 3 Use of Proceeds

Article 7 The Company shall use the proceeds in accordance with the investment plan for proceeds as undertaken in the offering application documents. Any material impact on normal progress of the investment plan for proceeds shall be announced in a timely manner. Any change in the use of proceeds set out in the offering application documents shall be approved in advance by a resolution passed in a general meeting.

Article 8 The proceeds shall not be used for pledge, entrusted loans or other investments that covertly change the use of proceeds.

Article 9 The Company shall not make available the proceeds, whether directly or indirectly, for connected parties such as the controlling shareholder(s) and de facto controller(s), or provide benefits for connected parties for inappropriate gains from the Proceeds-financed Projects.

Article 10 The use of proceeds is based on the proposal for use of proceeds, which shall be applied and approved in accordance with the following procedures:

- (I) The proposal for use of proceeds is prepared on an annual and case-by-case basis;
- (II) The general manager together with relevant staffs shall prepare the proposal for use of proceeds based on the feasibility report of the Proceeds-financed Projects;
- (III) The proposal for use of proceeds is subject to consideration and approval by the Board of Directors;
- (IV) The proposal for use of proceeds considered and approved by the Board of Directors will be carried out by the general manager.
- (V) The general manager will report to the Board of Directors with respect to the use of proceeds on quarterly basis.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

Article 11 The use of proceeds will be applied and approved in accordance with the following procedures:

- (I) An application made by a specific department;
- (II) Signed opinion from the Chief Financial Officer;
- (III) Review and approval by the general manger;
- (IV) Execution by the financial department.

Article 12 The Company shall perform comprehensive inspections in respect of progress of the Proceeds-financed Projects at the end of each fiscal year.

Article 13 The Company shall check the feasibility and estimated earnings of the Proceeds-financed Project and decide whether to implement the project, and disclose the progress of the project, reasons for any abnormality and the adjusted investment plan (if any) for the proceeds in the latest periodic report in case of any of following circumstances:

- (I) Any material change in the market environment in which the Proceeds-financed Project is involved;
- (II) Suspension of the Proceeds-financed Project for over one year;
- (III) Failure to meet the deadline specified in the plan for the Proceeds-financed Project and less than 50% of the proposed investment amount has been made;
- (IV) Other abnormalities of the Proceeds-financed Project.

In the case that the Company has made investment with its own funds into the Proceeds-financed Projects prior to receiving the proceeds, the proceeds may be used for the original purpose of such investment within six months from the receipt thereof. Such replacement shall be considered and approved by the Board of Directors with a verification report issued by an accountant firm and the explicit consent from independent directors, the Supervisory Committee and the sponsor(s). The Company shall report to the stock exchange(s) on which its shares are listed in China and make an announcement thereon within two trading days after the approval of the Board of Directors.

Article 14 The proceeds which are temporarily idle may be arranged for cash management, and the products invested must meet the following conditions:

- (I) high safety, meeting the requirements of principal guarantee and the issuer of the products having made a commitment on principal guarantee;
- (II) adequate liquidity without affecting smooth progress of the investment plan of the proceeds.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

The investment products shall not be pledged, and the special product settlement account (if applicable) shall not be used for the deposition of the funds other than proceeds or for any other purposes. In case of opening or canceling a special product settlement account, the Company shall file with the stock exchange(s) on which its shares are listed in China and make an announcement thereon within two trading days.

Article 15 The investment of idle proceeds in products shall be subject to the consideration and approval by the Board of Directors, with explicit consent from independent directors, the Supervisory Committee and the sponsor(s). The Company shall make relevant announcement within two trading days after the meeting of the Board of Directors on:

- (I) the basic information on the proceeds, including, among others, the time of raising, the amount and net amount of the funds raised and investment plan;
- (II) the information on the use of the proceeds;
- (III) the limit and duration of the idle funds for investing in products, whether there is any act of changing the purposes of the funds in disguise and the measures for ensuring smooth progress of the Proceeds-financed Projects;
- (IV) the income distribution manner, investment scope and safety of the investment products;
- (V) opinions issued by independent directors, the Supervisory Committee and the sponsor.

In case of material risks including any deterioration in the financial position of the issuer of the products or potential loss in the invested products, the Company shall promptly disclose and announce such risks as well as the risk control measures adopted or proposed to be adopted to ensure safety of its proceeds.

Article 16 Where the Company uses temporarily the idle proceeds to replenish working capital, such replenishment shall meet the following conditions:

- (I) It shall not involve any disguised changes in the purpose of proceeds or affect the normal implementation of the investment plan of the proceeds;
- (II) It shall be only used for production and operation related to the principal businesses, and shall not be directly or indirectly used for participation in or subscription for new share placement, or investment in stocks and any derivative instruments or convertible bonds, etc.;
- (III) The duration of any individual replenishment to the working capital shall not exceed 12 months;
- (IV) Any proceeds previously used for temporary replenishment of working capital, if applicable and falling due, have been returned.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

The temporary use of idle proceeds to replenish working capital by the Company shall be subject to the consideration and approval by the Board of Directors of the Company, with explicit consent given by independent directors, sponsor(s) and the Supervisory Committee. The Company shall report to the stock exchange(s) on which its shares are listed in China and make an announcement thereon within two trading days after the meeting of the Board of Directors.

Before the expiration date of replenishing the working capital, the Company shall return certain proceeds to the Designated Account for Proceeds, and report to the stock exchange(s) on which its shares are listed in China and make an announcement thereon within two trading days after the full payback of the proceeds.

Article 17 The excess of the proceeds raised over the amount of the funds planned to raise (the “Additional Proceeds”) may be used to permanently replenish the working capital and repay bank loans, but the cumulative amount in every 12 months shall not exceed 30% of the total amount of the Additional Proceeds and the Company shall undertake that it will not make any high-risk investments or provide financial assistance to others within 12 months after replenishing the working capital.

Article 18 Use of the Additional Proceeds for the purpose of permanently replenishing the working capital or repayment of bank loans is subject to the consideration and approval by a Board meeting and a general meeting of the Company, with the manner of online voting provided for shareholders and explicit consent given by independent directors, the Supervisory Committee and the sponsor(s). The Company shall report to the stock exchange(s) on which its shares are listed in China and make relevant announcement within two trading days after the meeting of the Board on:

- (I) the basic information on the proceeds, including the time of raising, the amount and net amount of the funds raised, the amount of Additional Proceeds and investment plan;
- (II) the information on the use of the proceeds;
- (III) the necessity of and detailed plan for the Additional Proceeds used for permanently replenishing the working capital or repaying bank loans;
- (IV) the undertaking of not making any high-risk investments or provide financial assistance for others within 12 months after replenishing the working capital;
- (V) the impact on the Company of the use of the Additional Proceeds for permanently replenishing the working capital or repaying bank loans;
- (VI) opinions issued by independent directors, the Supervisory Committee and the sponsor(s).

Article 19 When the Company invested Additional Proceeds in projects under construction and new projects (including acquisition of assets), the investment shall be limited to its principal businesses. The Company shall apply the relevant requirements of Article 22 to Article 25 herein to conduct the feasibility analysis of the investment projects in a scientific and diligent manner, and carry out the obligation of disclosure in a timely manner.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

Article 20 Where a single Proceeds-financed Project is completed and the Company uses the remaining raised fund of such project (including interest income) for other Proceeds-financed Projects, it shall obtain an approval from the Board of Directors and the opinions from the independent directors, the sponsor(s) and the Supervisory Committee. The Company shall report to the stock exchange(s) on which its shares are listed in China and make an announcement thereon within two trading days after the meeting of the Board of Directors.

If the balance of the proceeds (including the interest income) is less than RMB1 million or less than 1% of the committed invested proceeds of such Proceeds-financed Project, the Company may be exempted from the preceding procedures, provided that the use shall be disclosed in its annual report.

If the balance of the proceeds (including the interest income) of a single Proceeds-financed Project is used for projects other than the Proceeds-financed Projects (including replenishing the working capital), it shall follow relevant procedures and disclosure obligations by reference to the same for changes of Proceeds-financed Projects.

Article 21 Upon completion of all Proceeds-financed Projects, if the balance of the proceeds (including the interest income) exceeds 10% of the Net Proceeds, the use of such balance is subject to approval by the Board of Directors and general meeting and opinions from the independent directors, the sponsor(s) and the Supervisory Committee. The Company shall report to the stock exchange(s) on which its shares are listed in China and make an announcement thereon within two trading days after the meeting of the Board of Directors.

For the proceeds balance (including the interest income) below 10% of the Net Proceeds, the use of such balance is subject to approval by the Board of Directors and opinions from the independent directors, the sponsor(s) and the Supervisory Committee. The Company shall report to the stock exchange(s) on which its shares are listed in China and make an announcement thereon within two trading days after the meeting of the Board of Directors.

For the proceeds balance (including the interest income) below RMB5 million or 5% of the Net Proceeds, the use of such balance is exempted from the above procedures but shall be disclosed in the latest periodic report.

Chapter 4 Changes in the Purpose of Proceeds

Article 22 Changes of the Proceeds-Financed Projects of the Company must be considered and approved by the Board of Directors and at a general meeting. After the Board of Directors of the Company has resolved to the changes to the Proceeds-Financed Projects, such resolution shall be disclosed in a timely manner and subject to the consideration by a general meeting with explicit consent from independent directors, the sponsor(s) and the Supervisory Committee. The Board of Directors shall state the reasons for changing the use of proceeds, a general description of the new Proceeds-Financed Project and its effects on the prospects of the Company in the notice of the general meeting. No entity shall make any changes to the Proceeds-Financed Projects without the prior consideration and approval by the general meeting.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

In case that the Company merely changes the site for implementation of the Proceeds-Financed Projects, such changes may be exempted from the procedures of the previous clause but shall be subject to the consideration and approval by the Board of Directors. A report shall be filed within two trading days with the stock exchange(s) on which the shares of the Company are listed in China, and the reasons for the changes and the opinion of the sponsor(s) shall be announced.

Article 23 After changes, the Proceeds-Financed Projects shall remain as an investment in the principal businesses. The Company shall scientifically and prudently carry out the feasibility analysis of the new Proceeds-Financed Project to ensure such projects have sound market prospect and profitability, effectively prevent investment risks and improve the efficiency of the use of the proceeds.

Article 24 In case that the Company intends to make changes to a Proceeds-Financed Project, it shall report to the stock exchange(s) on which its shares are listed in China and make an announcement on the followings within two trading days from the submission to the Board of Directors for consideration:

- (I) Basic information of the original Proceeds-Financed Project and the specific reasons of such changes;
- (II) Basic information, feasibility analysis and risks disclosure on the new Proceeds-Financed Project;
- (III) The investment plan for the new Proceeds-Financed Project;
- (IV) The explanation on whether the new Proceeds-Financed Project has obtained or is pending for the approval of the competent authorities (if applicable);
- (V) The opinions of the independent directors, the Supervisory Committee and the sponsor(s) in respect of the changes to the Proceeds-Financed Project;
- (VI) The explanation that such changes to the Proceeds-Financed Project is subject to approval of a general meeting;
- (VII) Other requirements of the stock exchange(s) on which its shares are listed.

Where the new Proceeds-Financed Project involves any connected transactions, purchase of assets or external investments, the Company shall make disclosure in accordance with the requirements of relevant rules.

Article 25 Where the Company changes the purpose of a Proceeds-Financed Project to acquisition of assets (including equity) of the controlling shareholder(s) or de facto controller(s), it shall avoid creating market horizontal competition and help to reduce connected transactions after the said acquisition.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

Article 26 Where the Company proposes to externally transfer or replace a Proceeds-Financed Project (except for those which have completed the entire external transfer or replacement process in a material asset restructuring implemented by the Company), the Company shall report to the stock exchange(s) on which its shares are listed in China and make an announcement on the followings within two trading days from the submission to the Board of Directors for consideration:

- (I) Specific reasons for the external transfer or replacement of the Proceeds-Financed Project;
- (II) The amount of proceeds invested in the project;
- (III) Completion progress of the project and its realized benefit;
- (IV) Basic information, feasibility analysis and risk warning (if applicable) of the substituting project;
- (V) The pricing basis of the transfer or replacement and relevant gain;
- (VI) Opinions on the transfer or replacement of the Proceeds-Financed Project from the independent directors, the Supervisory Committee and the sponsor(s);
- (VII) Explanation that the transfer or replacement of the Proceeds-Financed Project is subject to submission to general meeting for consideration;
- (VIII) Other requirements of the stock exchange(s) on which its shares are listed.

The Company shall give due regard to the receipt and use of the consideration of the transfer, changes in ownership of the substituting assets and their continuous operation, and fulfill the obligations of necessary information disclosure.

Chapter 5 Administration and Supervision of Use of Proceeds

Article 27 The Board of Directors of the Company shall comprehensively review progress of the Proceeds-Financed Projects semi-annually, and issue a Special Report on the Deposit and the Actual Use of Proceeds of the Company (“Special Report on Proceeds”).

Where the actual progress of Proceeds-Financed Projects differs from the investment plan, the Company shall explain specific reasons in the Special Report on Proceeds. When idle proceeds are used in investment products in the current period, the Company shall disclose returns for the reporting period and investment share, counterparties, product names, term and other information as the end of the period in the Special Report on Proceeds.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

The Special Report on Proceeds shall be considered and approved by the Board of Directors and the Supervisory Committee, and reported to the stock exchange(s) on which the shares of the Company are listed in China with an announcement thereon released within two trading days upon submission to the Board of Directors for consideration. In an annual audit, the Company shall engage an accounting firm to issue an assurance report on the deposit and use of proceeds of the Company, which shall be submitted to the stock exchange(s) on which its shares are listed in China and disclosed on the website of the stock exchange(s) when the Company discloses its annual report.

Article 28 The sponsor(s) shall conduct at least one on-site survey for the deposit and use of proceeds of the Company semi-annually.

After the end of every financial year, the sponsor(s) shall issue a special examination report on the deposit and use of proceeds of the Company in the year, which shall be submitted to the stock exchange(s) on which the shares of the Company are listed in China when the Company discloses its annual report. Such report shall contain the followings:

- (I) Information relating to the deposit, use of proceeds and the balance of the Designated Account for Proceeds;
- (II) Progress of investment projects, including the difference from the planned investment progress of proceeds;
- (III) Information of using the Company's proceeds to replace its own funds previously invested in Proceeds-financed Projects (if applicable);
- (IV) The use of idle proceeds to replenish working capital and its effect (if applicable);
- (V) Any use of Additional Proceeds (if applicable);
- (VI) Any change to use of proceeds (if applicable);
- (VII) Conclusive opinion relating to whether the deposit and use of proceeds by the Company are compliant with laws and regulations;
- (VIII) Other requirements of the stock exchange(s) on which the shares of the Company are listed.

After each financial year end, the Board of the Company shall disclose in the Special Report on Proceeds the conclusive opinion contained in the special examination report issued by the sponsor(s).

Article 29 Certified public accountants may be engaged by the Audit Committee of the Board of Directors, the Supervisory Committee or over half of the independent directors to issue an assurance report on the deposit and the use of proceeds. The Board of Directors shall make its best endeavors to cooperate at the cost of the Company where necessary.

APPENDIX XIV RULES FOR THE MANAGEMENT OF PROCEEDS TO BE RAISED

The Board of Directors shall report to the stock exchange(s) on which the shares of the Company are listed in China and release an announcement within two trading days upon receipt of the assurance report mentioned in the preceding paragraph. If the assurance report identifies any non-compliance in administration and use of proceeds of the Company, the Board of Directors shall also announce the non-compliance, its consequences that have occurred or may occur and the actions that have taken or are to be taken.

Chapter 6 Supplementary Provisions

Article 30 These Rules shall be construed and interpreted by the Board of Directors of the Company.

Article 31 Matters not covered by these Rules shall be executed in accordance with the provisions under relevant laws, regulations and the Articles of Association of the Company. After implementation of these Rules, if there are any other provisions under relevant laws, regulations and as required by the CSRC and the stock exchange(s) on which the shares of the Company are listed on the matters specified hereinabove, such provisions shall prevail.

Article 32 Where the Proceeds-financed Projects are made by a subsidiary of the Company or other enterprises controlled by the Company, these Rules shall be applicable.

Article 33 These Rules will be considered and approved at a general meeting of the Company, and shall come into effect and be implemented on the date of initial public offering of A Shares and listing.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to regulate the external guarantee administration of Shanghai Haohai Biological Technology Co., Ltd. (上海昊海生物科技股份有限公司) (the “Company”), strictly control the risk of debts generated by external guarantee, protect the legal interests of the Company, all shareholders and other stakeholders, this administration system has been formulated in accordance with the relevant laws, regulations and normative documents, including the Securities Law of the People’s Republic of China (中華人民共和國證券法) (“Securities Law”), the Company Law of the People’s Republic of China (中華人民共和國公司法) (“Company Law”), the Law of Guarantee of the People’s Republic of China (中華人民共和國擔保法) (“Law of Guarantee”), the Notice on Regulating Money Transactions between Listed Company and Connected Parties and Certain Issues on External Guarantee of Listed Company (關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知) (the “Notice”), the Notice on Regulating External Guarantee Behaviour of Listed Companies (關於規範上市公司對外擔保行為的通知) and the relevant listing rules (the “Listing Rules”) of the stock exchange of the listing place, and the provisions of the Articles of Association, as well as the actual circumstances of the Company.

Article 2 External guarantee under this administration system refers to the provision of guarantee by the Company in the capacity of a third party for the liabilities owed by the debtor to the creditor, whenever the debtor fails to perform his debt obligations, the Company will perform or undertake the debt obligations as agreed. The forms of guarantee may include warranty, mortgage and pledge.

Article 3 External guarantee of the Company must comply with the relevant requirements of the Securities Law, Company Law, Law of Guarantee, Notice, Listing Rules and Articles of Association, and shall strictly control the risk of debts generated by the external guarantee.

Article 4 The external guarantee administration of the Company adopts a multi-level review system, the relevant departments of the Company involved shall include: the head of finance and the finance department under his jurisdiction shall be the authority for initial review and day-to-day management, and shall be responsible for acceptance and initial review of all applications for guarantee submitted by the guaranteed parties and the day-to-day management and continuous risk control of external guarantee; the secretary to the Board and the securities investment department shall be the authority responsible for compliance review and information disclosure in respect of external guarantee of the Company, and shall be responsible for compliance review on external guarantee of the Company, organizing the implementation of approval procedures by the Board or shareholders’ general meeting and disclosure of information.

CHAPTER 2 PROVISIONS THAT SHOULD BE OBSERVED BY EXTERNAL GUARANTEE OF THE COMPANY

Article 5 The controlling shareholder and other connected parties of the Company shall not coerce the Company to provide guarantee for others. The Company shall not provide guarantee for the controlling shareholder and other connected parties in which the Company holds less than 50% interest and any non-legal entity units or individuals.

Article 6 The following external guarantee actions of the Company must be considered and approved by the shareholders' general meeting.

- (1) One-off guarantee with an amount exceeding 10% of the latest audited net assets of the Company;
- (2) Any guarantee to be provided after the total amount of external guarantee provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;
- (3) Any guarantee to be provided after the total amount of external guarantee provided by the Company has reached or exceeded 30% of the latest audited total assets;
- (4) Provision of guarantee to a guaranteed party with a gearing ratio of more than 70%;
- (5) Based on the principle of cumulative calculation of the guarantee amount for 12 consecutive months, the guarantee amount has exceeded 30% of the latest audited total assets of the Company;
- (6) Based on the principle of cumulative calculation of the guarantee amount for 12 consecutive months, the guarantee amount has exceeded 50% of the latest audited net assets of the Company and the absolute amount has exceeded RMB50 million;
- (7) Guarantees provided to shareholders, de facto controller and their connected parties.

When the matter of guarantee as mentioned in item (4) above is being considered for approval at the shareholders' general meeting, it must be passed by more than two-thirds of the voting rights held by shareholders who are present at the meeting.

Article 7 Whenever the Company provides an external guarantee, a reverse guarantee must be required to be provided by the counterparty, and the provider of the reverse guarantee shall have actual capacity to undertake and the reverse guarantee shall be enforceable to avoid risk.

Article 8 External guarantee subject to approval by the Board must be approved by a resolution passed by the more than two-thirds of the directors attending the Board meeting as well as more than two-thirds of all independent directors.

Article 9 When the Company provides any guarantee for connected parties, regardless of the amount, such guarantee shall be submitted to shareholders' general meeting for consideration after it has been considered and approved by the Board.

When the Company provides guarantee for a shareholder holding less than 5% shares of the Company, such guarantee shall be implemented according to the preceding clause, and the relevant shareholder shall abstain from voting at the shareholders' general meeting.

Article 10 In respect of external guarantee required to be considered and approved by the Board or by the shareholders' general meeting of the Company as mentioned in this system, or any guarantee which is required to be disclosed pursuant to the Listing Rules, timely disclosure must be made in the publications designated for information disclosure by the China Securities Regulatory Commission and pursuant to the relevant requirements of the securities regulatory authority in Hong Kong (as the case may be), and the contents of disclosure shall include but not limited to the resolutions of the Board or shareholders' general meeting, the total external guarantee amount of the Company and its controlled subsidiaries as at the date of information disclosure, the total amount of guarantee provided by the Company to its controlled subsidiaries, and the percentage of the aforesaid amounts respectively in the latest audited net assets of the Company. If the guaranteed party fails to perform the obligation of repayment within 15 business days after the due date, or if the guaranteed party has become bankrupt, liquidated or in other situations where his repayment ability has been seriously affected, the Company shall disclose the same immediately. If the rules of the securities regulatory authority of the place where the shares of the Company are listed provide otherwise, such rules shall prevail.

Article 11 The Company must strictly observe the relevant provisions of the Listing Rules and the Articles of Association to perform the obligation of information disclosure in respect of external guarantee seriously, and shall provide all external guarantee matters of the Company truthfully to the certified public accountant responsible for financial auditing of the Company in accordance with the provisions.

CHAPTER 3 ACCEPTANCE AND REVIEW PROCEDURES FOR EXTERNAL GUARANTEE APPLICATION OF THE COMPANY

Article 12 Application for external guarantee to the Company shall be handled by the head of finance and the finance department under his jurisdiction for acceptance, the guaranteed party shall submit its application and enclosed documents to the head of finance and its finance department at least 30 days in advance, and the application for guarantee shall include the following contents:

- (1) Basic information about the guaranteed party;
- (2) Explanation on the major debt to be guaranteed;
- (3) Type of guarantee and term of guarantee;
- (4) Major terms of the guarantee agreement;
- (5) Explanation given by the guaranteed party on the repayment plan and source of funds for the guaranteed debt;
- (6) Reverse guarantee proposal.

Article 13 The guaranteed party shall submit the application for guarantee together with the relevant information relating to the guarantee, including:

- (1) A duplicate copy of the corporate business license of the guaranteed party;
- (2) The latest audited financial statements of the preceding year and the financial statements of the latest period of the guaranteed party;
- (3) The major debt contract to be guaranteed;
- (4) The standard form of the guarantee contract provided by the creditor;
- (5) Submission of other information as required by the head of finance and its finance department.

Article 14 After the application from the guaranteed party has been accepted by the head of finance and its finance department, investigation on the credit rating of the guaranteed party shall be carried out timely and conduct a risk analysis on the guarantee to be provided, after preparing a report in writing (together with the application for guarantee and photocopies of the enclosed documents), it shall be submitted to the secretary to the Board.

Article 15 After the secretary to the Board and the securities investment department have received the written report and the relevant information about the application for guarantee from the head of finance and the finance department under his jurisdiction, a compliance review shall be conducted and a control audit on the cumulative total amount of external guarantee shall be conducted.

Article 16 The secretary to the Board and the securities investment department shall organize implementation of the approval procedures at the Board meeting or shareholders' general meeting after the application for guarantee has passed the compliance review and control audit on the cumulative total amount of external guarantee.

Article 17 When the Board of the Company reviews the application for guarantee from the guaranteed party, it should prudently and strictly control the risk of debt generated by the external guarantee, the Board may engage an external professional institution, if necessary, to conduct a risk analysis on the external guarantee as a basis for decision-making by the Board or the shareholders' general meeting.

Article 18 When more than two (inclusive) external guarantee applications are considered at the same Board meeting by the Board of the Company, separate voting should be conducted on each external guarantee and shall be approved and signed by more than two-thirds of all members of the Board.

Article 19 When a resolution on guarantee is decided at the Board meeting or shareholders' general meeting of the Company, the interested director or shareholder in such guarantee shall abstain from voting.

Article 20 The secretary to the Board shall record in detail the minutes of the Board meeting and the discussion and voting process on the guarantee considered at the shareholders' general meeting, and shall perform the obligations of information disclosure on timely basis.

Article 21 Independent directors of the Company shall provide specific explanation in the annual report on the cumulative and current period external guarantees of the Company and the implementation status of this system, and express their independent opinions.

CHAPTER 4 DAY-TO-DAY MANAGEMENT AND CONTINUOUS RISK CONTROL OF EXTERNAL GUARANTEE

Article 22 When the Company provides an external guarantee, a written contract should be signed. The guarantee contract shall comply with the provisions of the relevant laws and regulations, such as Law of Guarantee, and the major terms shall be clear and unambiguous.

Article 23 The head of finance of the Company and the finance department under his jurisdiction shall be the day-to-day management authority of external guarantees, and shall be responsible for centralized registration and filing management of external guarantee matters of the Company and controlled subsidiaries of the Company.

Article 24 The head of finance of the Company and the finance department under his jurisdiction shall keep all relevant documents and information for the management of external guarantees of the Company safely and properly (including but not limited to the application for guarantee and its enclosures, review opinions from the head of finance and its finance department, other departments of the Company and the Board/shareholders' general meeting, and the signed guarantee contract, etc.), and shall fill in quarterly returns on the status of external guarantees and deliver a copy to the general manager of the Company and the secretary to the Board.

Article 25 The head of finance of the Company and the finance department under his jurisdiction shall conduct tracking supervision on the operating conditions and financial conditions of the guaranteed party during the term of guarantee for continuous risk control. If material and adverse changes to solvency of the guaranteed party have arisen during the term of guarantee, the guaranteed party shall report timely to the Board of the Company.

Article 26 The head of finance of the Company and the finance department under his jurisdiction must provide all external guarantees of the Company truthfully to the certified public accountant responsible for financial auditing of the Company in accordance with the rules.

Article 27 Upon expiration of the term for the guaranteed debt, and if extension is required for continuous provision of guarantee by the Company, it should be treated as a new external guarantee, and the review and approval procedures for application of guarantee as stipulated in the procedures set out in Chapter 3 of these rules shall be performed accordingly.

CHAPTER 5 LEGAL OBLIGATIONS

Article 28 All directors of the Company shall strictly observe the requirements under this administration system and the relevant laws, regulations and normative documents to review external guarantees of the Company, and shall be subject to joint and several liabilities for any loss resulting from non-compliance or misconduct in external guarantees.

Article 29 If the relevant review authorities and personnel or other senior management staff of the Company involved in this administration system have not followed the prescribed procedures and sign external guarantee contracts on unauthorized basis or fail to perform their duties diligently, and have resulted in actual losses, the Company shall hold the relevant responsible persons liable.

Article 30 The Company and its directors, supervisors and senior management members such as general managers, who have violated this administration system or the provisions of the relevant laws and regulations, shall be dealt with according to law.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 31 The Company adopts a centralized administration principle for external guarantees, the relevant provisions of this administration system are applicable to external guarantees of controlled subsidiaries of the Company.

Article 32 “External guarantee” mentioned in this administration system refers to the provision of guarantee to others by the Company, including guarantees provided by the Company to its controlled subsidiaries. The “total amount of external guarantee provided by the Company and its controlled subsidiaries” refers to the sum of the total amount of the Company’s external guarantee, including the provision of guarantee to its controlled subsidiaries, and the total amount of external guarantee provided by its controlled subsidiaries.

Article 33 The terms “exceed” and “more than” mentioned in this administration system are inclusive of the number itself.

Article 34 Any matter not provided under this administration system shall be implemented in accordance with the provisions of the relevant laws, regulations of the State or according to the Articles of Association.

Article 35 This administration system shall come into effect and be implemented from the date of considering and approving such resolution at the general meeting, except those related to special provisions for domestic listed companies, which are applicable from the date on which the Company completes its initial public offering of A Shares in China. And the Board has been authorized by the shareholders’ general meeting to be responsible for its interpretation and amendment.

APPENDIX XVI RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1 For the purpose of strengthening the management of external investment of Shanghai Haohai Biological Technology Co., Ltd. (the “Company”), to regularise its external investment activities, improve the operation efficiency of the capital, ensure the maintenance and increment of the value of the external investment, strengthen the management of its subsidiaries, standardize the internal operation mechanism, enhance its self-management, and safeguard the image of the listed company and the benefits of its investors, these rules (the “Rules”) are formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the listing rules of the stock exchange on which shares of the Company are listed (the “Listing Rules”) and other relevant laws, regulations and regulatory documents, and relevant provisions under the Articles of Association of Shanghai Haohai Biological Technology Co., Ltd. (the “Articles of Association”).

Article 2 The Rules shall be applicable to, among others things, the management of the subsidiaries of Shanghai Haohai Biological Technology Co., Ltd and the activities of capital increase and reduction.

Article 3 The subsidiary(ies) referred to herein shall be the absolute holding subsidiary(ies) in which the Company holding exceeding 50% interests and the relative holding subsidiary(ies) in which the Company holding effective control rights as the largest shareholder.

Article 4 The purpose of strengthening the management of the subsidiaries is to establish an effective control mechanism, to control the risks involved in, among other things, the organization, resources, assets, investment and operation of the listed company, and to improve the listed company’s overall operational efficiency and capability to resist risks.

Article 5 Based on the control of the assets of the subsidiaries and subject to the operational guidance of the listed company, the Company shall exercise its right to manage the material matters of the subsidiaries, and shall be obliged to provide guidance, supervision and related services to the subsidiaries.

Article 6 Subject to the framework of the Company’s overall policy objectives, each subsidiary shall maintain its operating independence and conduct self-management, to validly operate the properties of the legal entities. Meanwhile, the Company’s various policies and requirements on subsidiaries shall be implemented.

CHAPTER II EQUITY MANAGEMENT

Article 7 Pursuant to the Company Law and the requirements under the applicable laws and regulations, and the management system of the Company in relating to the governance of its subsidiaries, the subsidiaries shall establish sound legal entities governance structure and operation system.

APPENDIX XVI RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT

Article 8 The subsidiaries shall strengthen self-regulation, and consciously accept the inspection and supervision conducted by the Company, response to the enquiries from the board of directors (the “Board”) and the Supervisory Committee of the Company, and shall tell the truth and explain the reasons.

Article 9 The general meeting of the subsidiaries shall be held at least once a year, and the meeting of the board of directors of the subsidiaries shall be held at least twice a year. The general meeting and the meeting of the board of directors shall have minutes, and these minutes and the resolutions of the meeting shall be signed by the directors present at such meeting.

Article 10 The forms of notification, the procedural rules and other matters of the general meeting and the meeting of the board of directors of the subsidiaries shall comply with the requirements under the Company Law. For matters beyond the scope of the authorization from the Company, the subsidiaries shall obtain the prior consent of the Company.

Article 11 The major matters of the subsidiaries, among other things, restructuring, mergers and acquisitions, investment and financing, mortgage guarantees, disposal of assets, acquisition of major fixed assets, appointment and removal of senior management members, compensation schemes, major marketing schemes, income distribution, shall be subject to the applicable procedures and authorization required by the Listing Rules, the Articles of Association and the relevant requirements of the listed company. For matters beyond the scope of the subsidiary’s authorization, the subsidiaries shall report to and obtain the prior consent from the Company before holding the meeting of the board of directors and the general meeting for considering and approving such matters.

Article 12 The subsidiaries shall promptly provide the Company with the complete and accurate information on its operating results, financial position and business prospects, for the Company to conduct reasonable decision-making, supervision and coordination.

Article 13 The development planning of the subsidiaries shall comply with and contribute to the overall planning of the listed Company, and the subsidiaries shall refine and perfect their own plans under the framework of the development planning of the listing company.

Article 14 In investment in a specific project, a subsidiary shall control the investment amount according to the approved limitation, ensure the quality and progress of the project and the expected investment effect. The final budgets and fixed assets transfer of the project shall be completed in time. Project financing shall comply with the principle of moderate financing, and manage the financial risks.

CHAPTER III FINANCIAL MANAGEMENT

Article 15 The use and changes of accounting policies and estimates in the daily accounting and financial management of the subsidiaries shall be in line with the Company’s financial accounting system and its requirements.

APPENDIX XVI RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT

Article 16 The subsidiaries shall submit the accounting statements and provide accounting information in a timely manner in accordance with the requirements of the Company for preparation of consolidated accounting statements and external disclosure of accounting information. Its accounting statements shall also be audited by certified public accountants entrusted by the Company.

Article 17 The subsidiaries shall, in accordance with the systems and requirements of the Company's financial management, complete the basic work of financial management and strengthen the management of costs, expenses and funds.

Article 18 The subsidiaries shall make external investments, borrowings, guarantees and mortgages within the scope of the authorization from the Company, and those beyond the scope of the authorization shall be proceed after consideration and approval by the Company.

CHAPTER IV INTERNAL AUDIT SUPERVISION

Article 19 The Company implements audit supervision on the subsidiaries on a regular or ad hoc basis.

Article 20 The major internal audit matters including, among other things, the economic benefit, the construction project, the major economic contract and the internal control system, and the middle term accountability and term-end accountability in respect of the heads of entities.

Article 21 Upon receiving the notice of audit, the subsidiary shall be prepared for the audit, and shall cooperate readily in the course of the audit. The subsidiary shall implement the audit opinions and audit decisions approved and delivered by the Company.

Article 22 The internal audit system of the Company is applicable to the internal audit of the subsidiary.

CHAPTER V TRANSFER AND WITHDRAW OF EXTERNAL LONG-TERM INVESTMENTS

Article 23 The Company shall establish an effective performance risk evaluation system, and evaluate the external investments on a regular and ad hoc basis every year. A withdraw or transfer of an external investment shall occur in a timely manner subject to the decision-making authorization and procedures, upon the occurrence of any of the following circumstances, or the existence of any reliable information thereof, including but not limited to:

- (1) The Company may transfer the equity of the external investments upon the existence or occurrence of any of the following circumstances:
 - (i) When an investment project has been demonstrated an obvious departure from the Company's operating approach;

APPENDIX XVI RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT

- (ii) The investment project has incurred continuous losses with no prospects of turning around, and is lacking of market prospect;
- (iii) When a replenishment of funds is urgently required due to insufficient funds for its own operations;

The transfer of investments shall strictly comply with the requirements regarding the investment transfer under the Companies Law and the articles of association of the investees.

- (2) The Company shall withdraw its external investments in accordance with the laws upon the existence or occurrence of any of the following circumstances:
 - (i) According to the articles of association of the investees, or the terms of the relevant contracts or agreements, the operation term of the investment project (enterprise) expires;
 - (ii) The investment project (enterprise) has becoming unable to repay its debts when they fall due and its bankruptcy is declared in accordance with the laws, due to its flawed operations;
 - (iii) The project (enterprise) cannot continue to operate due to force majeure;
 - (iv) Upon the existence or occurrence of some other circumstances which shall trigger the investment termination as stipulated in the investment contract.
- (3) Any transfer of external long-term investments shall be subject to the submission of a written analysis report on the investment transfer by the investment department together with other relevant departments of the Company. Prior to disposal of an external investment, an analysis and investigation on the external investment project which is proposed to be disposed of shall be conducted, and a sufficient account of the reasons for, and the direct and indirect economic and other consequences of, such disposal shall be given, subsequent to which the relevant information shall be submitted to the authority or personnel entitled to approve the disposal of such external investment for review and approval. The authority for approving the disposal of an external investment shall be the same as that for approving the implementation of an external investment.

Any act of disposing of an external investment shall comply with the relevant stipulations under the relevant national laws and regulations.

- (4) When withdrawing or transferring an external investment, the person in charge must exercise due diligence and conscientiously make an assets assessment of the investment withdrawn or transferred to prevent the loss of the assets of the Company.

**CHAPTER VI ORGANIZETIONAL BODY FOR
EXTERNAL INVESTMENT MANAGEMENT**

Article 24 The general meeting, the Board, chairman, general manager of the Company shall, subject to their respective scope of power and authorization, make decisions on the external investments of the Company.

Article 25 The strategy committee of the Board, as the specialized deliberative body of the Board of the Company, shall be responsible for overall planning, coordinating and organizing the analysis and research for external investment projects and advising on decision-making.

Article 26 The strategy committee of the Board may set up investment review groups on project-by-project basis, mainly responsible for collection, processing and preliminary evaluation of the information of the new investment projects, and make investment proposals.

Article 27 The general manager of the Company shall be in charge of carrying out external investments and responsible for planning, organizing and monitoring the manpower, funding and property required for the new projects, and shall promptly report to the Board on the progress of investment and make recommendations on any adjustment, in order to facilitate the Board and the general meeting to make adjustments to the investment in time. The general manager may establish a project implementation team, to responsible for the tasks and implementation of the external investment project, and the Company may establish an accountability mechanism for project implementation team, to follow up and evaluate the work conducted the team.

Article 28 The investment and development department of the Company is the management department of external investments, responsible for organizing relevant departments to carry out investment benefit assessment for the external investment projects and other matters.

Article 29 The Audit Committee of the Board may evaluate the expected benefits of the project, implement regular or ad hoc management audits, performance audits and other audits.

CHAPTER VII MANAGEMENT FOR DECISION ON EXTERNAL INVESTMENTS

Article 30 The general principles of the investment project are:

- (1) The investment project shall be in line with the Company's development strategy;
- (2) The scale of the investment project must be appropriate, and the investment must be made within the Company's capability, and shall not affect the development of main businesses of the Company;
- (3) The investment project shall follow the principle of balancing risk and effectiveness.

APPENDIX XVI RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT

Article 31 The examination and approval of the external investment of the Company shall strictly comply with the authorization requirements under, among other things, the Company Law and other relevant laws, regulations and the Articles of Association, the “Procedural rules of the general meeting” and the “Procedural rules of the meeting of the Board”.

If a purchase or disposal of equity will result in a change in the scope of the consolidated statement of the Company, the total assets and operating income of the company attributable to such equity shall be deemed to be the total assets involved in such transaction and the operating income related to the subject matter of such transaction, respectively.

The Company shall provide an audit report on the financial reports of the current financial year and of the last quarter of the subject matter of the transaction, issued by an accounting firm qualified to deal with securities and futures, in accordance with the enterprise accounting standards. The cut-off date for the audit shall not be more than 6 months prior to the date of the general meeting for the approval of the transaction. If the subject matter of the transaction is non-cash assets other than shares, the Company shall provide a valuation report issued by an asset valuer qualified to deal with securities and futures. The base date of the valuation shall not be more than one year prior to the date of the general meeting for the approval of the transaction.

The Company shall take the higher of the total assets and the transaction amount as the calculation criteria, and shall calculate the cumulative amount within 12 consecutive months based on the type of transaction. For the subject matters that the cumulative amount of which reaching 30% of the most recent audited total assets of the Company, a resolution shall be proposed to the general meeting for consideration and passed by shareholders representing more than two-thirds of the voting rights present at the general meeting. Upon the approval process has been fulfilled in accordance with the relevant provisions, the subject matter can be excluded from the relevant cumulative calculation.

If the Company invests to establish a company, and is allowed to pay its contribution in installments according to the Company Law, the approval procedure shall be applied to the full amount of capital contribution stipulated under the relevant agreement.

Article 32 The procedure of external investments which shall be approved by the Board or the general meeting shall be as follows:

- (1) The investment review panel shall conduct a preliminary assessment of the investment project, make investment proposals, and report to the strategy committee of the Board for preliminary review (if any).
- (2) The investment department and other relevant departments conduct a feasibility analysis for the project and prepare and submit a report to the strategy committee of the Board.
- (3) The feasibility study report and the relevant cooperation agreement having been reviewed and passed by the strategy committee of the Board, shall be submitted to the Board for consideration.

APPENDIX XVI RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT

- (4) The Board shall perform the examination and approval procedures in accordance with their respective authorization. The resolutions required to be passed by the general meeting shall be submitted to the general meeting for consideration.
- (5) The external investment projects that have been approved for implementation shall be carried out by the relevant departments authorised by the competent bodies.

Article 33 Upon signing of the external long-term investment agreement, the Company shall complete, among other things, the procedures for contribution, industrial and commercial registration, tax registration and opening bank account.

Article 34 The implementation of external investment projects must obtain the relevant authorization and approval documents, accompanied by the approved external investment budgets and other relevant information.

Article 35 An investment contract or agreement for any external investment project shall be entered into with the investee, subject to the approval of the authorised decision-making body. Particular departments and their personnel shall be authorised by the Company to make contributions in cash, in kind or by way of injection of intangible assets in accordance with the long-term investment contract or agreement. Contribution in kind shall complete the procedures of settlement. No contribution of cash or transfer of investment assets shall be made prior to the execution of investment contract or agreement. Certificates of investment or other valid evidence documents shall be obtained from the investee upon completion of the investment.

Article 36 The management of the Company's operations shall be responsible for supervising the operation and management of the projects and report the progress of the investments to the Board in a timely manner. Whenever the investment conditions are subject to a material change such that the investment efficiency is likely to be affected, the Company shall propose a recommendation on the suspension of or a plan adjustment for the investment projects in a timely manner, and re-submit the recommendation to the Board or the general meeting for approval based on the approval procedure.

Article 37 For significant investment projects, the Company may engage experts or intermediaries to carry out feasibility analysis and argumentation.

CHAPTER VIII INFORMATION MANAGEMENT

Article 38 The Company shall perform its information disclosure obligation in respect of its external investment in strict compliance with the Listing Rules and the relevant requirements. A subsidiary shall comply with the administrative measures on information disclosure of the Company. The Company shall be informed of all information of the subsidiary. The subsidiary shall not conceal or falsely report any information. The Company shall entrust the relevant person to participate in or attend the general meeting and the Board for the external investment that may exert a significant impact.

APPENDIX XVI RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT

Article 39 A subsidiary shall perform the basic obligations in providing the following information:

- (1) The subsidiary shall timely provide all information that may have a significant impact on the image of the listed company;
- (2) The subsidiary shall ensure the truthfulness, accuracy and completeness of the information provided;
- (3) Directors, managers and other persons involved in inside information of the subsidiary shall not disclose important inside information without authorization;
- (4) Important information of the subsidiary that may materially affect the share prices of the listed company shall be submitted to the secretary of the Board of the Company as soon as practicable, so as to make timely public disclosure;
- (5) The subsidiary shall report to the Company in writing for convening a general meeting and the Company may attend the meeting by proxy;
- (6) The subsidiary shall provide information in writing with signature from its leaders affixed with seals.

Article 40 A subsidiary shall, within two business days after the conclusion of the general meeting and the board of directors, report the resolution of the meeting to the Company.

Article 41 A subsidiary shall, within the reasonable time from the end of the month, quarter, half year and year, submit the monthly, quarterly, interim and annual financial statements, comprehensive analysis reports on financial activity and business summary to the Company.

Article 42 A subsidiary shall regularly report to the Company the implementation progress of the projects under construction and the external investment projects on a monthly, quarterly, semi-annual and annual basis. After the project is put into operation, the Company shall make statistics on the output efficiency on a monthly, quarterly, semi-annual and annual basis, and submit the report to the Board of the Company in writing within ten days after the end of the accounting period.

Article 43 A subsidiary shall timely report the following important matters to the general manager and the secretary to the Board.

- (1) proposed acquisition and disposal of assets;
- (2) proposed external investment;
- (3) material litigations and arbitrations;

APPENDIX XVI RULES FOR THE MANAGEMENT OF THE EXTERNAL INVESTMENT

- (4) the conclusion, revision and termination of material contracts (borrowings, entrusted operation, entrusted wealth management, donations, contracting, leasing, etc.);
- (5) material operating or non-operating loss;
- (6) material losses;
- (7) material administrative punishment;
- (8) guarantees;
- (9) high-risk investment;
- (10) other matters prescribed by the Listing Rules.

Article 44 The board of directors of a subsidiary shall designate a person to communicate with the secretary of the Board on information disclosure.

Article 45 For a joint stock company without control rights, the personnel holding positions as directors, supervisors and other management in the company who are appointed by the Company shall be responsible for requesting the relevant information required by the Company; the secretary of the Board shall be responsible for collecting the relevant information of the foreign investment entities without the personnel appointed by the Company.

CHAPTER IX PERSONNEL MANAGEMENT

Article 46 The directors, supervisors and senior management appointed by the Company to the invested companies shall know the situation regularly and make written reports to the Company. The Company shall duly perform its duties in appointing the directors and senior management. The directors, supervisors, managers and other senior management shall not engage in the business similar to that of the Company or behaviors that damage the interests of the Company on their own or for the benefit of others.

Article 47 The remuneration of the personnel appointed by the Company shall be managed by the Company in accordance with the Articles of Association and the internal systems.

Article 48 Each subsidiary shall strictly abide by the relevant management systems of the Company and act within the scope authorized by the Company.

CHAPTER X SUPPLEMENTARY PROVISIONS

Article 49 Matters not covered herein shall be amended and supplemented by the Board of the Company in a timely manner. In case of any discrepancy between the Rules and the relevant state laws and regulation, the relevant laws and regulations shall prevail and the Company shall amend the Measures from time to time.

Article 50 The Rules shall be interpreted by the Board of the Company.

Article 51 The Rules shall come into effect and be implemented from the date of considering and approving such resolution at the general meeting, except those related to special provisions for domestic listed companies, which are applicable from the date on which the Company completes its initial public offering of A Shares in China.

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING



Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING

REFERENCE IS MADE TO the notice of the extraordinary general meeting (the “**EGM**”) of Shanghai Haohai Biological Technology Co., Ltd.* (the “**Company**”) dated 4 January 2019 (the “**Original EGM Notice**”) and the announcement on the postponement of the EGM dated 1 February 2019 (the “**Postponement Announcement**”). Due to the reasons set out in the Postponement Announcement, the EGM will be rescheduled to 9:30 a.m. on Tuesday, March 12, 2019 at 24/F, Wen Guang Plaza 1386 Hongqiao Road, Changning District, Shanghai, PRC to consider and, if thought fit, pass the following resolutions. Unless the context requires otherwise, capitalized terms used herein shall have the same meaning as defined in the announcement of the Company dated January 3, 2019 and the Postponement Announcement.

SPECIAL RESOLUTIONS

1. To consider and approve the proposal on the A Share Offering:
 - 1.1 Type of the proposed issuance;
 - 1.2 Par value of the proposed issuance;
 - 1.3 Offering size;
 - 1.4 Pricing methodology;
 - 1.5 Place of listing;
 - 1.6 Target subscribers;
 - 1.7 Method of issuance;
 - 1.8 Method of underwriting;
 - 1.9 Use of proceeds to be raised;
 - 1.10 Validity period of the resolution;
 - 1.11 Form of the Company; and
 - 1.12 Rights of the holders of the A Shares.

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING

2. To consider and approve the proposal on the use of the proceeds to be raised by the A Share Offering and the feasibility analysis.
3. To consider and approve the proposal on granting authorization to the Board to handle the Company's application for the A Share Offering and related matters.
4. To consider and approve the proposal on the distribution of the accumulated undistributed profits before the A Share Offering.
5. To consider and approve the proposal on the dividend distribution plan within the three years after the A Share Offering.
6. To consider and approve the proposal on stabilizing the price of A Shares of the Company after the A Share Offering.
7. To consider and approve the proposal on the dilution of immediate returns and the remedial measures on the A Share Offering.
8. To consider and approve the proposal on amending the Articles of Association of the Company and the rules of procedure of the general meeting, the Board of Directors and the board of supervisory of the Company for the purpose of the A Share Offering:
 - 8.1 The proposed amendments to the Articles of Association;
 - 8.2 The proposed amendments to the rules of procedure of the general meeting;
 - 8.3 The proposed amendments to the rules of procedure of Board of Directors; and
 - 8.4 The proposed amendments to the rules of procedure of the board of supervisory.
9. To consider and approve the proposal on the validity period of the resolutions on the A Share Offering.

ORDINARY RESOLUTIONS

10. To consider and approve the proposal on commitments in relation to the A Share Offering and the introduction of corresponding restraining measures.
11. To consider and approve the proposal on the relevant internal control rules of the Company for the purpose of the A Share Offering:
 - 11.1 The Working Rules of the Independent Non-executive Directors;
 - 11.2 The Rules for the Management of the Related Party Transactions;
 - 11.3 Special Rules for Prevention of Major Shareholders and Related Parties to Occupy the Company's Funds;
 - 11.4 The Rules for the Management of Proceeds to be Raised;
 - 11.5 The Rules for the Management of the External Guarantee; and
 - 11.6 The Rules for the Management of the External Investment.

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING

12. To consider and approve the appointments of relevant intermediary agencies of the Company's A Share Offering:
 - 12.1 the proposal on the appointment of UBS Securities Co. Limited as the sponsor and lead underwriter of the Company's A Share Offering;
 - 12.2 the proposal on the appointment of Ernst & Young Hua Ming LLP (Special General Partnership) as the auditor for the Company's A Share Offering; and
 - 12.3 the proposal on the appointment of Allbright Law Offices as the legal advisers to the Company's A Share Offering.
13. To consider and approve the profit distribution proposal.

By order of the Board of
Shanghai Haohai Biological Technology Co., Ltd.
Hou Yongtai
Chairman

Shanghai, PRC
February 25, 2019

Notes:

1. Eligibility for attending and voting at the EGM and date of registration of members

Due to the postponement of the EGM originally scheduled to be held on Monday, February 18, 2019 and for the purpose of determining the entitlement of holders of shares of the Company to attend the EGM, the period of closure of the register of members of the Company will be extended to Tuesday, March 12, 2019, inclusive the day, during which period no transfer of shares of the Company can be registered. For qualifying to attend and vote at the EGM, the shareholders of the Company whose transfers have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares or the head office of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC for holders of Domestic Shares for registration at or before 4:30 p.m. on Friday, January 18, 2019. Shareholders of the Company whose names appear on the register of members of the Company on Saturday, January 19, 2019 will be entitled to attend and vote at the EGM or any adjournment thereof.

2. Proxy

- 1) Each shareholder entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote at the EGM on his behalf. A proxy need not be a shareholder of the Company.
- 2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.
- 3) The proxy form for the EGM issued by the Company on January 3, 2019 (the "**Original Proxy Form**") is no longer valid and is superseded by the enclosed revised proxy form for the EGM (the "**Revised Proxy Form**"). For Shareholders who have completed and returned the Original Proxy Form in accordance with the instructions printed thereon, **please be reminded that the votes by the proxy so appointed on the resolutions will be deemed invalid because an additional ordinary resolution in relation to the proposal on profit distribution has been inserted and the resolution in relation to the proposal on the appointment of the legal advisers for the Company's A Share Offering has been amended.**

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING

- 4) To be valid, for holders of H Shares, the Revised Proxy Form and notarised power of attorney or other document of authorisation (if any) must be delivered 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 appointed for the EGM or any adjournment thereof (as the case may be). Completion and return of the Revised Proxy Form will not preclude shareholders from attending and vote at the meeting should they wish to do so.
- 5) To be valid, for holders of Domestic Shares, the Revised Proxy Form and notarised power of attorney or other document of authorisation (if any) must be delivered to the head office of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC not less than 24 hours before the time appointed for the EGM or any adjournment thereof (as the case may be). Completion and return of the Revised Proxy Form will not preclude shareholders from attending and vote at the meeting should they wish to do so.

3. Registration procedures for attending the EGM

- 1) A shareholder or his proxy should present proof of identity when attending the EGM. If a shareholder is a legal person, its legal representative or other person authorised by the Board or other governing body of such shareholder may attend the EGM by providing a copy of the resolution of the Board or other governing body of such shareholder appointing such person to attend the meeting.
- 2) Shareholders of the Company intending to attend the EGM in person or by their proxies should complete and return the reply slip for attending the EGM to (a) the head office of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC (for holders of Domestic Shares); or (b) Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) on or before Tuesday, January 29, 2019.
- 3) A shareholder may return the above reply slip in person, by post or by facsimile to the head office of the Company (for holders of Domestic Shares) or the office of Computershare Hong Kong Investor Services Limited (for holders of H Shares).
- 4) Shareholders or proxies attending the EGM should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. Abstention from voting will not be regarded by the Company as having voting rights for the purpose of vote counts.

4. Voting method at the EGM

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the EGM will demand a poll in relation to all the proposed resolutions at the EGM.

5. Miscellaneous

- 1) The EGM is expected to take no more than half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.
- 2) The address of the Company's H Share Registrar is:
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
- 3) The address and contact details of the head office of the Company is:
23/F, WenGuang Plaza,
No. 1386 Hongqiao Road, Changning District,
Shanghai, PRC
Telephone: (86) 021-52293555
Facsimile: (86) 021-52293558
- 4) A circular setting out further details of the resolutions will be dispatched and published by the Company in due course.

* For identification purpose only

NOTICE OF 2019 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING



Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

NOTICE OF 2019 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2019 first domestic shareholders' class meeting (the **"Domestic Shareholders' Class Meeting"**) of Shanghai Haohai Biological Technology Co., Ltd.* (the **"Company"**) will be held at 10:30 a.m., on Monday, February 18, 2019 (or immediately after the conclusion or adjournment of the extraordinary general meeting of the Company to be held on the same date) at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC to consider and, if thought fit, pass the following resolutions. Unless the context requires otherwise, capitalized terms used herein shall have the same meaning as defined in the announcement of the Company dated January 3, 2019.

SPECIAL RESOLUTIONS

1. To consider and approve the proposal on the A Share Offering:

- 1.1 Type of the proposed issuance;
- 1.2 Par value of the proposed issuance;
- 1.3 Offering size;
- 1.4 Pricing methodology;
- 1.5 Place of listing;
- 1.6 Target subscribers;
- 1.7 Method of issuance;
- 1.8 Method of underwriting;
- 1.9 Use of proceeds to be raised;
- 1.10 Validity period of the resolution;
- 1.11 Form of the Company; and
- 1.12 Rights of the holders of the A Shares.

NOTICE OF 2019 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING

2. To consider and approve the proposal on the use of the proceeds to be raised by the A Share Offering and the feasibility analysis.
3. To consider and approve the proposal on granting authorization to the Board to handle the Company's application for the A Share Offering and related matters.
4. To consider and approve the proposal on the distribution of the accumulated undistributed profits before the A Share Offering.
5. To consider and approve the proposal on stabilizing the price of A Shares of the Company after the A Share Offering.
6. To consider and approve the proposal on the dilution of immediate returns and the remedial measures on the A Share Offering.
7. To consider and approve the proposal on the validity period of the resolutions on the A Share Offering.

By order of the Board
Shanghai Haohai Biological Technology Co., Ltd.*
Hou Yongtai
Chairman

Shanghai, PRC
January 4, 2019

* *For identification purpose only*

NOTICE OF 2019 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING

Notes:

1. Eligibility for attending and voting at the Domestic Shareholders' Class Meeting and date of registration of members for Domestic Shares

In order to determine the holders of the Domestic Shares of the Company (the “**Domestic Shareholders**”) who are entitled to attend the Domestic Shareholders' Class Meeting, the register of members of the Company will be closed from Saturday, January 19, 2019 to Monday, February 18, 2019 (both days inclusive), during which time no transfer of Domestic Shares will be registered.

For qualifying to attend and vote at the Domestic Shareholders' Class Meeting, the Domestic Shareholders whose transfers have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC at or before 4:30 p.m. on Friday, January 18, 2019.

Domestic Shareholders whose names appear on the register of members of domestic shares of the Company on January 19, 2019 will be entitled to attend and vote at the Domestic Shareholders' Class Meeting or any adjournment thereof.

2. Proxy

- (1) Each shareholder entitled to attend and vote at the Domestic Shareholders' Class Meeting may appoint one or more proxies in writing to attend and vote at the meeting on his behalf. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.
- (3) To be valid, for holders of the Domestic Shares, the form of proxy and notarised power of attorney or other document of authorisation (if any) must be delivered to the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC not less than 24 hours before the time appointed for the Domestic Shareholders' Class Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy will not preclude shareholders from attending and vote at the meeting should they wish to do so.

NOTICE OF 2019 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING

3. Registration procedures for attending the Domestic Shareholders' Class Meeting

- (1) A shareholder or his proxy should present proof of identity when attending the Domestic Shareholders' Class Meeting. If a shareholder is a legal person, its legal representative or other person authorised by the Board or other governing body of such shareholder may attend the Domestic Shareholders' Class Meeting by providing a copy of the resolution of the Board or other governing body of such shareholder appointing such person to attend the meeting.
- (2) Shareholders of the Company intending to attend the Domestic Shareholders' Class Meeting in person or by their proxies should complete and return the reply slip for attending the Domestic Shareholders' Class Meeting to the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC on or before Tuesday, January 29, 2019.
- (3) A shareholder may return the above reply slip in person, by post or by facsimile to the Company.
- (4) Shareholders or proxies attending the Domestic Shareholders' Class Meeting should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. Abstention from voting will not be regarded by the Company as having voting rights for the purpose of vote counts.

4. Voting method at the Domestic Shareholders' Class Meeting

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the Domestic Shareholders' Class Meeting will demand a poll in relation to all the proposed resolutions at the Domestic Shareholders' Class Meeting.

5. Miscellaneous

- (1) The Domestic Shareholders' Class Meeting is expected to take no more than half a day. Shareholders who attend the Domestic Shareholders' Class Meeting shall bear their own travelling and accommodation expenses.
- (2) The address and contact details of the headquarters of the Company is:

23/F, WenGuang Plaza,
No. 1386 Hongqiao Road, Changning District
Shanghai, PRC
Telephone: (86) 021-52293555
Facsimile: (86) 021-52293558
- (3) A circular setting out further details of the resolutions will be dispatched and published by the Company in due course.

* *for identification purpose only*

NOTICE OF 2019 FIRST H SHAREHOLDERS' CLASS MEETING



Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

NOTICE OF 2019 FIRST H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2019 first H Shareholders' class meeting (the "**H Shareholders' Class Meeting**") of Shanghai Haohai Biological Technology Co., Ltd.* (the "**Company**") will be held at 11:30 a.m., on Monday, February 18, 2019 (or immediately after the conclusion or adjournment of the 2019 first domestic shareholders' class meeting of the Company to be held on the same date) at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC to consider and, if thought fit, pass the following resolutions. Unless the context requires otherwise, capitalized terms used herein shall have the same meaning as defined in the announcement of the Company dated January 3, 2019.

SPECIAL RESOLUTIONS

1. To consider and approve the proposal on the A Share Offering:

- 1.1 Type of the proposed issuance;
- 1.2 Par value of the proposed issuance;
- 1.3 Offering size;
- 1.4 Pricing methodology;
- 1.5 Place of listing;
- 1.6 Target subscribers;
- 1.7 Method of issuance;
- 1.8 Method of underwriting;
- 1.9 Use of proceeds to be raised;
- 1.10 Validity period of the resolution;
- 1.11 Form of the Company; and

NOTICE OF 2019 FIRST H SHAREHOLDERS' CLASS MEETING

- 1.12 Rights of the holders of the A Shares.
2. To consider and approve the proposal on the use of the proceeds to be raised by the A Share Offering and the feasibility analysis.
 3. To consider and approve the proposal on granting authorization to the Board to handle the Company's application for the A Share Offering and related matters.
 4. To consider and approve the proposal on the distribution of the accumulated undistributed profits before the A Share Offering.
 5. To consider and approve the proposal on stabilizing the price of A Shares of the Company after the A Share Offering.
 6. To consider and approve the proposal on the dilution of immediate returns and the remedial measures on the A Share Offering.
 7. To consider and approve the proposal on the validity period of the resolutions on the A Shares Offering.

By order of the Board
Shanghai Haohai Biological Technology Co., Ltd.*
Hou Yongtai
Chairman

Shanghai, PRC
January 4, 2019

* *For identification purpose only*

NOTICE OF 2019 FIRST H SHAREHOLDERS' CLASS MEETING

Notes:

1. Eligibility for attending and voting at the H Shareholders' Class Meeting and date of registration of members for H Shares

In order to determine the holders of H Shares (the “**H Shareholders**”) who are entitled to attend the H Shareholders' Class Meeting, the register of members of H Shares of the Company will be closed from Saturday, January 19, 2019 to Monday, February 18, 2019 (both days inclusive), during which time no transfer of H Shares will be registered.

For qualifying to attend and vote at the H Shareholders' Class Meeting, the holders of H Shares whose transfers have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration at or before 4:30 p.m. on Friday, January 18, 2019.

Holders of H Shares whose names appear on the register of members of H Shares of the Company on January 19, 2019 will be entitled to attend and vote at the H Shareholders' Class Meeting or any adjournment thereof.

2. Proxy

- (1) Each shareholder entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies in writing to attend and vote at the meeting on his behalf. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.
- (3) To be valid, for holders of H Shares, the form of proxy and notarised power of attorney or other document of authorisation (if any) must be delivered 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 appointed for the H Shareholders' Class Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy will not preclude shareholders from attending and vote at the meeting should they wish to do so.

NOTICE OF 2019 FIRST H SHAREHOLDERS' CLASS MEETING

3. Registration procedures for attending the H Shareholders' Class Meeting

- (1) A shareholder or his proxy should present proof of identity when attending the H Shareholders' Class Meeting. If a shareholder is a legal person, its legal representative or other person authorised by the Board or other governing body of such shareholder may attend the H Shareholders' Class Meeting by providing a copy of the resolution of the Board or other governing body of such shareholder appointing such person to attend the meeting.
- (2) Shareholders of the Company intending to attend the H Shareholders' Class Meeting in person or by their proxies should complete and return the reply slip for attending the H Shareholders' Class Meeting 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 on or before Tuesday, January 29, 2019.
- (3) A shareholder may return the above reply slip in person, by post or by facsimile to the office of Computershare Hong Kong Investor Services Limited.
- (4) Shareholders or proxies attending the H Shareholders' Class Meeting should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. Abstention from voting will not be regarded by the Company as having voting rights for the purpose of vote counts.

4. Voting method at the H Shareholders' Class Meeting

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the H Shareholders' Class Meeting will demand a poll in relation to all the proposed resolutions at the H Shareholders' Class Meeting.

5. Miscellaneous

- (1) The H Shareholders' Class Meeting is expected to take no more than half a day. Shareholders who attend the H Shareholders' Class Meeting shall bear their own travelling and accommodation expenses.
- (2) The address of the Company's H share registrar is:

Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
- (3) A circular setting out further details of the resolutions will be dispatched and published by the Company in due course.

* *for identification purpose only*