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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to 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) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018**
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2018**
- (3) 2018 FINANCIAL REPORTS**
- (4) ENGAGEMENT OF DOMESTIC AUDITOR AND INTERNATIONAL AUDITOR OF THE COMPANY FOR 2019**
- (5) ELECTION OF DIRECTORS OF THE FOURTH SESSION OF THE BOARD**
- (6) ELECTION OF SUPERVISORS OF THE FOURTH SESSION OF THE SUPERVISORY COMMITTEE**
- (7) PROPOSED DEVELOPMENT OR REVISION TO THE CORPORATE GOVERNANCE SYSTEM**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 4 to 9 of this Circular.

A notice dated May 10, 2019 convening the AGM has been despatched by the Company together with the form of proxy and the reply slip for the AGM, and they have also been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.3healthcare.com](http://www.3healthcare.com)). The AGM will be held at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC at 10:00 a.m. on Thursday, June 27, 2019.

Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Shareholders who intend to attend the AGM should also complete and return the reply slip which has been despatched on May 10, 2019 in accordance with the instructions printed thereon.

*\* for identification purpose only*

June 4, 2019

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## DEFINITIONS

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

“AGM” or “Annual General Meeting”	the 2018 annual general meeting of the Company to be held at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC on Thursday, June 27, 2019 at 10:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, approving the resolutions contained in the notice of the 2018 annual general meeting dated May 10, 2019
“Articles of Association”	the articles of association of the Company currently in force
“A Share Offering”	the Company’s proposed initial public offering of not more than 17.80 million A Shares which are to be listed on the Sci-Tec Innovation Board of Shanghai Stock Exchange, and to issue A Shares upon the exercise of the over-allotment option (if any)
“Board” or “Board of Directors”	the board of Directors of the Company
“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 established in the PRC with limited liability and its H shares are listed on the Main Board of the Stock Exchange (Stock Code: 6826)
“Company Law”	the Company Law of the PRC (as amended from time to time)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic 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
“Group”	the Company and its subsidiaries
“Haohai Development”	Shanghai Haohai Medical Technology Development Co., Ltd.* (上海昊海醫藥科技發展有限公司), a limited liability company established in the PRC on February 19, 2016, which is a direct wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Haohai Holdings”	Haohai Healthcare Holdings Co., Ltd. (昊海生物科技控股有限公司), a limited liability company established in Hong Kong on July 17, 2015, which is a direct wholly-owned subsidiary of our Company
“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
“Henan Universe”	Henan Universe Intraocular Lens Research and Manufacture Company, Ltd (河南宇宙人工晶狀體研製有限公司), a company established in the PRC on April 30, 1991, which is a wholly-owned subsidiary of the Company since November 2016
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Implementation Rules of the Cumulative Voting System”	Implementation Rules of the Cumulative Voting System of the Company
“Independent Non-executive Director(s)”	the independent non-executive Director(s) of the Company
“Lastest Practicable Date”	May 29, 2019, being the lastest practicable date proctor the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with GEM of the Stock Exchange
“Online Voting Management System for the Shareholders’ General Meeting”	Online Voting Management System for the Shareholders’ General Meeting of the Company
“PRC”	the People’s Republic of China which, for the purpose of this circular only, excludes Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Qingdao Huayuan”	Qingdao Huayuan Fine Biological Product Co., Ltd. (青島華元精細生物製品有限公司), a company established in the PRC on March 19, 2004. Since December 2017, the Company indirectly holds 100% of its equity interest

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## DEFINITIONS

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“Reporting Period”	the 12-month period from January 1, 2018 to December 31, 2018
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rules for the Management of the Related Party Transactions”	Rules for the Management of the Related Party Transactions of the Company, which has been approved at the extraordinary general meeting on March 12, 2019
“Shanghai Jianhua”	Shanghai Jianhua Fine Biological Products Company Limited (上海建華精細生物製品有限公司), a company established in the PRC on October 20, 1993 and converted into a limited liability company on August 14, 1995, which is a direct wholly-owned subsidiary of our Company
“Shanghai Likangrui”	Shanghai Likangrui Biological Engineering Company Limited (上海利康瑞生物工程有限公司), a limited liability company established in the PRC on September 3, 2001, which is a direct wholly-owned subsidiary of our Company
“Shanghai Qisheng”	Shanghai Qisheng Biologics Company Limited (上海其勝生物製劑有限公司), a company established in the PRC on May 27, 1992, converted into a joint-stock cooperative enterprise on July 10, 1995 and further converted into a limited liability company on March 28, 2001, which is a direct wholly-owned subsidiary of our Company
“Share(s)”	ordinary 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
“Shenzhen NIMO”	Shenzhen New Industries Material of Ophthalmology Co., Ltd.* (深圳市新產業眼科新技術有限公司), a company established in the PRC on April 27, 2006. Since November 2016, the Company, holds 60% of its equity interest
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company

*\* for identification purpose only*

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## LETTER FROM THE BOARD

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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)**

*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

June 4, 2019

To the Shareholders

Dear Sir/Madam,

- (1) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018**
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2018**
- (3) 2018 FINANCIAL REPORTS**
- (4) ENGAGEMENT OF DOMESTIC AUDITOR AND INTERNATIONAL  
AUDITOR OF THE COMPANY FOR 2019**
- (5) ELECTION OF DIRECTORS OF THE FOURTH SESSION OF THE BOARD**
- (6) ELECTION OF SUPERVISORS OF THE FOURTH SESSION OF THE  
SUPERVISORY COMMITTEE**
- (7) PROPOSED DEVELOPMENT OR REVISION TO THE CORPORATE  
GOVERNANCE SYSTEM**

*\* for identification purpose only*

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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the AGM. The resolutions to be submitted to the AGM are set out in the notice of the AGM, which was despatched by the Company to the Shareholders on May 10, 2019.

At the AGM, ordinary resolutions will be proposed to approve, among others, (i) the work report of the Board for 2018 (the “**2018 Work Report of the Board**”); (ii) the work report of the Supervisory Committee for 2018 (the “**2018 Work Report of the Supervisory Committee**”); (iii) the financial reports of the Company for 2018 (the “**2018 Financial Reports**”); (iv) engagement of domestic auditor and international auditor of the Company for 2019 and the grant of authorization to the Board to determine their respective remunerations; (v) the election of Directors of the fourth session of the Board; (vi) the election of Supervisors of the fourth session of the Supervisory Committee; (vii) Implementation Rules of the Cumulative Voting System; (viii) Online Voting Management System for the Shareholders’ General Meeting; and (ix) proposed amendments to the Rules for the Management of the Related Party Transactions.

### ORDINARY RESOLUTIONS:

#### 1. 2018 Work Report of the Board

An ordinary resolution will be proposed at the AGM to approve the 2018 Work Report of the Board. Details of the 2018 Work Report of the Board are set out in Appendix I of this circular.

The 2018 Work Report of the Board was considered and approved by the Board and will be proposed at the AGM for consideration and approval by the Shareholders.

#### 2. 2018 Work Report of the Supervisory Committee

An ordinary resolution will be proposed at the AGM to approve the 2018 Work Report of the Supervisory Committee. Details of the 2018 Work Report of the Supervisory Committee are set out in Appendix II of this circular.

The 2018 Work Report of the Supervisory Committee was considered and approved by the Supervisory Committee and will be proposed at the AGM for consideration and approval by the Shareholders.

#### 3. 2018 Financial Reports

An ordinary resolution will be proposed at the AGM to approve the 2018 Financial Reports. Details of the 2018 Financial Reports are set out in the annual report of the Company for the year ended December 31, 2018 despatched on April 26, 2019.

The 2018 Financial Reports were considered and approved by the Board and will be proposed at the AGM for consideration and approval by the Shareholders.

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## LETTER FROM THE BOARD

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### **4. Engagement of Domestic Auditor and International Auditor of the Company for 2019**

The Board proposed that Ernst & Young Hua Ming LLP be appointed as the domestic auditors for the Company in 2019, until the conclusion of the 2019 annual general meeting of the Company, and that the Board be authorized to fix their remuneration. The Board also proposed that Ernst & Young be appointed as the international auditors for the Company in 2019, until the conclusion of the 2019 annual general meeting of the Company, and that the Board be authorized to fix their remuneration.

The proposal on the engagement of domestic and international auditors of the Company was considered and approved by the Board will be proposed at the AGM for consideration and approval by the Shareholders.

### **5. Election of Directors of the Fourth Session of the Board**

The Third Session of the Board was established on June 3, 2016 and the term will expire soon. The Company proposes to establish the Fourth Session of the Board according to the Articles of Association and the relevant regulatory requirements. At the 19th meeting of the Third Session of the Board held on March 14, 2019, the Board considered and approved the Proposal on the Nomination of the Candidates for Directors of the Fourth Session of the Board, and agreed to nominate Dr. Hou Yongtai, Mr. Wu Jianying, Mr. Huang Ming, Ms. Chen Yiyi and Mr. Tang Minjie as candidates for executive Directors of the Fourth Session of the Board, nominate Ms. You Jie as candidate for non-executive Director of the Fourth Session of the Board, and nominate Mr. Chen Huabin, Mr. Shen Hongbo, Mr. Zhu Qin and Mr. Wong Kwan Kit as candidates for independent non-executive Directors of the Fourth Session of the Board. The above-mentioned candidates for the Board have also offered themselves as the candidates of the Fourth Session of the Board. An ordinary resolution will be proposed at the AGM to approve the election of Directors of the Fourth Session of the Board, and authorization of the Board to determine the remuneration of the Directors with reference to the prevailing market rate, the Company's remuneration policy, and their duties with the Group and contribution to the Group.

In the event that the above-mentioned candidates for Directors are elected as Directors of the Fourth Session of the Board, their terms of office will be three years from the date of the approval of this resolution at the AGM, the Company will enter into service contracts with them respectively. Biographical details of each of the candidates for Directors proposed to be elected at the AGM are set out in Appendix III to this circular.

### **6. Election of Supervisors of the Fourth Session of the Supervisory Committee**

The Third Session of the Supervisory Committee was established on June 3, 2016 and the term will expire soon. The Company proposes to establish the Fourth Session of the Supervisory Committee according to the Articles of Association and the relevant regulatory requirements. Non-employee representative Supervisors of the Company shall be elected by the Shareholders at the general meeting. At the 7th meeting of the Third Session of the Supervisory Committee held on March 14, 2019, the Supervisory Committee considered and approved the Proposal on the Nomination of the Candidates for the Supervisors of the Fourth Session of the Supervisory Committee, and agreed to



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## LETTER FROM THE BOARD

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nominate Mr. Liu Yuanzhong, Ms. Yang Qing and Mr. Tang Yuejun as candidates for Supervisors of the Fourth Session of the Supervisory Committee. The above-mentioned candidates for Supervisors have also offered themselves as the candidates of the fourth session of the Supervisory Committee. An ordinary resolution will be proposed at the AGM to approve the election of Supervisors of the Fourth Session of the Supervisory Committee, and to authorization of the Board to determine the remuneration of the Supervisors with reference to the prevailing market rate, the Company's remuneration policy, and their duties with the Group and contribution to the Group.

In the event that the above-mentioned candidates for Supervisors are elected as Supervisors of the Fourth Session of the Supervisory, their terms of office will be three years from the date of the approval of this resolution at the AGM, the Company will enter into service contracts with them respectively. Biographical details of each of the candidates for the Supervisors proposed to be elected at the AGM are set out in Appendix IV to this circular.

It is intended that the Fourth Session of the Supervisory Committee will comprise five persons, of which the election of employee representative Supervisors shall be conducted at the employee's representative meeting to be convened by the Company. The biographical details of the employee representative Supervisors will be disclosed by way of announcement upon conclusion of the employees' representative meeting convened by the Company.

### **7. Proposed Development or Revision to the Corporate Governance System**

For the purpose of the proposed A Share Offering, the Board proposes to develop or revise the following corporate governance systems: (i) Implementation Rules of the Cumulative Voting System (please refer to Appendix V to this circular); (ii) Online Voting Management System for the Shareholders' General Meeting (please refer to Appendix VI to this circular); (iii) Rules for the Management of the Related Party Transactions (please refer to Appendix VII to this circular).

These proposals have been approved by the Board and will be submitted to the AGM for approval by Shareholders in the form of ordinary resolutions.

### **AGM**

The Company will hold the AGM at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC at 10:00 a.m. on Thursday, June 27, 2019 for the Shareholders to consider, and if thought fit, approve the resolutions relating to, among others, (i) the 2018 Work Report of the Board; (ii) the 2018 Work Report of the Supervisory Committee; (iii) the 2018 Financial Reports; (iv) the engagement of domestic auditor and international auditor of the Company for 2019 and the grant of authorization the Board to determine their respective remunerations; (v) the election of Directors of the fourth session of the Board; (vi) the election of Supervisors of the fourth session of the Supervisory Committee; (vii) Implementation Rules of the Cumulative Voting System; (viii) Online Voting Management System for the Shareholders' General Meeting; and (ix) proposed amendments to the Rules for the Management of the Related Party Transactions.

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## LETTER FROM THE BOARD

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### **CLOSURE OF THE REGISTER OF MEMBERS FOR ASCERTAINING ELIGIBILITY FOR ATTENDING AND VOTING AT THE AGM**

In order to determine the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, May 28, 2019 to Thursday, June 27, 2019, both days inclusive, during which period no transfer of Shares will be registered. To qualify to attend and vote at the AGM, 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 1712-16, 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 Monday, May 27, 2019.

The reply slip and proxy form for the AGM have been despatched by the Company on May 10, 2019. Whether or not you wish to attend the AGM, please complete the enclosed reply slip and/or proxy form in accordance with the 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 holders of H Shares) or the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC (in case of holders of Domestic Shares), as soon as possible and in any event on or before Friday, June 7, 2019 (for the reply slip) or by no later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (for the proxy form (if any)). Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish and in such event, the proxy form shall be deemed revoked.

### **Voting by Way of Poll**

In accordance with Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the meetings must be taken by poll. As such, all the resolutions set out in the notice convening the AGM will be voted by poll. Save as disclosed in this circular, no Shareholder has a material interest in the matters to be approved and therefore no Shareholder is required to abstain from voting in respect of such resolutions.

On a poll, every Shareholder who is present 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.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material 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.

### 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 the AGM.

The Directors would also like to draw your attention to the additional information set out in the appendices to this circular.

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

*\* for identification purpose only*

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## APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018

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### WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018

Dear Shareholders,

2018 was a key year for the implementation of the “13th Five-Year Plan” (the “**Plan**”) for deepening the reforms of the pharmaceuticals and healthcare system, and a year facing major changes. China’s pharmaceutical and medical device industry were facing severe challenges, and also expected to meet with significant development opportunities. During the Reporting Period, the Group improved operational efficiency through refined management. The Group also focused on increasing investment in research and development, optimizing its product portfolio and advancing service upgrade so as to secure the steady growth of the entire principal business. The main work report of the Board for 2018 is as follows:

#### **I. Daily work of the Board for 2018**

In 2018, the Board of the Company held four board meetings, three meetings of the audit committee, one meeting of the remuneration committee, two meetings of the nomination committee, one meeting of the strategy committee and one meeting for non-executive Directors. For the matters reviewed and discussed at the meeting, please refer to the Company’s 2018 annual report.

In 2018, the Board held one general meeting, at which the Board revised the Articles of Association in accordance with the relevant laws and regulations of China, the requirements of regulatory policies, and the Company’s business development requirement.

#### **II. Results Performance for 2018**

##### **i. Financial results performance**

During the Reporting Period, the Group recorded aggregate revenue of approximately RMB1,545.82 million, representing an increase of RMB200.96 million, approximately 14.9%, as compared to 2017; the profit attributable to ordinary equity holders of the Company was approximately RMB414.54 million, after excluding the impact of the amortisation and depreciation charge attributable to ordinary equity holders of the Company on intangible assets and fixed assets from business acquisition of the Group (after tax), the profit attributable to ordinary equity holders of the Company was approximately RMB437.30 million, representing an increase of approximately 13.6% as compared to that in 2017; the total comprehensive income for the year attributable to ordinary equity holders of the Company was approximately RMB490.97 million, representing an increase of approximately 28.2% as compared to that in 2017; the overall gross profit margin of the Group was 78.4%, basically in line with 78.6% in 2017.

##### **ii. R&D management performance**

In 2018, the Company was awarded the title of Intellectual Property Right Demonstration Enterprise of China; the Company’s subsidiary Qisheng Biologicals was approved as Shanghai Municipal Enterprise Technology Center. In addition, the Group’s products “Matrifill” and “Healin” were selected as the “Top 100” list of Shanghai’s high-tech achievements transformation project.

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## **APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018**

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During the Reporting Period, the Group owned its national-level enterprise technology center and national postdoctoral R&D workstation and two national R&D platforms, and four provincial and ministerial-level technology and R&D transformation platforms, and one Shanghai municipal academician expert workstation, and has established an integrated R&D system in China, the United States and the United Kingdom, initially forming an international R&D layout.

### **iii. Market management performance**

In 2018, the Group sold its products in provinces, municipalities and autonomous regions across the PRC and approximately 65 countries and regions in the world by continuing to leverage on its distributors network. Meanwhile, the Group gave full play to the functions of the four professional teams, namely, marketing, medical, commercial and sales teams, and contribute to the continuous improvement of the reputation of the Group's products and brand.

According to the research reports of China Food and Drug Administration Southern Medicine Economic Research Institute and Guangzhou Biaodian Medical Information Co., Ltd., during the Reporting Period, the Group continues to maintain its leading position in the industry: domestic market shares of intra-articular viscosupplement, anti-adhesion products and ophthalmic viscoelastic devices products were 36.2%, 49.0% and 45.9% respectively in 2017; whilst the market share of recombinant human epidermal growth factor products for external use, i.e. "Healin", continued to increase and reached 18.6%, ranking the second place in the market.

### **III. Information disclosure and investor communication**

The Company developed an internal system to regulate the disclosure of inside information. The Board takes lead for the information disclosure obligations of the company, while the secretary of the Board is responsible for the specific organization and implementation of information disclosure. During the Reporting Period, the Board continued to strictly abide by the requirements of the Listing Rules, and disclosed material information such as regular reports and temporary announcements completely and timely to make sure all Shareholders are timely, completely and accurately informed of the material information and recent operation of the Company.

The Board attaches great importance to the maintenance and development of investor relationships; communicates the Company's information to the public in a legal, timely and effective manner; enhances the transparency of the Company's information and establishes an effective channel for communication between the Company and investors.

### **IV. Development plans and targets for the next three years**

#### **(I) Company development strategy**

The Company is a scientific and technological innovation enterprise that applies biomedical materials technology and genetic engineering technology to research, develop, produce and sell

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## **APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018**

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medical devices and drugs. It is committed to providing innovative medical products to the market and gradually realizing import substitution of related pharmaceutical products through technological innovation and transformation, domestic and international resource integration and large-scale production.

The Company pays attention to scientific research and development and transformation of results, strengthens services; keeps maintaining the leading position of technology through cooperation with well-known domestic universities and R&D institutions and the strategy of independent R&D and technology introduction; continuously optimizes and enhances management capabilities and reduces operating expenses; continually expands and improves product lines and integrates industrial chain through endogenous growth combined with mergers and acquisitions; strengthens the company's brand building and enhances brand value to make the Company a leader in the field of biomedical materials.

### **(II) Measures taken in the past three years and their implementation effects**

In the past three years, we have taken targeted measures to realize the Company's development strategy. On the one hand, we continued to improve the operational management so as to promote the upgrading of products and services, continue to consolidate the industry position in the field of medical absorbable biomaterials, and ensure the continued growth of the original business; on the other hand, the Company obtained access to the market of intraocular lens - the core medical device for cataract surgery as a breakthrough by integrating domestic and foreign high-quality enterprises with mature products, high-end technology and high-quality market resources, and has now completed the global industrial chain layout of intraocular lens, laying a good foundation for the Company's future development of high-value consumables for ophthalmology.

Through the above measures, the Company's various business indicators have grown steadily in the past three years. The compound annual growth rate of revenue has reached 34.52%, and the compound annual growth rate of net profit has reached 21.04%.

### **(III) The Company's future development goals and corresponding plans**

In the future, guided by the Company's development strategy, the Company will expand the company's leading position in the medical sodium hyaluronate and medical chitosan industry through continuous investment, improve the Company's market position in the external recombinant human epidermal growth factor industry, and develop animal-derived series of new hemostatic drugs. At the same time, the Company will be committed to the development of a full range of domestically produced intraocular lens products to promote the import substitution of high-end products, and will expand to more ophthalmological treatment areas such as glaucoma, fundus diseases, dry eye, etc., to create a leading enterprise in the field of biomedical materials, maintain the sustainable development of the company and new products, and continuously enhance the Company's value.

The Company will continue to concentrate on the development and transformation of new technologies for modern new biomedical materials and specialized product market services to enhance the Company's independent innovation capabilities and the Company's core competitive advantage.

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## APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018

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### *i. Business objectives*

In the next three to five years, the Company will build new GMP production facilities, increase the production capacities of existing products; optimize product lines; expand product coverage, increase market share; maintain reasonable product gross profit margin, and ensure the sustainable and stable growth of the Company's main business revenue, further expand the leading edge in the sub-sectors such as intraocular lens, sodium hyaluronate series and medical chitosan series products, promote the market share of the company's products to further increase and ensure the continued growth of the Company's performance.

### *ii. Product development plan*

Based on the advantages of existing technologies, combined with the current research projects, and centred on the Company's long-term concerned fields of ophthalmology, plastic surgery and wound care, orthopedics, anti-adhesion, hemostasis, etc., the Company intends to develop and expand targeted new products and new specifications and indications of existing products, and promote industrial upgrading and import substitution in related fields.

In the short to medium term, the Company will focus on research and development of third-generation hyaluronic acid, animal-derived series of new hemostatic drugs, second-generation thermosensitive chitosan, innovative mid- to high-end intraocular lens products, and several projects in the field of optometry, and will also expand specification and indication of the Company's existing products in the market. In the long term, the Company insists on expanding its research and development capabilities, and extends its development based on the company's intraocular lens and optometry materials, medical chitosan, medical sodium hyaluronate, and recombinant human epidermal growth factor, further to expand the company's product range to ophthalmology treatments such as dry eye and glaucoma, as well as in the field of drug release agents, new composite anti-adhesion and hemostatic drugs.

### *iii. Market development and marketing network construction plan*

Market development and marketing network construction has always been one of the focus of the company's attention and investment. The Group owns extensive and effective sales network in China. Currently, the Group's distribution network comprised over 2,000 distributors. With such distribution network, products of the Group were sold in provinces, municipalities and autonomous regions across the PRC. In order to adapt to future market changes, the Company will continue to strengthen market development and marketing network construction, promote the integration of marketing resources and unified management, further expand business opportunities all over the world, ensure the sustainable and stable growth of the company's sales revenue, guarantee the production capacity and sales of new products on the market.

### *iv. Human resources plan*

The Company always adheres to the principle of "people-oriented" and the principle of compatibility of key human capital incentives, attaches importance to the introduction and cultivation

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## APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018

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of enterprise talents, establishes a human resource compensation system suitable for the combination of enterprise development and personal development, and constantly improves existing human resource system, builds an echelon of high-quality talents and promotes the Company's continuous technological innovation and product development through effective incentive.

**v. *M&A, restructuring and international development***

With the development of the Company's business, the Company not only achieves endogenous scale expansion through its own accumulation and R&D innovation, but also accelerates its development through mergers and acquisitions of domestic and foreign companies. Based on the long-term development goal and focused on core business, the Company will further expand the market share of the Company's products in the domestic and foreign markets through acquisition, merger and integration of industry resources, enhance the core competitive advantage and promote the further development of the Company.

**vi. *Refinancing plan***

On the basis of fully guaranteeing the interests of shareholders, the Company will choose the right market and opportunities according to the needs of strategy and production and operation, flexibly select various financial instruments, and conduct direct or indirect financing activities to optimize the capital structure, reduce the cost of capital and provide sufficient and reliable financial support for the development of the Company.



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## APPENDIX II WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2018

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### WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2018

Dear Shareholders,

In 2018, all members of the Supervisory Committee of the Company adhered to the principles of good faith and faithfully fulfilled the duties assigned by the Articles of Association of the Company in accordance with the “Company Law of the People’s Republic of China” (“**Company Law**”), the Company’s Articles of Association and relevant laws and regulations to safeguard the interests of the Company and its shareholders.

In 2018, the Supervisory Committee of the Company carried out routine work in a steady and orderly manner including holding a total of two meetings of the Supervisory Committee. The Supervisory Committee reviewed the Company’s audited financial statements and profit distribution plans and proposed amendments to the Articles of Association, conducted supervision over Company’s financial position and financial management and provided recommendations and opinions to the Board and management on the Company’s operations and development plans. The Supervisory Committee is of the view that in 2018, the financial report truthfully and reasonably reflects the financial position and operating results of the Company.

In 2018, the Supervisory Committee attended the Board meeting of the Company and conducted supervision over whether the business decision resolutions made by the board were in compliance with the laws and regulations of the state and the Articles of Association, the development prospects of the company and the shareholders’ interests. The Supervisory Committee is of the view that the Board of the Company was able to perform its duties in accordance with the requirements of the Company Law, the Listing Rules, the Articles of Association and other relevant laws, regulations and systems in 2018. The Supervisory Committee did not find that the Directors and senior management of the Company abused their powers, damaged the interests of the Company or infringed the rights and interests of the shareholders and employees of the Company.

In 2018, the Supervisory Committee paid attention to the Company’s continuing connected transactions for the year. By considering the market environment factors, transaction amount, corporate governance and other related aspects, the independent non-executive Directors have confirmed that the continuing connected transactions for 2018 were entered into: (i) in the usual course of business; (ii) according to normal commercial terms; and (iii) under the relevant agreements governing the transactions and on terms that are fair and reasonable and in the interests of the Company and the shareholders as a whole.

In 2018, the Company had no major assets acquisitions and sales.

In 2019, with the further development of the Company’s various businesses, the Supervisory Committee will strictly abide by its duties and responsibilities in accordance with national laws and regulations and the Articles of Association, and fulfil their duties, supervise the standard operation of the Company and the implementation of the resolutions of the shareholders’ meeting by the Board to effectively protect and safeguard the legitimate interests of the Company and its shareholders.

Details of the candidates for Directors proposed to be elected at the AGM are set out below:

#### EXECUTIVE DIRECTORS

**Dr. Hou Yongtai (侯永泰)**, aged 57, is the chairman and executive Director of the Company. Dr. Hou engaged in postdoctoral research at the pharmacology department of University of Pennsylvania in the U.S. from July 1992 to October 1995. Thereafter, he served as a research investigator at the department of cell and developmental biology of the University of Michigan in the U.S. from 1998 to 2000. From August 2000 to August 2003, he served as a researcher and doctoral degree supervisor at Shanghai Institute of Materia Medica, Chinese Academy of Sciences (中國科學院上海藥物研究所), where he was mainly responsible for establishing screening models for cancer drugs and the application of new biotechnologies (such as RNA interference) on new drugs development. He also served as the overseas manager of the strategy and investment committee at Shanghai Pharmaceutical (Group) Co., Ltd, a company principally engaged in investments, research in pharmaceutical products, medical devices, as well as manufacturing and sale of medical devices from July 2003 to June 2004 and was mainly responsible for assisting its formulation of overseas strategies and implementing its external relations and coordination. During July 2000 to June 2004 and April 2005 to March 2008 at Shanghai Huayuan Life Sciences Research and Development Company Limited (上海華源生命科學研究開發有限公司), he served various positions such as the deputy general manager and the director of the research and development division. He was mainly responsible for formulating product development strategies, establishing its development team and development base as well as implementing its product research and development plans. He has also served as the chairman of Shanghai Qisheng from December 2007 to August 2010. He served as the chairman of Haohai Limited, the predecessor of the Company, from September 2009 to July 2010, the date of conversion of the Company. He has been appointed as the chairman and Director of the Company since July 2010, and was redesignated as an executive Director on 7 December 2014. Dr. Hou obtained a master's degree and a Ph.D. degree from Ohio University in the U.S. in March 1987 and August 1992, respectively.

For the year ended 31 December 2018, the remuneration of Dr. Hou amounts to RMB 1,165,722.66 (including tax).

Save as disclosed above, Dr. Hou has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Dr. Hou does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Dr. Hou holds 6,000,000 Domestic Shares in our Company.

Save as disclosed above, there is no other matter or information in relation to the election of Dr. Hou as an executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Mr. Wu Jianying (吳劍英)**, aged 55, is an executive Director and general manager of the Company. Mr. Wu worked as a surgeon at the General Surgery Department of the Second Affiliated Hospital of the Second Military Medical University (第二軍醫大學第二附屬醫院普外科) from 1991 to 1999. He thereafter worked at Shanghai Huayuan Life Sciences Research and Development Company Limited (上海華源生命科學研究開發有限公司) (“Shanghai Huayuan”) from March 2003 to February 2004, at the Shanghai branch of China Huayuan Life Industry Limited (中國華源生命產業有限公司上海分公司) from February 2004 to May 2005 and at Cinkate Pharmaceutical and Chemical Intermediates (Shanghai) Company Limited (欣凱醫藥化工中間體(上海)有限公司), a company principally engaged in development and production of pharmaceutical and chemical intermediates, as well as selling its own products and providing relevant technical advisory services from May 2005 to July 2007. He served as the general manager at Haohai Limited from July 2007 to June 2010. He has been acting as the general manager at Shanghai Qisheng since August 2010, and the general manager and executive director at Shanghai Likangrui since December 2010. He served as the director of Haohai Healthcare since July 2015, the vice chairman of Henan Universe since August 2015 and then the executive director, the executive director of Haohai Development since February 2016, the director of Haohai Healthcare Holdings (Cayman) Co., Ltd., an indirectly wholly-owned subsidiary of our Company since May 2016, the director of Haohai Healthcare Holdings (BVI) Co., Ltd., an indirectly wholly-owned subsidiary of our Company since August 2016, the Chairman of Shenzhen NIMO since November 2016 and the executive director of Zhuhai Eye Good in December 2016, and the director of Contamac Holdings Limited, a subsidiary of our Company since June 2017, and the director of Haohai Aesthetic Holdings (BVI) Co., Ltd., an indirectly wholly-owned subsidiary of our Company since November 2017. He also served as a director of Shanghai Pacific Biological Technology Co., Ltd. (上海太平洋生物高科技有限公司), a subsidiary of the Company since May 2018 and served as a director of Shanghai Pacific Pharmaceutical Co., Ltd. (上海太平洋藥業有限公司), a subsidiary of the Company since May 2018. He has been appointed as the Director and general manager since July 2010, and was redesignated as an executive Director on 7 December 2014. Mr. Wu obtained a master’s degree in clinical medicine from the Second Military Medical University in June 1997 and the practicing doctor qualification in the PRC in May 1999.

For the year ended 31 December 2018, the remuneration of Mr. Wu amounts to RMB 1,445,251.23 (including tax).

Save as disclosed above, Mr. Wu has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Wu does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Wu holds 6,000,000 Domestic Shares in our Company.

Save as disclosed above, there is no other matter or information in relation to the election of Mr. Wu as an executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Mr. Huang Ming (黃明)**, aged 43, is an executive Director, Secretary of the Board and one of the joint company secretaries of the Company. He worked as a manager in Haoyang Investments from September 2008 to June 2010, a director of Haohai Changxing Company Limited, a company principally engaged in the sale of agricultural byproducts since September 2010 and an executive director of Changxing Haoersi Biotechnology Company Limited (長興昊爾斯生物科技有限公司), a company principally engaged in the research and development of biological and plant products from May 2011 to December 2011. He has been serving as a supervisor of Shanghai Jianhua since November 2007, a supervisor of Shanghai Qisheng since December 2007, and a supervisor of Shanghai Likangrui since December 2010. He served as the director of Haohai Healthcare since July 2015, the director of Shenzhen NIMO since December 2016, the director of Contamac Holdings Limited, a subsidiary of the Company since June 2017, and the director of China Ocean Group Limited, an indirectly wholly-owned subsidiary of the Company, since December 2017. He also served as a supervisor of Shanghai Qisheng Medical Technology Development Co., Ltd. (上海旗盛醫藥科技發展有限公司), a subsidiary of the Company since April 2018 and served as a supervisor of Shanghai Pacific Biological Technology Co., Ltd., a subsidiary of the Company since May 2018 and also served as a supervisor of Shanghai Pacific Pharmaceutical Co., Ltd., a subsidiary of the Company since May 2018. He has been appointed as the Director and Secretary of the Board since July 2010 and October 2010 respectively, and has been appointed as one of our joint company secretaries since 17 November 2014. He was redesignated as an executive Director on 7 December 2014. Mr. Huang obtained a bachelor of laws in July 1998 and a master of laws in June 2005 from East China University of Political Science and Law (華東政法大學), and a doctoral degree in corporate management from Fudan University in June 2011. He obtained his lawyer qualification in May 1999.

For the year ended 31 December 2018, the remuneration of Mr. Huang amounts to RMB 825,265.33 (including tax).

Save as disclosed above, Mr. Huang has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Huang does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Huang holds 2,000,000 Domestic Shares in our Company.

Save as disclosed above, there is no other matter or information in relation to the election of Mr. Huang as an executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Ms. Chen Yiyi (陳奕奕)**, aged 37, is an executive Director of the Company. Ms. Chen worked as the marketing manager of Haohai Chemical, a company principally engaged in the production and sale of polyurethane composite duct in July 2006 and worked as the marketing manager and assistant to general manager from January 2007 to December 2009, the supervisor of Henan Universe since November 2016, the director of Shenzhen NIMO since November 2016 and the supervisor of Zhuhai Eye Good since December 2016. She also served as an executive director of Qingdao Huayuan since April 2018, and a director of Henan Saimeishi Biotech Co., Ltd (河南賽美視生物科技有限公司), a

subsidiary of the Company since February 2019. She has been appointed as the Director since July 2010, and was redesignated as an executive Director on 7 December 2014. Ms. Chen obtained a bachelor of arts in June 2004 and a Master of Arts (communications) in June 2006 from Huazhong University of Science and Technology (華科技大學) respectively.

For the year ended 31 December 2018, the remuneration of Ms. Chen amounts to RMB 920,448.59 (including tax).

Save as disclosed above, Ms. Chen has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Ms. Chen does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Ms. Chen holds 400,000 Domestic Shares in our Company.

Save as disclosed above, there is no other matter or information in relation to the election of Ms. Chen as an executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Mr. Tang Minjie (唐敏捷)**, aged 43, is an executive Director of the Company joined the Company in August 2016, became a director of Shenzhen NIMO since November 2016, was appointed as the chief financial officer of the Company on 9 December 2016 and as an executive Director on 14 February 2017, and serves as the director of Contamac Holdings Limited, a subsidiary of the Company since June 2017. Prior to joining the Company, he worked at Ernst & Young during the period from August 1998 to July 2016 and most recently served as an audit partner from July 2010 to July 2016. Mr. Tang obtained a bachelor degree in economics from the former international business school of the University of Shanghai in July 1998, and was qualified as a certified public accountant (“CPA”) in the PRC in June 2000 and CPA in the United States in June 2006.

For the year ended 31 December 2018, the remuneration of Mr. Tang amounts to RMB 1,166,279.80 (including tax).

Save as disclosed above, Mr. Tang has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Tang does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Tang holds 7,000 H Shares in our Company.

Save as disclosed above, there is no other matter or information in relation to the election of Mr. Tang as an executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**NON-EXECUTIVE DIRECTORS**

Ms. You Jie (遊捷), aged 56, is a non-executive Director of the Company. Ms. You worked as a clinician at the Department of Oncology, Longhua Hospital, Shanghai University of Traditional Chinese Medicine (上海中醫藥大學附屬龍華醫院腫瘤科) from July 2004 to July 2014. She also worked as a clinician at the Department of Chinese Medicine, Shanghai Ninth People's Hospital, Shanghai Jiaotong University School of Medicine (上海交通大學醫學院附屬第九人民醫院中醫科) from August 2014 until present, and held a position as a director of Shanghai Haolan Corporate Management Co., Ltd (上海昊瀾企業管理有限公司) since January 2018. She has been appointed as a Director since July 2010, and was redesignated as a non-executive Director on 7 December 2014. Ms. You obtained a clinical doctorate degree from Shanghai University of Traditional Chinese Medicine (上海中醫藥大學) in July 2004 and the practicing doctor qualification in the PRC in May 1999. Ms. You is the spouse of Mr. Jiang Wei.

For the year ended 31 December 2018, Ms. You did not receive any directors' remuneration.

Save as disclosed above, Ms. You has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Ms. You does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Ms. You directly holds 28,800,000 Domestic Shares in our 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 our Company.

Save as disclosed above, there is no other matter or information in relation to the election of Ms. You as a non-executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. Chen Huabin (陳華彬)**, aged 51, is an independent non-executive Director of the Company. He has been working as a researcher and professor of the School of Law, the Central University of Finance and Economics (中央財經大學法學院) from September 2008 until present. He has been appointed as our independent Director since October 2014 and was designated as an independent non-executive director on 7 December 2014. Mr. Chen obtained a master's degree in law from the Southwest University of Political Science and Law (西南政法大學) in March 1991 and a doctor's degree in law from the graduate school, the Chinese Academy of Social Sciences in June 1994. Mr. Chen has been engaged in legal research. His professional background and experience can provide legal professional support for the development of the Company. He will promote the diversity of Board members of the Company from the aspects of professionalism, experience, etc..

For the year ended 31 December 2018, the remuneration of Mr. Chen amounts to RMB 100,000 (including tax).



Save as disclosed above, Mr. Chen has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Chen does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Chen does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter or information in relation to the election of Mr. Chen as an independent non-executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Mr. Shen Hongbo (沈紅波)**, aged 39, is an independent non-executive Director of the Company. He engaged in post-doctoral research at the Department of Finance of Tsinghua University from March 2007 to March 2009 and worked as a visiting scholar at Harvard Business School from January 2009 to February 2009. He also acted as an independent director of China Executive Education Corp., a company formerly trading on the Over-the-Counter Bulletin Board in the U.S., from October 2010 to December 2012. He has been serving as a supervisor in Hygea Medical Technology Co., Ltd (海杰亞(北京)醫療器械有限公司) since January 2011. He served as an independent director in Zhejiang Xinguang Pharmaceutical Co., Ltd (浙江新光藥業股份有限公司) from September 2012 until August 2018, an investment consultant in China Science & Merchants Capital Management Limited (中科招商集團投資管理集團有限公司) from July 2013 to June 2014 during which he was responsible for execution of its district network, setting up of funds and making referrals of equity investment projects. He has been serving as an independent director of Ashtronic Technology (Shanghai) Co., Ltd (亞士創能科技(上海)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603378), since December 2013. He has served as an independent director at InfoTM Micro-Electronics Co., Ltd (盈方微電子股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000670), from November 2014 until August 2016. He served as an independent director of Zhejiang Chenguang Cable Co., Ltd. (浙江晨光電纜股份有限公司) from March 2016 to March 2019. He has also been serving as an independent director of Yalong Intelligent Equipment Group Co., Ltd. (亞龍智能裝備集團股份有限公司) since December 2015 and as an independent director of STO Express Co., Ltd. (申通快遞股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002468), since December 2016. He is currently an associate professor at the Institute of Finance, School of Economics, Fudan University. He has been appointed as our independent Director since October 2014 and was designated as an independent non-executive director on 7 December 2014. Mr. Shen obtained a doctor's degree in accounting from Shanghai University of Finance and Economics in January 2007 and he has been a member of the Association of Chartered Certified Accountants (ACCA) since January 2015. Mr. Shen has been engaged in research in the financial field for many years and has experience in investment management. His professional background and experience can provide investment, audit, internal control, etc., for the development of the Company. He will promote the diversity of Board members of the Company from the aspects of professionalism, experience, skills, etc..

For the year ended 31 December 2018, the remuneration of Mr. Shen amounts to RMB 100,000 (including tax).

Save as disclosed above, Mr. Shen has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Shen does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Shen does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter or information in relation to the election of Mr. Shen as an independent non-executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Mr. Zhu Qin (朱勤)**, aged 55, is an independent non-executive Director of the Company. During his time working at Shanghai Huatuo Pharmaceutical Technology Development Company Limited (上海華拓醫藥科技發展股份有限公司), he served as a deputy general manager from 2000 to 2003, the general manager and director from 2003 to 2010 and the chairman of its science and technology committee of the board, chief scientist and director from 2011 to 2014. He has been a deputy general manager in Shanghai Liuhe Capital (上海六禾投資) from March 2014 until June 2015, where he is mainly responsible for the area of pharmaceutical and healthcare. He has been serving as an executive director of Shanghai Chengyan Pharmaceutical Technology Development Co., Ltd. (上海晟燕醫藥科技發展有限公司) since July 2016, as a supervisor of Shanghai Kaoen Optoelectronics Technology Co., Ltd. (上海考恩光電科技有限公司) since July 2016 and as the general manager of Shanghai First Corporate Governance Consulting Co., Ltd. (上海複石商務諮詢有限公司) since March 2017. He has been appointed as our independent Director since October 2014 and was re-designated as an independent non-executive Director on 7 December 2014. He obtained a bachelor's degree in medicine from the Second Military Medical University in July 1984 and a master's degree in medicine in December 1990. Thereafter, he obtained a doctor of science degree from Chinese Academy of Sciences in October 2000. Mr. Zhu has pharmacy background and has extensive experience in management and investment in the pharmaceutical field. His professional background and experience can provide industry development trends, investment management and other aspects of support for development of the Company. He will promote the diversity of Board members of the Company from the aspects of professionalism, experience, etc..

For the year ended 31 December 2018, the remuneration of Mr. Zhu amounts to RMB 100,000 (including tax).

Save as disclosed above, Mr. Zhu has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Zhu does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Zhu does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.



Save as disclosed above, there is no other matter or information in relation to the election of Mr. Zhu as an independent non-executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Mr. Wong Kwan Kit (王君傑)**, aged 49, is an independent non-executive Director of the Company. He has served as the chief agency officer of FWD Life Insurance Company (Bermuda) Limited Since May 2018. He joined Prudential Hong Kong Limited as an insurance agent in July 1991 and served as a regional director since May 2006 until April 2018. He was elected as the president of the General Agents and Managers Association of Hong Kong from 2003 to 2004 and the president of the Life Underwriters Association of Hong Kong in 2013. He has been a member of the insurance agents registration board of the Hong Kong Federation of Insurers since 2010 until April 2018 and a member of the Mandatory Provident Fund Schemes Appeal Board from 2012 to 2018. He has been appointed as our independent non-executive Director since April 2015. Mr. Wong obtained a bachelor's degree in business administration from the Chinese University of Hong Kong in December 1991 and a master's degree in business administration from the Macau University of Science and Technology in August 2010. Mr. Wong has a professional background in business administration and has rich experience in corporate management, he is well versed in Hong Kong's international economic, social and cultural background, which can support the Company's management improvement and internationalization. He will promote the diversity of the Board members of the Company from the aspects of professionalism, experience, cultural background, etc..

For the year ended 31 December 2018, the remuneration of Mr. Wong amounts to RMB 100,000 (including tax).

Save as disclosed above, Mr. Wong has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Wong does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Wong does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter or information in relation to the election of Mr. Wong as an independent non-executive Director that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

#### **Nomination policy and procedure for independent non-executive Directors**

If the independent non-executive Directors will be re-elected at shareholders' meeting, the Nomination Committee should review the overall contribution and service to the Company of the retiring Directors, including its attendance at Board meetings and general meetings (if applicable), and his/her level of participation and performance on the Board. The Nomination Committee should require the nominee to submit biographical information and the consent to be appointed as a Director;

and should review and determine whether retiring Directors still meet the criteria for Director selection. The Nomination Committee should then make recommendations to the Board on the re-election of Directors; if an independent non-executive Director is to be re-elected, the recommendations should include the process of identifying the candidate, the reasons for recommending the candidate, the independence of the candidate, the views, perspectives, skills and experience that the candidate can bring to the Board, the candidate's role in promoting the diversity of Board members, etc..

As evaluating and determining the candidates of Directors, the Nomination Committee and the Board of Directors shall consider the following factors: personal characters; professional qualifications, skills, knowledge, and experience related to the Group's business and strategy; willing to devote sufficient time to fulfill the duties of the Directors and members of the special committees of the Board of Directors; whether their appointment is in compliance with the requirements of the Listing Rules regarding the independence of the Board of Directors and Directors (including the independence requirements of independent non-executive directors); whether their appointment is in compliance with the Company's Board diversity policy and any measurable targets adopted by the Nomination Committee to diversify the members of the Board.

Each of the candidates for independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. The Board also considers that Mr. Chen Huabin, Mr. Shen Hongbo, Mr. Zhu Qin and Mr. Wong Kwan Kit meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

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## APPENDIX IV DETAILS OF SUPERVISORS PROPOSED TO BE ELECTED AT THE 2018 ANNUAL GENERAL MEETING

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Details of the candidates for Supervisors proposed to be elected at the AGM are set out below:

### SUPERVISORS

**Mr. Liu Yuanzhong** (劉遠中), aged 50, is the chairman of the Supervisory Committee of the Company and a shareholder Supervisor. Mr. Liu joined Liming Research Institute of Chemical Industry (黎明化工研究院) in 1992 and served as an engineer from November 1997 to October 2001. He has been working as an engineer and was responsible for research and development of insulation and car high polymer material at Haohai Chemical from December 2001 until now. He has also been a supervisor of Ningbo Langge Haohai New Materials Co., Ltd. (寧波朗格昊海新材料有限公司) since September 2013. He has been appointed as our Supervisor since July 2010. Mr. Liu obtained a bachelor's degree in industrial analysis from the Department of Applied Chemistry, Beijing Institute of Chemical Technology (北京化工學院) in July 1992 and a master's degree in engineering from East China University of Science and Technology (華東理工大學) in June 2009.

For the year ended 31 December 2018, Mr. Liu did not receive any Supervisors' remuneration.

Save as disclosed above, Mr. Liu has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Liu does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Liu holds 2,000,000 Domestic Shares of the Company.

Save as disclosed above, there is no other matter or information in relation to the election of Mr. Liu as a Supervisor that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Ms. Yang Qing** (楊青), aged 47, is an independent Supervisor of the Company. Ms. Yang engaged in post-doctoral research at the Department of Economics of the University of Vienna in Austria from March 2005 to August 2005 and acted as a visiting scholar at the School of Economics, University of Cambridge in England from September 2006 to September 2007, and participated in the Freeman Fellows Program of the University of Illinois at Urbana-Champaign in the U.S. from August 2011 to May 2012. She joined Fudan University since July 2001 and was responsible for research and teaching work, and she is currently a professor in the School of Economics. She has been appointed as the Supervisor since October 2014. Ms. Yang obtained a bachelor's degree in management information system from Kunming University of Science and Technology (昆明理工大學) in July 1995 and a doctor's degree in management from Fudan University in July 2001.

For the year ended 31 December 2018, the remuneration of Ms. Yang amounts to RMB 100,000 (including tax).

Save as disclosed above, Ms. Yang has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Ms. Yang does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Ms. Yang does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

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## APPENDIX IV DETAILS OF SUPERVISORS PROPOSED TO BE ELECTED AT THE 2018 ANNUAL GENERAL MEETING

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Save as disclosed above, there is no other matter or information in relation to the election of Ms. Yang as a Supervisor that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Mr. Tang Yuejun (唐躍軍)**, aged 40, is an independent Supervisor of the Company. He has been an associate professor at the School of Management, Fudan University from September 2011 until present. He has also been acting as a master's degree supervisor of MBA and EMBA from January 2011 until present, a master's degree supervisor of corporate management from September 2012 until present. He acted as a visiting scholar at the Arizona State University WP Carey School of Business in US from August 2017 to July 2018. He has been appointed as our Supervisor since October 2014. Mr. Tang obtained a bachelor's degree in economics from Nankai University (南開大學) in June 2001, and a doctor's degree in management at the School of Business, Nankai University in June 2006.

For the year ended 31 December 2018, the remuneration of Mr. Tang amounts to RMB 100,000 (including tax).

Save as disclosed above, Mr. Tang has not held any directorship in any listed companies in the last three years prior to the Latest Practicable Date. Save as disclosed above, Mr. Tang does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Tang does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter or information in relation to the election of Mr. Tang as a Supervisor that must be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

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

## **IMPLEMENTATION RULES OF THE CUMULATIVE VOTING SYSTEM**

### **Chapter I General Rules**

**Article 1** In order to optimise corporate governance structure, standardise procedures for election of directors and supervisors of the Company, safeguard the interests of minority shareholders of the Company and effectively protect public shareholders' rights to elect directors and supervisors, this system is formulated in accordance with the related requirements of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and Provisions on Strengthening the Protection of the Rights and Interests of the Public Shareholders issued by China Securities Regulatory Commission, the Listing Rules of the Sci-Tech Innovation Board of Shanghai Stock Exchange, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association.

**Article 2** For the purpose of the Rules, cumulative voting system shall represent that each share held by shareholders carries a number of voting rights equivalent to the number of directors or supervisors to be elected in the course of the election of two or more directors and supervisors at the Shareholders' general meeting. The total number of voting rights held by each shareholder is equivalent to the product of shares held by him/her multiplying the number of directors or supervisors to be elected. This is a voting system that a shareholder may freely allocate his votes among the candidates of directors and supervisors, either to allocate to a number of candidates, or to vote all in favour of one person.

**Article 3** The Rules shall be applicable for the proposal of election or change of two or more directors or supervisors.

**Article 4** When two or more directors or supervisors will be elected in the general meeting, in the notice of holding the general meeting, the Board shall inform that the election of directors or supervisors adopts the cumulative voting system.

**Article 5** For the purpose of the Rules, directors shall represent independent directors and non-independent directors and supervisors are those who are not supervisors representing employees. The supervisors from workers' representatives are democratically elected or changed by the Company Union or assembly of the workers' representatives or other forms, which shall not be applicable to relevant requirements of the Rules.

### **Chapter II Candidate Nomination of Directors or Supervisors**

**Article 6** The Board and the shareholders that individually or collectively hold more than 3% of the Company's shares can propose candidates for non-independent directors. Every 3% voting shares can recommend up to one person, single referrer shall not recommend more people than the number of non-independent directors to be elected.

The Board, the shareholders that individually or collectively hold more than 1% of the Company's issued shares can propose candidates for independent directors. Every 1% voting shares can recommend up to one person, single referrer shall not recommend more people than the number of independent directors to be elected.

After the recommended director candidates are reviewed by the Nomination Committee of the Board and are reviewed and approved by the Board, the Board proposes director candidates to the Shareholders' general meeting and submits them to the same for election.

**Article 7** The Supervisory Committee and the shareholders that individually or collectively hold more than 3% of the Company's shares with voting rights can propose a suggested list of candidates, being non-employee representatives, for supervisors. Every 3% voting shares can recommend up to one person, single referrer shall not recommend more people than the number of supervisors to be elected from shareholders.

After the recommended supervisors candidates are reviewed and approved by the Supervisory Committee, the Supervisory Committee proposes the candidates for supervisors to the Shareholders' general meeting and submits them to the same for election.

**Article 8** The Director or Supervisor candidates shall submit detailed personal information to the Board or the Supervisory Committee, including but not limited to: names, genders, ages, nationalities, educational backgrounds, detail working experience, all the part-time jobs, relationships with referrers and whether there exist any circumstances which make them unfit to be directors or supervisors.

**Article 9** The candidates for director or supervisor shall provide written commitments before the Shareholders' general meeting is held, agree to accept the nomination and disclose detailed personal information, commit that disclosed information for the candidates is real and complete, and commit to practically perform director or supervisor duties after being elected. The candidates for independent directors shall also give public statements that they have no relationship with the Company which would influence their independent and objective judgement.

**Article 10** After getting personal information of the candidates, the Board or the Supervisory Committee shall carefully review their qualification according to relevant laws, regulations and the Articles of Association, and the candidates, after being approved as qualified, will become director or supervisor candidates. The number of director or supervisor candidates can be more than the number of directors or supervisors prescribed in the Articles of Association.

**Article 11** After the Company gives out the notice of the Shareholders' general meeting for electing director and non-employee supervisors, the shareholders that individually or collectively hold 3% or more of the Company's shares with voting rights may propose candidates for director and non-employee supervisor before the Shareholders' general meeting is held, which shall be reviewed by the Board according to the procedures of modifying proposals for the Shareholders' general meeting and then submitted to the Shareholders' general meeting for review.

**Chapter III Election and Vote of Directors and supervisors**

**Article 12** Specific steps of election are as follows:

(I) Votes calculation method for cumulative voting system:

- i. The number of cumulative votes held by each shareholder is equivalent to the product of shares held by them multiplying the number of directors or supervisors to be elected at the Shareholders' general meeting.
- ii. When several rounds of voting for election are carried out at the Shareholders' general meetings of the Company, the number of shareholders' cumulative votes shall be recalculated in accordance with the number of directors or supervisors to be elected at each round.
- iii. Before each cumulative vote, the secretary of the Board shall announce cumulative votes of each shareholder. If any shareholder, independent director or the Company, supervisor of the Company, scrutineer of such Shareholder's general meeting or witness lawyer has any objection on the announcement result, the result shall be verified right away.

(II) In order to ensure that the number of candidates of elected independent directors is in compliance with the provisions of the Articles of Association, the elections of independent directors and non-independent directors shall be separated to guarantee the ratio of independent directors. Specific operation is as follows:

- i. In election of independent directors, the number of voting rights held by each shareholder is equivalent to the product of the number of shares held by him/her multiplying the number of independent directors to be elected, and such votes shall only be casted on candidates of independent directors of the Company.
- ii. In election of non-independent directors or supervisors, the number of voting rights held by each shareholder is equivalent to the product of the number of shares held by him/her multiplying the number of non-independent directors or supervisors to be elected, and such votes shall only be casted on candidates of non-independent directors or supervisors of the Company.

(II) Voting method:

- i. The staff at the Shareholders' general meeting shall give out the ballot tickets for electing directors or supervisors; the voting shareholder must indicate the number of shares of the Company held by him/her, and mark the number of voting right (or called as the number of votes) they use after each director or supervisor they vote.

- ii. The number of votes for directors and supervisors that each shareholder votes shall not exceed the maximum number of votes for directors or supervisors that the shareholder has; the number of directors or supervisors which the shareholder vote for shall not exceed the number of directors or supervisors to be elected.
- iii. When the total number of votes casted collectively on directors and supervisors exceeds the maximum number of votes on directors and supervisors held by a shareholder, all votes casted by the shareholder on director or supervisor candidates are deemed as invalid and deemed as abstain from voting.
- iv. When the total number of votes casted is less than or equivalent to the total number of votes legally held by a shareholder, the votes casted by the shareholder are valid, while the difference is deemed as abstaining from voting.
- v. After voting is finished, the scrutineer of the Shareholders' meeting shall count the votes and announce the votes each director or supervisor candidate has; the number of votes that each director or supervisor gets will be used to determine the elected directors or supervisors.

#### **Chapter IV Election of Directors and Supervisors**

##### **Article 13 Election principles of directors or supervisors:**

- i. The number and structure of directors or supervisors elected out in the Shareholders' general meeting shall accord with the Articles of Association. Election shall depend on the number of votes that each director or supervisor candidate gets, the candidates winning more votes shall win. However, the number of votes that each elected director or supervisor gets shall exceed half of total number of shares held by the shareholders that are present in the Shareholders' general meeting (according to the number of shares not cumulated).
- ii. If the number of director or supervisor candidates joining the election in the Shareholders' general meeting is more than the number to be elected, the candidates winning more votes shall win. If the number of the elected directors or supervisors is less than the number of the directors or supervisors to be elected, and the number of the elected directors or supervisors is more than two thirds of the number of the members of the Board of Directors or the Supervisory Committee, the vacancy shall be filled up in the next Shareholders' general meeting. If the number of the elected directors or supervisors is less than the number of the directors or supervisors to be elected, and the number of the elected directors or supervisors is also less than two thirds of the number of the members of the Board of Directors or the Supervisory Committee prescribed in the Articles of Association, the candidates of directors or supervisors failed to be elected shall have a second election. If the above-mentioned requirement has not been satisfied after the second election, the Company shall convene another Shareholders' general meeting within two months after the completion of this Shareholders' general meeting for the election of directors or supervisors to fill up the vacancies.



**Article 14** When there are two or more candidates have the same number of votes and the total number of votes is the least among the candidates to be elected, and such number of votes will make the number of the electees larger than the number of candidates to be elected, the Shareholders' general meeting shall conduct a second election among the aforementioned candidates. If the second election still cannot determine the electees, the Company shall elect the directors or supervisors at the next Shareholders' general meeting. If the above issue makes the number of elected directors or supervisors smaller than two thirds of the number of the members of the Board of Directors or the Supervisory Committee prescribed in the Articles of Association, the Company shall convene another Shareholders' general meeting within two months after the completion of this Shareholders' general meeting for the election of directors or supervisors to fill up the vacancies.

### **Chapter V Supplementary Provisions**

**Article 15** Before director or supervisor candidates are voted in the general meeting, the meeting host or other appointed person shall be responsible for explaining the Rules of cumulative voting system to ensure that shareholders will vote correctly.

**Article 16** The issues uncovered in the Rules shall be handled according to relevant national laws, regulations and normative documents and the Articles of Association.

**Article 17** The Rules were stipulated by the Board and shall come into force after being approved in the general meeting, will be implemented from the date of the Company's initial public offering and listing of RMB ordinary shares (A shares).

*The English version of the appendix is an unofficial translation of its Chinese version. In case of any inconsistency between the two versions, the Chinese version shall prevail.*

**ONLINE VOTING MANAGEMENT SYSTEM OF THE GENERAL MEETING****Chapter I General Provisions**

**Article 1** In order to regulate the voting mechanism of the general meeting of Shanghai Haohai Biological Technology Co., Ltd.\* (hereinafter referred as to the “Company”), safeguard minority shareholders’ rights of participation in the decision-making of the significant events of the Company and protect the legal rights and interests of investors, the Company has formulated this system according to relevant provisions of laws, administrative regulations, rules and regulatory documents including the Company Law of the People’s Republic of China, the Rules of Shareholders’ General Meeting of Listed Companies, the Opinions of the General Office of the State Council on Further Strengthening the Protection of Small and Medium Investors’ Legitimate Interests in Capital Market, the Implementation Rules for Online Voting at Shareholders’ General Meetings of Listed Companies promulgated by the Shanghai Stock Exchange and rules of the stock exchange at the location where the Company’s shares are listed and the Articles of Association of Shanghai Haohai Biological Technology Co., Ltd.\* (hereinafter referred to as the “Articles of Association”).

**Article 2** The general meeting online voting system herein (hereinafter referred as to the “Online Voting System”) is the information technology system adopted by the Shanghai Stock Exchange, based on the network and communication technology, to provide services that allow off-site shareholders of the Company to exercise their voting rights at general meetings. The Online Voting System of the Shanghai Stock Exchange includes the trading system voting platform and Internet voting platform.

**Article 3** In the event that the general meetings are convened by the Company, the shareholders should be provided with online voting in accordance with the relevant provisions to fulfill the obligations of making notices and announcements regarding the general meeting for organization and preparation for the online voting at the general meeting. In the event that the Company provides the shareholders with the option of online voting, the Company shall comply with the requirements regarding the interim announcement format stipulated by the Shanghai Stock Exchange, use the relevant announcement-preparing software required by the Shanghai Stock Exchange to prepare the announcement regarding the general meeting, and make disclosure in accordance with the provisions. For the general meetings convened by the supervisory committee or shareholders on its/their own, which the board of the Company does not cooperate, the convener of the general meeting may conduct relevant online voting matters with reference to the provisions of the system.

**Article 4** Shareholders who are registered on the record date and entitled to attend the general meeting to exercise their voting rights may exercise the rights through the Online Voting System. However, the same voting right may only be exercised by way of on-site voting, online voting or one of other voting methods which are in compliance with the relevant requirements. In the event of duplicate voting of the same voting right, the first voting result shall prevail.

**Article 5** The Company entrusts the SSE Infonet Co., Ltd. (hereafter referred to as the “Information Company”) designated by the Shanghai Stock Exchange to provide online voting related services for general meetings with specific service scope and corresponding rights and obligations.

### **Chapter II Preparation for Online Voting**

**Article 6** In the event that the Company provides the shareholders with online voting, a notice convening the general meeting shall be prepared according to the requirement of Article 3 of the system to state the following regarding the online voting:

- (I) the type and session of the general meeting;
- (II) the time for on-site and online voting;
- (III) the type of shareholders who attend the meeting;
- (IV) the record date or the last trading date;
- (V) the resolutions to be considered;
- (VI) the procedures of online voting;
- (VII) other necessary information regarding the online voting.

**Article 7** In any of the following circumstances, the convener of the general meeting shall prepare an announcement in a timely manner according to the requirement of Article 3 of the system to supplement relevant information for disclosure:

- (I) the general meeting is postponed or cancelled;
- (II) ad-hoc resolutions have been added;
- (III) resolutions stated in the notice of the general meeting have been cancelled;
- (IV) the information regarding the online voting is supplemented or amended.

**Article 8** In the event that the Company adopts the cumulative voting system for the election of its directors and supervisors, the candidates shall be listed in the notice of the general meeting according to the following categories for voting:

- (I) candidates of non-independent directors;
- (II) candidates of independent directors;
- (III) candidates of supervisors.

**Article 9** When the Company submits the announcements disclosing the provisions of Article 6 and Article 7 of the system through the information disclosure electronic system designated by the Shanghai Stock Exchange, the Company shall verify, confirm and guarantee the accuracy and completeness of the information regarding the online voting.

**Article 10** The Company shall provide the Information Company with data of all the shareholders registered on the record date, including their names, account numbers, numbers of shares they hold two trading days before the general meeting is convened. There shall be at least two trading days between the general meeting record date and the starting date of the online voting.

**Article 11** The Company shall log onto the information services platform for the Shanghai Stock Exchange-listed companies to re-verify and re-confirm the accuracy and completeness of the information regarding the online voting one trading day before the starting date of the voting at the general meeting.

**Article 12** According to relevant rules, the following nominal holders who hold the shares and request for the voting comments from the actual holders before exercising their voting rights, may request for the voting comments to the matters to be considered at the general meeting from the actual holders via the general meeting voting comment collecting system of the Information Company:

- (I) the security companies who hold the customer credit guarantee securities account for margin trading;
- (II) China Securities Finance Corporation Limited (hereinafter referred to as “China Securities Finance”) who hold the refinancing guarantee securities account;
- (III) qualified foreign institutional investors (QFII);
- (IV) Hong Kong Securities Clearing Co. Ltd. (hereinafter referred to as the “HKSCC”) who hold the stocks of SH Equities;
- (V) other nominal holders identified by the CSRC and the Shanghai Stock Exchange. The time for collecting is 9:15 to 15:00 on one trading day before the first voting day of the general meeting.

### **Chapter III Online Voting Method and Procedure**

**Article 13** In the event that the Company adopts the Online Voting System designated by the Shanghai Stock Exchange to provide shareholders with online voting, the on-site general meeting shall be convened on the trading day of the Shanghai Stock Exchange.

**Article 14** In the event that the shareholders of the Company vote online through the voting platform designated by the Shanghai Stock Exchange, the shareholders can vote online through logging onto the trading terminal of the designated securities company. The period for online voting conducted on the voting platform designated by the Shanghai Stock Exchange is the trading period of the Shanghai Stock Exchange on the date of the general meeting.

**Article 15** In the event that the shareholders of the Company vote on the Internet voting platform designated by the Shanghai Stock Exchange, the shareholders can log onto the Internet voting platform designated by the Shanghai Stock Exchange and vote online after authentication. The online voting hours through the Internet voting platform designated by the Shanghai Stock Exchange are from 9:15 to 15:00 on the date of the general meeting.

**Article 16** Shareholders of the Company shall enter the corresponding voting interface to vote based on their respective class of shareholder. For shareholders with multiple shareholder accounts, the voting rights they are entitled to are the sum of the number of shares of the same category held in all shareholder accounts in their names.

**Article 17** The Company shall confirm whether multiple shareholder accounts are held by the same shareholder according to the following registered information provided by the securities depository and clearing corporation:

- (I) the information of the Yimatong securities account;
- (II) the name of the shareholders;
- (III) valid identification number.

For the registered information stipulated aforementioned, the information stated on the record date will prevail.

**Article 18** 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. 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. However, according to relevant rules, the nominal holders of shares stipulated by Article 12 herein shall exercise their voting rights according to the different voting comments to the same resolution from the actual holders.

**Article 19** Shareholders with multiple shareholder accounts may vote online through any one of their shareholder accounts. After voting, the shares of the same class held under all of their shareholder accounts shall be deemed to have cast a vote of the same opinion respectively.

For shareholders with multiple shareholder accounts who repeatedly vote through multiple shareholder accounts, the first voting result from the shares of all classes and varieties shall prevail for the shares of the same class held under all of their shareholder accounts.

**Article 20** Shareholders who attend the general meeting are entitled to votes of the same number as the number of director or supervisor candidates under each resolution group for every share held by them for resolutions adopting the cumulative voting system. The shareholders may cast all their votes on one candidate or split them on a few candidates.

Shareholders shall vote up to a limit of the number of votes in each resolution group. In the event that the number of votes cast by the shareholder exceeds the number of the votes he/she holds, or the shareholder casts votes in a number exceeding the number of candidates in the competitive election, the vote on such resolution shall be deemed invalid.

Shareholders with multiple shareholder accounts may vote online through any one of their accounts. The number of votes they are entitled to is calculated on the basis of the total shares of the same class under all of their shareholder accounts.

**Article 21** The securities companies and China Securities Finance stipulated by Article 12 herein, who exercise their voting rights as nominal holders of shares via the Online Voting System of the Shanghai Stock Exchange, shall exercise their voting rights through the margin and refinancing voting platform of the Information Company (website: [www.sseinfo.com](http://www.sseinfo.com)). The voting hours are from 9:15 to 15:00 on the date of the general meeting.

**Article 22** Qualified foreign institutional investors (QFII) and the HKSCC stipulated by Article 12 herein, who exercise their voting rights as nominal holders of shares via the Online Voting System of the Shanghai Stock Exchange, shall conduct voting operation matters according to relevant provisions of the Shanghai Stock Exchange.

**Article 23** In the event of multiple votes being cast by the same shareholder on the same resolution through on-site voting, online voting platform of the Shanghai Stock Exchange or other approaches, the vote that was cast in the first instance shall prevail.

#### **Chapter IV Online Voting Results Statistics and Enquiry**

**Article 24** Shareholders who vote online for parts of the resolutions considered at the general meeting are deemed to have attended the general meeting, and the number of voting rights they hold is included in the number of voting rights held by the shareholders who attend the general meeting. For resolutions that the shareholder has yet to vote on or vote without following the provisions of the system, the number of voting rights held by him/her shall be counted as abstention.

**Article 25** Upon the conclusion of the online voting of the general meeting, according to the Company's entrustment, the Information Company obtains the online voting data through the Online Voting System of the Shanghai Stock Exchange, and then sends the online voting statistical results and related details to the Company. Where the Company entrusts the Information Company to consolidate and calculate the on-site voting and online voting results, it shall promptly send its on-site voting data to the Information Company. Upon completion of the consolidation and statistics, the Information Company shall send the online voting statistics, on-site voting statistics, consolidated counting statistics and related details to the Company.

**Article 26** In any of the following circumstances, the Information Company shall provide the Company with all the voting records of the relevant proposals, and the Company shall count the voting results of the general meeting in accordance with the relevant provisions, the Articles of Association and the counting rules disclosed in the relevant announcements of the general meeting:

- (I) shareholders who need to abstain from voting or promise to abstain from voting will participate in the online voting; or
- (II) the general meeting has different proposals for the same matter.

**Article 27** Where the Company needs to separately count and disclose the attendance and voting status of small and medium investors, it may entrust the Information Company to provide corresponding classified statistical services.

**Article 28** The Company and the lawyers employed by it shall conduct confirmation on compliance with respect to the voting data and finalize the voting results of the general meeting. If there is any objection to the voting data, it shall promptly submit it to the Shanghai Stock Exchange and the Information Company.

**Article 29** Upon the conclusion of the general meeting, the convener shall prepare the announcement of the resolution of the general meeting according to the requirement of Article 3 of the system, and disclose it in a timely manner.

**Article 30** From the second day upon the completion of the on-site voting at the general meeting, the shareholders may check their valid voting results on the Information Company's website ([www.sseinfo.com](http://www.sseinfo.com)) in a manner stipulated by the website.

#### **Chapter V Separate Counting Mechanism for Small and Medium Investors**

**Article 31** The small and medium investors herein refer to other shareholders except the directors, supervisors and senior management personnel of the Company and shareholder(s) who hold 5% or more of the Company's shares individually or collectively.

**Article 32** Where the general meeting considers significant matters affecting the interests of the small and medium investors, the voting of small and medium shareholders shall be counted separately. Significant matters affecting the interests of small and medium investors include the following:

- (I) profit distribution plans, plans to convert capital surplus reserve into capital, plans to cover company losses;
- (II) amendment of the articles of the Articles of Association involving the interests of small and medium shareholders;
- (III) issue of securities;

- (IV) material asset restructuring plans;
- (V) merger, division, dissolution and liquidation of the Company;
- (VI) significant events such as material connected transactions, external guarantees (other than guarantees provided to the subsidiaries that are included in the consolidated accounting statements), external financial assistance, changes of the discretionary accounting policies of the Company and investment in stocks and derivatives subject to consideration by the general meeting;
- (VII) share incentive scheme;
- (VIII) nomination, appointment and removal of directors and supervisors (other than those who are staff representatives) and determination of the remuneration of the relevant directors and supervisors;
- (IX) the Company intends to decide that its shares will be no longer traded on the stock exchange of the location where its shares are listed, or will apply for being listed on other stock exchanges for trading or transfer;
- (X) other matters affecting the interests of small and medium investors specified in relevant laws, administrative regulations, department rules, regulatory documents, business rules of the stock exchange of the location where the Company's shares are listed and the Articles of Association.

**Article 33** When the Company's general meeting considers the relevant proposals stipulated in Article 32 herein, it shall give special notice to the specific matters considered, voting methods and online voting operation process in the notice of the general meeting and the meeting materials. An elected small and medium investor representative, lawyers, supervisors' representatives and another shareholders' representative shall jointly take charge of vote calculation and supervision of the general meeting. Shareholders who vote online may inspect and verify their own voting results through the relevant voting system.

The announcement of the resolution of the general meeting adopting the separate counting for small and medium investors shall also state:

- (I) the matters adopting the separate counting for small and medium investors at the general meeting;
- (II) the combination of on-site voting and online voting adopted by the general meeting;
- (III) the attendance of small and medium investors in the general meeting, including the number of small and medium investors and proxies present, the number of the voting shares held and the percentage of the total number of voting shares of the Company;



- (IV) the consideration and voting of small and medium investors on the matters to be separately counted, including the consideration and voting manner, the number of votes in favor of and against the relevant proposals, the number of abstentions and the number of consent votes as percentages to the total number of voting shares held by the shareholders present at the meeting.

### **Chapter VI Supplementary Provisions**

**Article 34** Matters not covered by the system shall be executed in accordance with the requirements under relevant laws, regulations, rules, regulatory documents and the business rules of the stock exchange at the location where the Company's shares are listed. In the event that the system is inconsistent with the requirements under relevant laws, regulations, regulatory authorities and the Articles of Association modified through legal procedures, it shall be executed in accordance with the foresaid requirements.

**Article 35** The Company shall not be liable for any failure of the Online Voting System due to force majeure, accidents, technical failures and abnormal circumstances beyond the control of the Company, and the fact that the Shanghai Stock Exchange or the Information Company has taken corresponding measures to prevent investors from voting normally.

**Article 36** The term "or more" herein shall include the given figure.

**Article 37** The system shall be construed and interpreted by the board of directors.

**Article 38** The system shall be considered and approved by the general meeting, and come into effect and implement upon the date of initial public offering of Renminbi ordinary shares (A shares) of the Company and being listed.

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## APPENDIX VII                      PROPOSED AMENDMENTS TO THE RULES FOR THE MANAGEMENT OF THE RELATED PARTY TRANSACTIONS

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

Unless otherwise specified, the terms used in this appendix shall have the same meanings as defined in the “Rules for the Management of the Related Party Transactions” which was approved at the EGM held by the Company on March 12, 2019. The proposed amendments to the “Rules for the Management of the Related Party Transactions” are as follows:

No.	Original Articles	Revised Articles
1	<p>Article 1</p> <p>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.</p>	<p>Article 1</p> <p>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”), <del>the market rules issued by the stock exchanges of listing places,</del> <u>the Listing Rules of the Sci-Tech Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科创板股票上市規則》)</u> (the “Listing Rules” of the Sci-Tech Innovation Board) 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.</p>

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**APPENDIX VII                      PROPOSED AMENDMENTS TO THE RULES FOR THE  
MANAGEMENT OF THE RELATED PARTY TRANSACTIONS**

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<b>No.</b>	<b>Original Articles</b>	<b>Revised Articles</b>
2	<p>Article 6</p> <p>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.</p> <p>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.</p> <p>The connected person as defined by the Hong Kong Stock Exchange is within the meaning of the Listing Rules of Hong Kong Stock Exchange.</p>	<p>Article 6</p> <p>The connected persons of the Company include the connected person as defined by domestic securities regulatory authorities (including CSRC and the <del>stock exchanges of listing places</del> <u>Shanghai Stock Exchange</u>, 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.</p> <p>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 <del>stock exchanges of domestic listing places</del> <u>Shanghai Stock Exchange</u>.</p> <p>The connected person as defined by the Hong Kong Stock Exchange is within the meaning of the Listing Rules of Hong Kong Stock Exchange.</p>

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<b>No.</b>	<b>Original Articles</b>	<b>Revised Articles</b>
3	<p data-bbox="256 338 826 371">Article 20</p> <p data-bbox="256 416 826 555">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:</p> <p data-bbox="256 600 826 1261">(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.</p> <p data-bbox="256 1305 826 1668">(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.</p>	<p data-bbox="831 338 1402 371">Article 20</p> <p data-bbox="831 416 1402 622"><del>According to the rules of the domestic stock exchange at the location where the Company’s shares are listed</del> the “<u>Listing Rules</u>” of the Sci-Tech Innovation Board, the connected transaction with the connected person:</p> <p data-bbox="831 667 1402 1373">(i) the connected transaction with the <del>transaction amount</del> <u>turnover</u> 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 <del>0.5%</del> <u>0.1%</u> or more of <del>the absolute value of the latest audited net assets</del> <u>the latest audited total asset or market value</u> of the Company (other than provision of guarantees by the Company and/or its subsidiaries) shall be disclosed in a timely manner.</p> <p data-bbox="831 1417 1402 1816">(ii) the connected transaction entered into between the Company and/or its subsidiaries and a connected person with the <del>transaction amount</del> <u>turnover</u> accounting for <del>1%</del> <u>RMB 3 million or above or 5%</u> 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.</p>

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No.	Original Articles	Revised Articles
	<p>(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.</p> <p>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.</p> <p>(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.</p>	<p>(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 <del>5%</del> <u>1%</u> or more of <del>the absolute value of the latest audited net assets</del> <u>the latest audited total asset or market value</u> 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.</p> <p>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.</p> <p>(iv) the guarantees provided by the Company or its subsidiaries, regardless of the amount, to the connected person shall be <u>in reasonable commercial sense</u>, timely disclosed after review and approval by the Board and submitted to the general meeting for consideration. <u>Where the Company provides guarantees for the controlling shareholder, the actual controller and its related parties, then the controlling shareholder, the actual controller and its related parties shall provide counter-guarantees.</u></p>

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<b>No.</b>	<b>Original Articles</b>	<b>Revised Articles</b>
	<p>(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.</p> <p>.....</p> <p>The Company may apply to domestic securities regulatory authorities for exemption from review and disclosure for the connected transactions which are incompliance with relevant provisions.</p>	<p>(v) <del>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</del> <u>where the Company shall in prudent manner in the provision of financial assistance or entrusted asset management with the connected person;</u> in the event that there is necessity, 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.</p> <p>.....</p> <p>The Company may apply to domestic securities regulatory authorities for exemption from review and disclosure for the connected transactions which are incompliance with relevant provisions.</p>

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<b>No.</b>	<b>Original Articles</b>	<b>Revised Articles</b>
4	<p data-bbox="261 344 384 367">Article 24</p> <p data-bbox="261 412 810 539">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:</p> <p data-bbox="261 584 810 1039">(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.</p> <p data-bbox="261 1084 810 1173">The independent directors may engage an independent financial adviser to issue a report to support their decisions.</p> <p data-bbox="261 1218 810 1809">(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 stock exchanges of listing places.</p>	<p data-bbox="836 344 959 367">Article 24</p> <p data-bbox="836 412 1385 607">According to the rules of the domestic stock exchange at the location where the Company's shares are listed <u>and the "Listing Rules" of the Sci-Tech Innovation Board</u>, the connected transaction with the connected person:</p> <p data-bbox="836 651 1385 1106">(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.</p> <p data-bbox="836 1151 1385 1240">The independent directors may engage an independent financial adviser to issue a report to support their decisions.</p> <p data-bbox="836 1285 1385 1910">(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 <del>stock exchanges of listing places</del> <u>Shanghai Stock Exchange</u>. 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 <del>stock exchanges of listing places</del> <u>Shanghai Stock Exchange</u>.</p>



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<b>No.</b>	<b>Original Articles</b>	<b>Revised Articles</b>
5	<p data-bbox="261 344 384 367">Article 25</p> <p data-bbox="261 416 817 584">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:</p> <p data-bbox="261 633 817 1088">(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.</p> <p data-bbox="261 1137 817 1554">(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.</p> <p data-bbox="261 1603 817 1912">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.</p>	<p data-bbox="836 344 959 367">Article 25</p> <p data-bbox="836 416 1391 622"><del>According to the rules of the domestic stock exchange at the location where the Company's shares are listed</del> <u>"Listing Rules"</u> of the Sci-Tech Innovation Board, the ordinary connected transaction with the connected person:</p> <p data-bbox="836 669 1391 1124">(i) <del>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.</del></p> <p data-bbox="836 1173 1391 1590">(ii) <del>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.</del></p> <p data-bbox="836 1639 1391 1944"><del>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.</del></p>



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No.	Original Articles	Revised Articles
		<p>(i) <u>The Company may reasonably estimate the annual amount of daily connected transactions according to the category, perform the review procedures and disclose thereof; in the event the actual execution exceeds the estimated amount, it shall re-execute the review procedure and disclose thereof according to the excess amount;</u></p> <p>(ii) <u>The daily connected transactions shall be classified and be disclosed in the Company's annual report and interim report;</u></p> <p>(iii) <u>where the Company entered daily connected transaction agreement with the connected person which exceeds 3 years, it shall re-execute the relevant review procedures and disclosure obligations every three years.</u></p> <p><u>Connected transactions related to daily operations are exempt from auditing or assessment.</u></p>
6	<p>Article 42</p> <p>Major matters during the regular review intervals:</p> <p>.....</p> <p>(iii) The company secretary shall maintain the minutes of the meeting for assessing the disclosable information.</p> <p>.....</p>	<p>Article 42</p> <p>Major matters during the regular review intervals:</p> <p>.....</p> <p>(iii) The <del>company</del> <u>company secretary of the Board</u> shall maintain the minutes of the meeting for assessing the disclosable information.</p> <p>.....</p>

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<b>No.</b>	<b>Original Articles</b>	<b>Revised Articles</b>
7	<p>Article 45</p> <p>Where the Company intends to carry out a disclosable transaction or connected transaction that is subject to the announcement requirement, the Board shall:</p> <p>(i) inform the stock exchange of the listing place as soon as possible after the agreement on the terms of the transaction; and</p> <p>(ii) submit an announcement to the stock exchange of the listing place as soon as possible for publication.</p>	<p>Article 45</p> <p>Where the Company intends to carry out a disclosable transaction or connected transaction that is subject to the announcement requirement, the Board shall:</p> <p>(i) inform the <del>stock exchange of the listing place</del> <u>Shanghai Stock Exchange</u> as soon as possible after the agreement on the terms of the transaction; and</p> <p>(ii) submit an announcement to the <del>stock exchange of the listing place</del> <u>Shanghai Stock Exchange</u> as soon as possible for publication.</p>