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

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If you are in doubt about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CanSino Biologics Inc.**, you should at once hand this circular together with the form of proxy and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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**CanSino Biologics Inc.**  
**康希諾生物股份公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock code: 6185)**

- (1) PROPOSED ISSUE OF A SHARES AND LISTING ON  
THE SSE STAR MARKET AND  
OTHER ANCILLARY RESOLUTIONS**
- (2) PROPOSED AMENDMENT TO THE ARTICLES ANCILLARY TO  
THE PROPOSED ISSUE**
- (3) UNCOVERED DEFICIT OF THE COMPANY AMOUNTING TO  
ONE-THIRD OF THE TOTAL SHARE CAPITAL  
AND**
- (4) NOTICE OF EGM AND CLASS MEETINGS**

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A notice convening the EGM and Class Meetings of CanSino Biologics Inc. to be held at Conference Room, Level 11, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing on Friday, November 29, 2019 at 9:00 a.m. is set out in this circular. A reply slip and a form of proxy for use at the EGM and the Class Meetings are also enclosed. Such reply slips and forms of proxy are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cansinotech.com>).

Shareholders who intend to attend the EGM and/or the Class Meetings in person or by proxy shall complete and return the reply slip in accordance with the instructions printed thereon on or before November 8, 2019.

Shareholders who intend to appoint a proxy to attend the EGM and/or the Class Meetings shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM and the Class Meetings (i.e. not later than 9:00 a.m. on Thursday, November 28, 2019) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM and/or the Class Meetings if they so wish.

October 14, 2019

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## DEFINITIONS

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

“A Share(s)”	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company proposed to be allotted, issued and listed on the SSE STAR Market
“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time
“Board of Directors” or “Board”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“China” or the “PRC”	the People’s Republic of China, for the purpose of this circular, excluding the regions of Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Class Meetings”	the Class Meeting of H Shareholders and the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders
“Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders”	the 2019 first class meeting of Domestic Shareholders and Unlisted Foreign Shareholders to be held at Conference Room, Level 11, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing on Friday, November 29, 2019 immediately after the conclusion of the Class Meeting of H Shareholders (or any adjournment thereof)
“Class Meeting of H Shareholders”	the 2019 first class meeting of H Shareholders to be held at Conference Room, Level 11, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing on Friday, November 29, 2019 immediately after the conclusion of the EGM (or any adjournment thereof)
“Company”	CanSino Biologics Inc. (康希諾生物股份公司), a company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6185)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“EGM”	the 2019 first extraordinary general meeting of the Company to be held at Conference Room, Level 11, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing on Friday, November 29, 2019 at 9:00 a.m. (or any adjournment thereof)
“Global Offering”	as defined in the Prospectus
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong Dollars and listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	October 11, 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information 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
“Notice of the EGM”	the notice of EGM dated October 14, 2019, a copy of which is set out on pages N-1 to N-8 of this circular

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## DEFINITIONS

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“Notices of the Class Meetings”	the notice of the Class Meeting of H Shareholders and the Class Meeting of Domestic Shareholders and Unlisted both dated October 14, 2019, copies of which are set out on pages N-9 to N-16 and pages N-17 to N-24 of this circular, respectively
“Proposed Issue of A Shares”, “Issue of A Shares” or “Issue”	the proposed initial public issue of not more than 24,800,000 A Shares, which will be listed on the SSE STAR Market
“Prospectus”	the prospectus of the Company dated March 18, 2018
“R&D”	research and development
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Sci-Tech Innovation Board Implementation Measures”	Implementation Measures for the Issue and Underwriting of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷實施辦法》)
“Shanghai Stock Exchange Consultation”	public consultation in relation to the rules for the establishment of the Sci-Tech Innovation Board on the Shanghai Stock Exchange and Pilot Registration-based IPO System sought by the Shanghai Stock Exchange on January 30, 2019
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising Domestic Share(s), Unlisted Foreign Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“SSE STAR Market”	the Sci-Tech Innovation Board of the Shanghai Stock Exchange
“STI Underwriting Guidelines”	Guidelines on the Issuance and Underwriting of Shares on the Sci-Tech Innovation Board on the Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷業務指引》)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Supervisor(s)”	the supervisor(s) of the Company
“Unlisted Foreign Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each and are held by persons other than PRC nationals or PRC-incorporated entities and are not listed on any stock exchange
“Unlisted Foreign Shareholder(s)”	holder(s) of Unlisted Foreign Shares

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## LETTER FROM THE BOARD

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### CanSino Biologics Inc. 康希諾生物股份公司

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock code: 6185)

*Executive Directors:*

Dr. Xuefeng YU  
Dr. Shou Bai CHAO  
Dr. Tao ZHU (朱濤)  
Dr. Dongxu QIU

*Non-Executive Directors:*

Mr. Qiang XU (許強)  
Mr. Liang LIN (林亮)  
Ms. Nisa Bernice Wing-Yu LEUNG (梁穎宇)  
Mr. Zhi XIAO (肖治)

*Independent Non-executive Directors:*

Mr. Shiu Kwan Danny WAI (韋少琨)  
Ms. Zhu XIN (辛珠)  
Dr. Luis BARRETO  
Dr. Pierre Armand MORGON

*Headquarters and Registered*

*Office in the PRC:*  
401-420, 4th Floor  
Biomedical Park  
185 South Avenue  
TEDA West District  
Tianjin  
PRC

*Principal Place of Business in  
Hong Kong:*

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

October 14, 2019

*To the Shareholders*

Dear Sir/Madam,

- (1) PROPOSED ISSUE OF A SHARES AND LISTING ON  
THE SSE STAR MARKET AND  
OTHER ANCILLARY RESOLUTIONS**
- (2) PROPOSED AMENDMENT TO THE ARTICLES ANCILLARY TO  
THE PROPOSED ISSUE**
- (3) UNCOVERED DEFICIT OF THE COMPANY AMOUNTING TO  
ONE-THIRD OF THE TOTAL SHARE CAPITAL  
AND**
- (4) NOTICE OF EGM AND CLASS MEETINGS**

#### I. INTRODUCTION

Reference is made to the announcement of the Company dated October 14, 2019 in relation to, among other things, the Proposed Issue of A Shares and proposed amendments to the Articles.

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## LETTER FROM THE BOARD

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

### II. DETAILS OF THE RESOLUTIONS

#### SPECIAL RESOLUTIONS

##### (1) Proposed Issue of A Shares

The Company proposed to apply to the relevant regulatory authorities in the PRC for the allotment and issue of not more than 24,800,000 A Shares and proposed to apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the SSE STAR Market.

The Issue of A Shares will be subject to, among other things, the approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings, as well as the approvals by the CSRC and the Shanghai Stock Exchange.

If the Issue of A Shares as set out in resolutions 2 (i) to (xi) of the Notice of the EGM and resolutions 2 (i) to (xi) of the Notices of the Class Meetings is not approved by the Shareholders, the Issue of A Shares will not proceed, and the ancillary matters as set out in resolutions 1, 3 to 12 of the Notice of the EGM and resolutions 1, 3 to 9 of the Notices of the Class Meetings will not proceed.

##### *Details of the Issue of A Shares*

###### *(i) Class and nominal value of new Shares to be issued*

Ordinary Shares with a nominal value of RMB1.00 each (A Shares).

Except as otherwise stipulated in laws, regulations, other regulatory documents and the Articles, the A Shares to be issued will rank pari passu in all respects with the issued Domestic Shares, Unlisted Foreign Shares and H Shares.

###### *(ii) Issue size*

The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing Shareholders. The Company proposes to issue not more than 24,800,000 new A Shares, representing approximately 11.14% of the share capital of the Company as of the Latest Practicable Date, and approximately 10.02% of the enlarged share capital upon completion of the Issue of A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter(s) according to the authorization (if granted at the EGM and the Class Meetings), the conditions required by the laws and regulations of the PRC and

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## LETTER FROM THE BOARD

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the regulatory authorities, and the market conditions then. If there is any ex-right event (such as bonus issue and conversion of capital reserve to share capital) prior to the Issue of A Shares, the number of A Shares to be issued will be adjusted accordingly.

Please refer to “III. OTHER INFORMATION IN RELATION TO THE PROPOSED ISSUE OF A SHARES – (2) Effects of the Issue of A Shares on the shareholding structure of the Company” below for effects on shareholding structure.

*(iii) Method and schedule of issuance*

The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities. The Company will proceed with the Issue within 12 months since the CSRC approves the Issue.

*(iv) Target subscribers*

Qualified price consultation participants subject to the laws, regulations and regulatory documents of the PRC, and natural persons, legal persons and institutional investors who maintain A Shares securities account with the Shanghai Stock Exchange (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).

If any of the target subscribers is a connected person of the Company, the Company will comply with the relevant requirements, including (if applicable) reporting, announcement and independent shareholders’ approval, under the Listing Rules.

As of the Latest Practicable Date, none of the connected person(s) of the Company has indicated to the Company that he/she/it intends to participate in the subscription of the A Shares.

*(v) Pricing methodology*

The issue price for the A Shares will be determined through a combination of off-line placement to professional institutional investors and offering by way of on-line subscription by public investors based on market value, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.

Pursuant to the Sci-Tech Innovation Board Implementation Measures, the issue price of A Shares shall be determined through price inquiry with professional institutional investors (such as securities firms, fund management companies, trust companies, finance companies, insurance companies, qualified foreign institutional investors and private fund managers). The Company and the lead underwriter may then determine the issue price of A Shares through the initial price inquiry or through cumulative bidding inquiry after an issue price range has been determined from the initial price inquiry.

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## LETTER FROM THE BOARD

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The Company will determine the issue price of A Shares through the above price inquiry mechanism, and according to the market practice in the PRC, it will make reference to the trading price of its H Shares as quoted on the Stock Exchange at the relevant time in pricing of its A Shares in the proposed listing of A Shares on the SSE STAR Market.

Based on the Company Law of the PRC, the issue price of the A Shares shall not be lower than the nominal value of the Shares of the Company, i.e. RMB1.00 per Share. There is no other legal or regulatory requirements stipulating the price floor in the Issue of A Shares. As at December 31, 2018, the net asset value per share of the Company was RMB3.12. The Company does not intend to issue the A Shares at a price lower than the latest audited net asset value per share prior to the Proposed Issue of A Shares.

As at the Latest Practicable Date, the closing price of H Share as quoted on the Stock Exchange is HK\$35.00 per H Share.

*(vi) Issuance expenses*

The expenses in relation to the Issue of A Shares including underwriting fee, sponsor(s)' fee, auditor's fee, legal advisors' fee, issuing fee, etc. will be borne by the Company.

*(vii) Method of underwriting*

The Issue of A Shares will be underwritten by the sponsor(s) and underwriter(s) by way of standby commitment.

According to the STI Underwriting Guidelines, the Shanghai Stock Exchange has set forth a requirement for sponsor(s)' relevant subsidiaries in initial public offering on the SSE STAR Market, requiring sponsor(s)' relevant subsidiaries to invest in 2% to 5% of the shares procured for subscription or sale by them, and they shall maintain such shareholding for a period of 24 months afterwards.

The STI Underwriting Guidelines further requires a relevant subsidiary of the sponsor(s) or a relevant subsidiary of the sponsor(s)' ultimate controller to enter into an allotment agreement with listing applicant on the following scale:

<b>Offering size</b>	<b>Shares to be subscribed</b>
Less than RMB1 billion	5% of the shares being offered, but subject to a cap of RMB40 million
RMB1 billion to less than RMB2 billion	4% of the shares being offered, but subject to a cap of RMB60 million
RMB2 billion to less than RMB5 billion	3% of the shares being offered, but subject to a cap of RMB100 million
RMB5 billion or above	2% of the shares being offered, but subject to a cap of RMB1 billion

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## LETTER FROM THE BOARD

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The final commitment of sponsor(s) will only be determined when an approximate offering size is available. As of the Latest Practicable Date, the Company has not yet entered into any actual commitment and/or allotment arrangements in respect of the Issue of A Shares.

*(viii) Subscription by the Company's senior management and core employees*

The Company's senior management and core employees may subscribe for the A Shares through specific asset management plan and participate in the strategic placing. The number of A Shares allotted to the specific asset management plan shall not exceed 10% of the total number of shares to be issued under the Issue of A Shares, and the relevant senior management and/or core employees shall be subject to a lock-up period for not less than 12 months. Such participation requires the approval of the Board of Directors and the general meeting (if required) and other relevant authorities and shall be fully disclosed in the prospectus to be issued in relation to the listing on the SSE STAR Market.

Under the PRC laws, regulations and rules relevant to the Issue of A Shares, related parties of the Company may subscribe for A Shares in the following manners:

(a) Participation in the strategic placing as a strategic investor

Since the Company's maximum number of A Shares proposed to be issued are less than 100 million shares, under the Sci-Tech Innovation Board Implementation Measures, not more than 20% of the total number of A shares to be issued may be placed to strategic investors. The Company's related parties may participate as a strategic investor by using its own funds to subscribe for A Shares if he/she/it fulfill the criteria of a strategic investor. Any strategic investor shall not participate in off-line placement and will be subject to a lock-up period of not less than 12 months from the listing date on the SSE STAR Market.

The maximum percentage of A shares that can be subscribed by all strategic investors, in aggregate, in enlarged total shares (including A Shares and H Shares) after the listing of the A Shares on the SSE STAR Market would be 2%.

(b) Participation in the on-line subscription

A related party of the Company who fulfills the criteria set out by the Shanghai Stock Exchange for on-line subscription and has opened a securities trading account on the SSE STAR Market may participate in the on-line subscription of A Shares.

The maximum percentage of A shares that can be subscribed by each investor (including related parties) through on-line subscription would be 0.1% of the initial on-line offering size according to the Sci-Tech Innovation Board Implementation Measures.

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## LETTER FROM THE BOARD

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- (c) If a related party is a senior management/core employee, participation through specific asset management plan

If a related party is also a senior management/core employee of the Group, he/she may subscribe for the A Shares through specific asset management plan and participate in the strategic placing according to the Sci-Tech Innovation Board Implementation Measures. The number of A Shares allotted to the specific asset management plan shall not exceed 10% of the total number of shares to be issued under the issue of A Shares, and the relevant senior management and/or core employees shall be subject to a lock-up period for not less than 12 months. Such participation requires the approval of the Board of Director and the general meeting (if required) and other relevant authorities and shall be fully disclosed in the prospectus to be issued in relation to the listing on the SSE STAR Market.

- (d) No participation in the off-line placement

Pursuant to the relevant regulations under the Measures of the Administration of Issue and Underwriting of Securities (《證券發行與承銷管理辦法》) and Standards for Underwriting Securities of Initial Public Offering (《首次公開發行股票承銷業務規範》), the following related parties of the Company shall not participate in the off-line placement: (1) the Company and its shareholders, de facto controllers, directors, supervisors, senior management and other employees; companies directly or indirectly controlled or jointly controlled by the Company, its shareholders, de facto controllers, directors, supervisors and/or senior management or companies in which the above person(s) can exercise a significant influence, and the controlling shareholders, subsidiaries and other subsidiaries controlled by the controlling shareholders of the said companies; and (2) family members who have a close relationship with the persons mentioned in (1) above, including their spouse, children and their spouses, parents and their spouses, siblings and their spouses, siblings of their spouses and parents of spouses of their children.

- (e) Maximum number of shares that may be subscribed by related parties of the Company

Under the relevant PRC laws and regulations, provided that after the subscription of A Shares by related parties of the Company, the Company fulfils the public float requirement under the Rules Governing for Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange which provides that Shares held by the public (excluding Shareholders holding more than 10% of the Shares of the Company and their parties acting in concert and the Company's Directors, Supervisors and senior management and their respective related parties) shall not be less than 10% of the total share capital of the Company, there is no restriction on the maximum number of shares that can be subscribed, in aggregate by related parties of the Company in the Issue of A Shares.

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## LETTER FROM THE BOARD

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*(ix) Place of listing*

All A Shares will be listed and traded on the SSE STAR Market after the completion of the Issue of A Shares.

*(x) Validity period of the resolutions*

The resolutions in respect of the Issue of A Shares will be valid for a period of 12 months from the date of approval at the EGM and the Class Meetings. This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolutions.

**(2) Other Special Resolutions relating to the Issue of A Shares**

*(i) The fulfillment by the Company of the requirements for initial public offering of A Shares and listing on the SSE STAR Market*

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the fulfillment by the Company of the requirements for initial public offering of A Shares and listing on the SSE STAR Market.

By taking into consideration the Company's own actual situation, the Company believes that its business operation is in line with the SSE STAR Market positioning and national strategy. The Company has key core technologies, outstanding technological innovation ability, and mainly relies on core technologies to carry out production and operation. It has a stable business model, high market recognition and good social image, and strong growth. The Company has fulfilled requirements under existing laws, regulations and regulatory documents in respect of the initial public offering of A Shares and listing on the SSE STAR Market.

*(ii) The investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis*

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis.

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## LETTER FROM THE BOARD

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According to the Company's production and operation needs, the proceeds raised by the Company from the Issue of A Shares will be used for the following projects after deducting the issuance expenses:

<b>No.</b>	<b>Project name</b>	<b>Proposed investment amount from proceeds raised (RMB)</b>
1	Construction of the phase II production facilities	550,000,000
2	Working capital	250,000,000
3	R&D of vaccines	150,000,000
4	Construction of the vaccine traceability, cold chain logistics and information systems	50,000,000
	<b>Total</b>	<b>1,000,000,000</b>

*Note:* Final names of the above projects shall be based upon names approved by or filed with (if required) the government authorities.

After the proceeds raised from the Issue of A Shares are in place, the Company will invest the proceeds into the above projects according to the actual needs and priorities of the projects. If the net proceeds actually raised (after deducting the issuance expenses) are less than the total amount of proceeds to be invested, the shortfall shall be covered by the Company with its own funds or self-raised funds. If the proceeds raised from this issuance exceeds the capital requirements of the projects, the surplus amount will be mainly used for (i) R&D of vaccines; (ii) working capital, and/or (iii) other purposes relating to the Company's principal business, after taking into account the Company's actual needs and upon approval by the Board.

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds or self-raised funds according to the needs of the projects, and after the proceeds raised are in place, the Company can replace the initial investment funds according to the requirements and procedures of the relevant laws, regulations and regulatory documents.

Within the scope of the finally determined investment projects to be funded by proceeds raised from Issue of A Shares, the Board of Directors may, according to the actual needs of the project, make appropriate adjustments to the sequence and amount of the proceeds to be invested in the above projects. The Company will provide further information by way of announcement if there is any deviation from the intended use of proceeds raised from the Issue of A Shares.

The Board of Directors has conducted sufficient analysis on the feasibility of the investment projects to be funded by the proceeds raised from the Issue of A Shares, and in its opinion, the investment projects to be funded by the proceeds raised from this issuance are feasible. The Board of the Directors is of the view that there will be no material adverse impact to the Company's financial position if the proposed Issue of A Shares cannot proceed.

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## LETTER FROM THE BOARD

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*(iii) Authorization to the Board of Directors to fully handle the relevant matters in connection with the Issue of A Shares and listing on the SSE STAR Market*

A special resolution will be proposed at the EGM and the Class Meetings to authorize the Board of Directors to fully handle the relevant matters in connection with the Issue of A Shares and listing on the SSE STAR Market. The authorization proposed to be granted to the Board shall include without limitation:

1. The performance of all procedures relating to the Company's issuance and listing, including but not limited to, submission of an application to the Shanghai Stock Exchange for the public issuance of shares and listing on the SSE STAR Market, and submission of an application for registration to the CSRC after approval and consent have been granted by the Shanghai Stock Exchange, and provision of response to the securities regulatory institutions in respect of feedback opinions on matters relating to this issuance and listing.
2. The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as timing of issuance, target subscribers, commencement and closing dates of issuance, issue price or pricing methodology, the specific number of shares to be issued, method of issuance, strategic placement, specific projects to be funded by the proceeds raised and the progress and amount of investment, in accordance with national laws, regulations and regulatory documents, the relevant requirements and policies of securities regulatory authorities, and the specific conditions including the securities market conditions and the resolutions of the EGM and the Class Meetings.
3. If the PRC and securities regulatory authorities issue new requirements and policies on initial public offering of shares, the Board of Directors be authorized to make corresponding adjustments to this issuance proposal according to the new requirements and policies and continue to handle the matters relating to this issuance.
4. The preparation, review, amendment and signing of all legal documents and material contracts relating to this issuance and listing, including but not limited to the prospectus for the Issue of A Shares and listing on the SSE STAR Market, strategic placement agreements and other relevant documents.
5. The completion of all government approval procedures involved in this issuance and listing, the payment of all issuance expenses relating to share issuance, listing and sponsorship, and the completion of other necessary procedures and tasks required by this issuance and listing.

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## LETTER FROM THE BOARD

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6. Authorizing the Board of Directors to supplement and amend the relevant clauses of the Articles (draft) according to the result of share issuance and to complete the relevant procedures for the approval, registration and filing of such changes with the competent authority of commerce and the competent Administration for Industry and Commerce.
7. The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company according to the requirements and suggestions of the CSRC, Shanghai Stock Exchange and the relevant securities regulatory authorities or according to the actual conditions of this issuance.
8. Within the scope of the resolutions passed by the Shareholders at the EGM and the Class Meetings, necessary and appropriate adjustments will be made to the relevant matters in the implementation process of the investment projects funded by the proceeds raised, including but not limited to: the organization and implementation of project construction with self-owned or self-raised funds according to the actual progress of the projects before the proceeds of this issuance and listing are in place; the confirmation of a special deposit account for the proceeds raised; the signing of a tripartite supervision agreement for the proceeds raised; the implementation of the use of proceeds after completion of this issuance and listing; if the proceeds raised are insufficient, the Company should solve the problem through self-owned or self-raised funds; the signing of material contracts involved in the implementation process of the investment projects funded by the proceeds raised; and making decisions on the investment proposals for various projects within the scope of the total investment amount for investment projects funded by the proceeds raised which has been considered and approved by the Shareholders.
9. After completion of this issuance, handling the matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of shares.
10. The publication of, among other things, the prospectus and listing announcement on designated newspapers and websites according to the requirements of the CSRC, the Shanghai Stock Exchange and the relevant securities regulatory authorities, and making an application for listing to the designated stock exchange and providing complete information of the application.

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## LETTER FROM THE BOARD

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11. The engagement of intermediaries, including the sponsor/lead underwriter, legal advisers and auditor for this issuance and listing of the Company, determination of service fees for the intermediaries through consultation, and signing of engagement agreements.
12. In case of the occurrence of force majeure events or other circumstances where implementation of this issuance plan would become difficult, or although implementation would be possible, it would bring extremely adverse impact on the Company, then decisions to suspend or terminate this issuance plan may be made at discretion.
13. For the purpose of this issuance and listing, communication with the relevant regulatory institutions or organizations, such as CSRC, Shanghai Stock Exchange, the Securities and Futures Commission, the Stock Exchange and China Securities Depository and Clearing Co., Ltd., on behalf of the Company will be carried out.
14. To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

The above authorization, if approved, shall be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.

***(iv) Proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares. Details are as follows:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit before the Issue of A Shares and listing on the SSE STAR Market, then it is proposed that the new and existing Shareholders shall share in proportion to their respective shareholding after the Issue of A Shares and listing on the SSE STAR Market.

If the Company has unrecovered losses prior to the Issue of A Shares and listing on the SSE STAR Market, it is proposed that the new and existing Shareholders of the Company after this issuance and listing shall bear the losses according to the proportion of their shareholdings after the Issue of A Shares and listing on the SSE STAR Market.

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## LETTER FROM THE BOARD

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***(v) The three-year dividend distribution plan for Shareholders after the initial public offering of A Shares and listing on the SSE STAR Market***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the “Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and Listing on the SSE STAR Market”. Full text of the plan is set out in Appendix I to this circular.

***(vi) The share price stabilization plan and restraining measures within three years after the Company’s initial public offering of A Shares and listing on the SSE STAR Market***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the “Plan for Stabilization of Price of A Shares within Three Years After the Initial Public Offering of A Shares and Listing on the SSE STAR Market”. Full text of the plan is set out in Appendix II to this circular.

***(vii) Undertakings and restraining measures relating to the Company’s Issue of A Shares and listing on the SSE STAR Market***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the SSE STAR Market, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and combining the review for listing on the SSE STAR Market in practice and the actual situation of the Company.

Details of the undertakings and restraining measures are as follows:

***I. Undertakings on the Truthfulness, Accuracy and Completeness of the Prospectus Regarding the Initial Public Offering and Listing of A Shares on the SSE STAR Market***

The Company to make the following undertakings in respect of the truthfulness, accuracy and completeness of the contents of the prospectus regarding the Issue of A Shares and listing on the SSE STAR Market to be submitted by the Company to the Shanghai Stock Exchange and the CSRC, as well as relevant restrictions:

The prospectus does not contain any false statement, misleading representation or material omission, and there is no fraudulent issuance and registration. The Company to severally and jointly accept responsibility as to the truthfulness, accuracy and completeness of the contents of the prospectus.

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## LETTER FROM THE BOARD

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- (1) If the prospectus contains any false statement, misleading representation or material omission, or if there is any fraudulent issuance and registration causing losses to investors when trading securities of the Company, the Company shall compensate the investors in accordance with the law. In particular, after the CSRC issues an official written administrative punishment decision to the Company and determines that the Company had committed the aforementioned violations, the Company shall make arrangement for registration for public investors who had claimed for compensation, and make timely payment upon verification of their qualification and amount of loss.
  
- (2) If the CSRC, the Shanghai Stock Exchange or other competent authority determines that the prospectus contains any false statement, misleading representation or material omission which materially and practically affects the judgment on whether the Company fulfills the conditions for the initial public offering and listing of A Shares on the SSE STAR Market as stipulated under laws, regulations and regulatory documents, or if there is any fraudulent issuance and registration, the Company to undertake that it will repurchase all new shares of the Company issued under the initial public offering in accordance with the law through the following means, specifically:
  - (i) to the extent permitted by laws, if the aforementioned events occurred during the period in which the issuance of new shares of the Company issued under the initial public offering had completed but the new shares are not yet listed for trading, the Company shall repurchase all new shares of the Company issued under the initial public offering from successful online investors and offline investors at the offer price, plus interest thereon at the prevailing bank deposit rate, within 30 working days from the date on which the CSRC, the Shanghai Stock Exchange or other competent authority determined that the aforementioned events had occurred within the Company;
  
  - (ii) To the extent permitted by laws, if the aforementioned events occurred after the completion of listing of new shares of the Company issued under the initial public offering, the Company shall formulate a share repurchase proposal and submit such proposal to the shareholders' meeting for approval within 5 working days from the date on which the CSRC, the Shanghai Stock Exchange or other competent authority determined that the aforementioned events had occurred within the Company. All new shares of the Company issued under the initial public offering shall be repurchased through the trade system of the Shanghai Stock Exchange. The repurchase price shall be determined based on the offer price with reference to

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## LETTER FROM THE BOARD

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relevant market factors. In the event of any ex-right or ex-dividend events, such as dividends distribution, issuance of bonus shares or capital conversion from capital reserve, upon the listing of A Shares of the Company, the aforementioned offer price shall be adjusted accordingly.

If the Company violates these undertakings to make repurchase or compensation to investors on a timely basis, the Company will explain the specific reasons for non-performance at the general meeting and on the media designated by the CSRC, and apologize to its shareholders and public investors. Shareholders and public investors are entitled to request the Company through legal means to fulfill its commitments. Meanwhile, the Company will make compensation for any loss incurred by shareholders and public investors as a result of such non-performance in accordance with laws.

### *II. Undertakings on No Fraudulent Issuance*

There is no fraudulent issuance in the Company's initial public offering and listing of A Shares on the SSE STAR Market.

In case of fraudulent issuance and registration due to non-fulfilment of listing conditions with relevant shares already issued and listed, the Company shall commence the relevant procedures for repurchase of all new shares of the Company under the public offering within five business days from the date on which relevant competent authority, such as the CSRC, determines conclusively that the aforementioned events occurred within the Company.

### *III. Undertakings on the Restraining Measures Proposed by the Company for the Purpose of the Initial Public Offering and Listing of A Shares on the SSE STAR Market*

For the purpose of protecting public investors' interests and the performance of the undertakings given during the initial public offering and listing of shares on the SSE STAR Market by the Company, the Company to undertake, unless the Company fails to fully and effectively perform all obligations and responsibilities under the undertakings due to the reason of force majeure, to take the following restraining measures:

- (1) the Company will timely explain on the media designated by the shareholders' meeting and the securities regulatory authorities, the specific reasons for the failure to perform, unable to perform or unable to perform on time, and apologize to shareholders and public investors;

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## LETTER FROM THE BOARD

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- (2) the Company will propose supplemental undertakings or alternative undertakings to protect the interests of the Company and investors as much as possible;
- (3) the Company will submit the above supplemental undertakings or alternative undertakings to the shareholders' general meeting of the Company for consideration;
- (4) if the Company's failure to perform the above-mentioned undertakings resulted in losses suffered by the investors when dealing in securities, the Company will compensate the investors for their losses in accordance with the law; and
- (5) the restraining measures are subject to the undertakings made by the Company which clearly stipulate relevant measures.

***(viii) The impact of dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the impact of dilution on immediate return by the initial public offering of A Shares and adoption of recovery measures.

In order to protect the interests of minority shareholders, the Company has conducted sufficient analysis on the impact of dilution on immediate return by the Issue of A Shares and has proposed specific recovery measures, the related entities have given corresponding undertakings to ensure the practical implementation of the Company's recovery measures. Details of the analysis and proposed recovery measures are set out in Appendix III to this circular.

***(ix) Proposed Amendments to the Articles in respect of Issue of A Shares***

In order to prepare for the listing on the SSE STAR Market and comply with the relevant CSRC and Shanghai Stock Exchange rules, to further improve and regulate the Articles and to satisfy the relevant requirements of laws, regulations and regulatory documents, including the Company Law of the PRC (《中華人民共和國公司法》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) and the Rules Governing the Listing of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), and taking the practical circumstances of the Company into consideration, the Board resolved to amend the existing Articles.

Any proposed share repurchase in respect of the Issue of A Shares are made with an intent to apply to the repurchase of A Shares, but not the H Shares. As of the Latest Practicable Date, the Company does not intend to repurchase any H Shares. The Company

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## LETTER FROM THE BOARD

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will comply with the relevant listing rules of the applicable stock exchange for repurchase of its A Shares and H Shares. In the event of repurchase of H Shares, the Company will comply with the Listing Rules, in particular Rule 10.06(5) of the Listing Rules, which provides that the listing of all shares which are purchased by an issuer shall be automatically cancelled upon purchase and the issuer must apply for listing of any further issues of that type of shares in the normal way. The repurchase of H Shares will be subject to special resolutions of Shareholders in general meetings, approval of class meeting of holders of H Shares and approval of class meeting of holders of A Shares.

Following the Company having obtained approval from the Shanghai Stock Exchange and registered with the CSRC for the Issue of A Shares, the amended Articles in respect of the Issue of A Shares shall become effective on the date of listing of the Company's A Shares on the SSE STAR Market and replace the Company's then effective Articles.

The details of the proposed amendments to the Articles of Association, which were prepared in the Chinese language, is set out in Appendix IV to this circular.

In the event of any discrepancy between the English translation and the Chinese version of the proposed amendments to the Articles of Association, the Chinese version shall prevail.

The proposed amendments have been approved by the Board, and are subject to the approval by the Shareholders by way of a special resolution at the EGM.

### ORDINARY RESOLUTIONS

#### (3) Ordinary Resolutions relating to the Issue of A Shares

##### *(i) Amendment of the internal management policies of the Company*

The Company intends to revise the “Rules of Procedures for the Meeting of Shareholders”, the “Rules of Procedures for the Board of Directors”, the “Rules of Procedures for the Board of Supervisors”, “Management Policies for Raised Funds”, “Management Policies for Related Transactions”, the “Administrative Policies for External Guarantees”, the “Administrative Policies for External Investment”, the “Terms of Reference for the Independent Non-Executive Directors”, the “Information Disclosure Management Policies”, the “Investor Relations Management Policies”, the “Registration and Management Policies for Insiders”, the “Rules of Procedures of the General Manager”, the “Rules of Procedures of the Secretary to the Board of Directors”, the “Administrative Policies for Preventing the Controlling Shareholders and Related Parties from Appropriating the Company's Fund”, the “Terms of Reference for the Audit Committee of the Board of Directors”, the “Terms of Reference for the Remuneration and Assessment Committee of the Board of Directors” and the “Terms of Reference for the Nomination Committee of the Board of Directors”.

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## LETTER FROM THE BOARD

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The above internal management policies will come into effect on the date of completion of the Issue of A Shares and listing on the SSE STAR Market. Until then, the current internal management policies will continue to apply.

The Board of Directors agreed to propose to the Shareholders at the EGM and Class Meetings to authorize the Board of Directors and its authorized persons to adjust and amend the above internal management policies which will become effective from the date of completion of the Issue of A Shares and listing on the SSE STAR Market in accordance with the provisions of the relevant laws, regulations and regulatory documents, and the requirements and suggestions from the relevant domestic and overseas government authorities and regulatory institutions, and taking into consideration the actual situation of this Proposed Issue of A Shares and listing.

An ordinary resolution will be proposed at the EGM to consider and approve the amendments to each of the “Rules of Procedures for the Meeting of Shareholders”, the “Rules of Procedures for the Board of Directors”, the “Rules of Procedures for the Board of Supervisors”, “Management Policies for Raised Funds”, “Management Policies for Related Transactions”, the “Administrative Policies for External Guarantees”, the “Administrative Policies for External Investment”, and the “Terms of Reference for the Independent Non-Executive Directors”, full texts of which are set out in Appendices V to XII to this circular respectively.

In the event of any discrepancy between the English translation and the Chinese version of the proposed amendments to the internal management policies, the Chinese version shall prevail.

***(ii) Engagement of professional intermediaries***

The Company intends to engage professional intermediaries, including the sponsor/lead underwriter, legal adviser and auditor for the Proposed Issue of A Shares and listing, and to authorize the Board of Directors to determine the relevant remuneration of the aforementioned intermediaries, including but not limited to CITIC Securities Co., Ltd., China International Capital Corporation Limited, Tian Yuan Law Firm and PricewaterhouseCoopers Zhong Tian LLP.

An ordinary resolution will be proposed at the EGM to consider and approve the above engagements.

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## LETTER FROM THE BOARD

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### **(4) Uncovered deficit of the Company amounting to one-third of the total share capital**

According to the audit of PricewaterhouseCoopers Zhong Tian LLP Beijing Branch (普華永道中天會計師事務所(特殊普通合伙)北京分所), as at December 31, 2017, the accumulated amount of undistributed profit (loss) in the Company's financial statements (audited) was RMB-73,000,408.99 and the total share capital of the Company was RMB156,444,274.00. As at December 31, 2018, the accumulated amount of undistributed profit (loss) in the Company's financial statements (audited) was RMB-211,272,129.57 and the total share capital of the Company was RMB160,950,899.00. In accordance with the relevant provisions of the Articles of Association, the uncovered losses of the Company amount to one-third of the total amount of its paid-up share capital will be considered at the EGM.

An ordinary resolution will be proposed at the EGM to consider and approve the uncovered deficit of the Company amounting to one-third of its total share capital.

### **III. OTHER INFORMATION IN RELATION TO THE PROPOSED ISSUE OF A SHARES**

#### **(1) Reasons for the Issue of A Shares and listing on the SSE STAR Market**

The Company considers that the listing on the SSE STAR Market would be beneficial to the Company and its Shareholders as a whole and is beneficial to strengthen the sustainable development of the Company.

While the proceeds raised from the Global Offering provide strong support for the R&D and commercialization of the Company's core products and other key products in its product pipeline, the proceeds from the Issue of A Shares will enable the Company to expand its production capacity and strengthen its R&D of early stage vaccines. Following the listing of the H Shares of the Company in March 2019, the Issue of A Shares would allow the Company to further enrich its capital base, optimize its corporate governance structure and develop both domestic and international financing platforms. In addition, listing domestically in the PRC would enable the Company to further enhance its brand image and influence in the domestic market.

#### **(2) Effects of the Issue of A Shares on shareholding structure of the Company**

Upon completion of the issue and listing of A Shares, all of the existing Domestic Shares and Unlisted Foreign Shares will be converted into A Shares and be listed on the SSE STAR Market. Such converted A Shares will be deposited in China Securities Depository and Clearing Corporation Limited and subject to lock-up periods as required under relevant PRC laws and regulations.

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## LETTER FROM THE BOARD

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Assuming that a total of 24,800,000 new A Shares are to be issued, the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Issue of A Shares is as follow (assuming there is no other change in the share capital of the Company from the Latest Practicable Date up to and including the date of completion of the Issue of A Shares):

	<b>As at the Latest Practicable Date</b>	<b>Immediately after the completion of the Issue of A Shares</b>
<b>Domestic Shares</b>	73,254,799	–
<b>Unlisted Foreign Shares</b>	16,724,200	–
<b>A Shares to be listed on the SSE STAR Market</b>		
(1) New A Shares proposed to be issued	–	24,800,000
(2) A Shares to be converted from existing Domestic Shares	–	73,254,799
(3) A Shares to be converted from existing Unlisted Foreign Shares	–	16,724,200
Sub-total	–	114,778,999
<b>H Shares</b>	132,670,900	132,670,900
<b>Total</b>	222,649,899	247,449,899

Assuming a maximum of 24,800,000 A Shares are issued, the Company's public float (including H Shares and A Shares held by the public but excluding any Shares held by the Company's substantial shareholders, Directors, Supervisors, chief executive and their respective close associates) will be above 25% following the completion of the Proposed Issue of A Shares. The Company would still be able to meet the minimum requirement on public float percentage under the Listing Rules. The Company will closely monitor its public float percentage (including H Shares and A Shares held by the public) to maintain the minimum percentage of listed securities as prescribed by Rule 8.08 of the Listing Rules at all times, including during the stabilization period for the newly issued A shares, in public hands. The Company will also make sure its compliance with relevant requirements on public float as stipulated under the Listing Rules and will promptly notify the Stock Exchange of any changes in the Company's public float.

### (3) Fund raising activities in the past twelve months

On March 28, 2019, the Company issued 57,248,600 new H Shares at HK\$22.00 per H Share for total gross proceeds of approximately HK\$1,259.5 million by way of initial public offering of the Company on the Stock Exchange.

On April 12, 2019, as part of the Global Offering, the over-allotment option was fully exercised and the Company issued an aggregate of 4,450,400 H Shares at HK\$22.00 per H Share for total gross proceeds of approximately HK\$97.9 million.

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## LETTER FROM THE BOARD

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After the deduction of listing expenses, the total net proceeds from the Global Offering (including the exercise of the over-allotment option) was approximately HK\$1,309.8 million.

The intended use of net proceeds from the Global Offering as disclosed in the Prospectus is as below:

- Approximately 80% of the net proceeds will be used for the research and development and commercialization of the Company's Core Products, as well as other key products in the Company's product pipeline.
  - approximately 45% of the net proceeds to be used for the research and development and commercialization of the Company's Core Products, namely, MCV candidates, over the next two to three years.
    - (i) the Company expects to allocate approximately 5% of the net proceeds to research and development of MCV4 candidate and MCV2 candidate, the majority of which will be used to conduct further clinical trials with an age indication for adults and chemical, manufacturing and control.
    - (ii) the Company expects to allocate approximately 40% of the net proceeds to prepare for commercialization, of which approximately 62% will be used for MCV4 candidate and approximately 38% will be used for MCV2 candidate.
  - approximately 20% of the net proceeds will be used for the research and development of the Company's DTcP candidates, over the next three to five years. Of this amount, approximately 60% will be used for the Company's DTcP Infant and DTcP Booster candidates, and approximately 40% will be used for the Company's TDcP Adolescent and Adult candidate.
  - approximately 15% of the net proceeds will be used for the research and development of the Company's other key products, namely, TB Booster, PBPV and PCV13i candidates over the next three to five years. The Company expect to allocate approximately 80% of the proceeds intended for this purpose for PCV13i candidate, approximately 13% of such proceeds for PBPV candidate, and approximately 7% of such proceeds for TB Booster candidate.
- Approximately 10% of the net proceeds will be used for the continued research and development of the Company's pre-clinical vaccine candidates;
- Approximately 10% of the net proceeds will be used for working capital and other general corporate purposes.

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## LETTER FROM THE BOARD

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As of June 30, 2019, the Company used approximately RMB37.5 million from the proceeds mentioned above, including (i) RMB12.1 million for the research and development and commercialization of MCV candidates; (ii) RMB5.3 million for the research and development of DTcP vaccine candidates; (iii) RMB6.3 million for the research and development of TB Booster, PBPV and PCV13i candidates; (iv) RMB8.4 million for the research and development of pre-clinical vaccine candidates; and (v) RMB5.4 million for working capital and other general corporate purposes.

The remaining proceeds are intended to be used in line with those disclosed in the Prospectus.

Apart from the fund raising activities listed above, the Company has not conducted any fund raising activities involving the issue of equity securities within 12 months immediately prior to the Latest Practicable Date.

#### **IV. THE EGM AND THE CLASS MEETINGS**

The EGM, the Class Meeting of H Shareholders and the Class Meeting of Domestic Shareholders, and Unlisted Foreign Shareholders will be held at Conference Room, Level 11, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing at 9:00 a.m., immediately after the conclusion of the EGM and immediately after the conclusion of the Class Meeting of H Shareholders respectively, on November 29, 2019. Notice convening the EGM and Notices of the Class Meetings has been despatched to the Shareholders on October 14, 2019 and have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.cansinotech.com>).

#### **V. CLOSURE OF REGISTER OF MEMBERS OF H SHARES**

The register of members of H Shares of the Company will be closed from October 29, 2019 to November 29, 2019, both days inclusive, during which period no transfer of H Shares will be registered, in order to determine the holders of the H Shares of the Company who are entitled to attend and vote at the forthcoming EGM and Class Meeting of H Shareholders to be held on November 29, 2019.

To be eligible to attend and vote at the EGM and the Class Meeting of H Shareholders, all transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on October 28, 2019 for registration.

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## LETTER FROM THE BOARD

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### VI. PROXY ARRANGEMENT

The form of proxy and the reply slip of each of the EGM and the Class Meetings are enclosed.

If you intend to appoint a proxy to attend the EGM and/or the Class Meetings, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; for holders of Domestic Shares and Unlisted Foreign Shares, the form of proxy should be returned to the Company's principal place of office in the PRC at 401-420, 4th Floor, Biomedical Park, 185 South Avenue, TEDA West District, Tianjin, PRC by personal delivery or by post, not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 9:00 a.m. on November 28, 2019) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the Class Meetings or at any other adjourned meeting should you so wish.

If you intend to attend the EGM and/or the Class Meetings in person or by proxy, you are required to complete and return the accompanying reply slip to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or to the Company's principal place of office in the PRC at 401-420, 4th Floor, Biomedical Park, 185 South Avenue, TEDA West District, Tianjin, PRC (for Domestic Shareholders and Unlisted Foreign Shareholders) on or before November 8, 2019.

### VII. VOTING BY POLL

Any vote of Shareholders at the EGM and the Class Meetings must be taken by poll except where the chairman of each of the EGM and the Class Meetings, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules. Accordingly, the chairman of the EGM and the Class Meetings will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the EGM and the Class Meetings.

To the best of the Directors' knowledge, information and belief, none of the Shareholders are required to abstain from voting at the EGM and/or the Class Meetings.

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## LETTER FROM THE BOARD

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### VIII. RECOMMENDATION

The Board considers that all the resolutions proposed at the EGM, the Class Meeting of H Shareholders and the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of these proposed resolutions.

### IX. 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.

**There is no assurance that the Issue of A Shares will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares will be disclosed by the Company in due course.**

For and on behalf of the Board  
**CanSino Biologics Inc.**  
**Xuefeng YU**  
*Chairman*

According to the relevant requirements and regulations including the “Notice on Further Implementing Matters Related to the Cash Dividend Distribution by Listed Companies” and “Guideline No. 3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies” issued by the CSRC, and the “Guidelines of the Shanghai Stock Exchange on Distribution of Cash Dividends of Listed Companies” issued by the Shanghai Stock Exchange, to clarify the Company’s plan for providing reasonable investment returns to shareholders, optimise the cash dividend policy, improve the transparency and operability of decision-making on profit distribution and facilitate supervision of the Company’s operations and profit distribution by shareholders, the Company has formulated the Three-year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and the Listing on the SSE STAR Market by CanSino Biologics Inc. (this “Plan”), the detailed contents of which are set out below:

## **I. FACTORS CONSIDERED BY THE COMPANY IN FORMULATION OF THE PLAN**

The Company focuses on its long-term and sustainable development. When formulating this Plan, the Company took into consideration a range of factors, including its actual operation, future profitability, business development plans, cash flow, shareholders’ return, costs of social capital and external financing conditions, and made specific institutional arrangements for its profit distribution to achieve a balance between shareholders’ reasonable investment returns and the Company’s sustainable development to ensure the continuity and sustainability of the profit distribution policy and the lasting, sustainable, healthy business operational capabilities of the Company.

## **II. PRINCIPLES COMPLIED BY THE COMPANY IN FORMULATION OF THIS PLAN**

- (1) Strictly implement basic principles of the Company’s profit distribution stipulated in Articles of Association of the Company;
- (2) Fully consider and listen to opinions of the shareholders, especially minority shareholders, and independent directors;
- (3) Properly maintain the balance between short-term benefits and long-term development and prevent the Company’s profit distribution from harming its business operational abilities;
- (4) Adhere to the distribution of cash dividends, value reasonable investment return to investors, ensure continuity and stability of profit distribution and comply with relevant requirements of laws and regulations.

**III. PROTECTION OF SHAREHOLDERS' INTERESTS**

- (1) The profit distribution proposal of the Company shall be proposed and formulated by the management and the board of directors of the Company based on requirements of the Articles of Association, profitability, capital requirements and shareholders' dividend distribution plan. The proposal shall be submitted for consideration and approval at the general meeting after consideration and approval by the board of directors. Independent directors shall express independent opinions on the profit distribution proposal.
- (2) When considering specific plans for distribution of cash dividends, the board of directors shall carefully study and demonstrate the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures involved in implementing the Company's distribution of cash dividends. The proposal shall be approved by more than half of all directors and more than half of all independent directors. Independent directors shall express independent opinions, which shall be disclosed in a timely manner. Independent directors may collect opinions from minority shareholders and prepare a distribution proposal to be directly submitted to the board of directors for its consideration. Where the Company generated profits in the current year, but no profit distribution proposal, including cash dividends, was made by the board of directors, independent directors shall express independent opinions thereon. The Company shall also disclose the reasons thereof and the intended use and arrangement of the Company's retained capital.
- (3) When considering specific plans for distribution of cash dividends at the general meeting, the Company shall listen to opinions and requests from shareholders, especially minority shareholders and respond to their concerns in a timely manner by communicating through various channels (including but not limited to providing online voting, inviting minority shareholders to attend general meetings, telephone, email, investors' relations management and communication platform etc.). The distribution proposal shall be passed by more than half of the voting rights held by shareholders or their proxies present at the general meeting.
- (4) The Company will demonstrate with prudence the adjustments to the profit distribution policy based on changes in actual conditions, including its production operations, capital requirements and long-term development. The adjusted profit distribution policy shall uphold the principle of protecting shareholders' interests and shall not violate the requirements under relevant laws, regulations and regulatory documents. Independent directors shall express opinions on the proposals in relation to adjustments to the profit distribution policy, which shall be submitted for approval at the general meeting upon consideration by the board of directors of the Company and passed by more than two-thirds of the voting rights held by shareholders present at the general meeting. The Company shall provide convenience to minority shareholders by adopting both on-site voting and online voting at its general meetings.

- (5) The board of supervisors shall monitor the implementation of the Company's profit distribution policy and shareholders' dividend distribution plan carried out by the board of directors and the management, as well as the fulfillment of corresponding decision-making procedures and information disclosure.
- (6) The Company shall disclose the details about the formulation and implementation of the profit distribution plan and the cash dividend policy in its annual report in strict compliance with relevant requirements, and specify following matters:
- (i) Whether requirements of the Articles of Association or the resolutions passed at the general meeting have been complied with;
  - (ii) Whether the criteria and proportions of dividend distribution are specific and clear;
  - (iii) Whether relevant decision-making procedures and systems are sound;
  - (iv) Whether independent directors have duly performed their duties and functions;
  - (v) Whether there are opportunities for minority shareholders to fully express their opinions and requests, and whether their legal interests are well protected.

In the event of any adjustment or change to the cash dividend policy, detailed explanation shall be provided on whether the conditions and procedures for adjustments or changes to the policy are in compliance and transparent.

- (7) After the profit distribution plan has been resolved at the general meeting, the board of directors of the Company shall complete the dividend (or share) distribution within 2 months after the date of convening the general meeting.

#### **IV. DETAILS OF THE SHAREHOLDERS' DIVIDEND DISTRIBUTION PLAN OF THE COMPANY FOR THE NEXT THREE YEARS**

- (1) Provided that the conditions of profit distribution are satisfied, the Company may distribute dividends in cash, shares, a combination of both cash and shares or by other ways permitted under laws and regulations, and shall give priority to cash dividends over share dividends. The Company shall determine specific distribution proportions in accordance with the distributable profit and the amount of capital surplus that can be utilized under the Company's consolidated financial statements or the financial statements of the parent company, whichever is lower.

- (2) The following conditions shall also be satisfied when the Company implement cash dividend:
- (i) The distributable profit (i.e. after-tax net profit after the Company has made up for losses and withdrawn from the statutory reserve fund) for the year is positive;
  - (ii) Cash dividend shall not exceed the accumulated distributable profit of the Company;
  - (iii) The audit institution has issued a standard audit report with unqualified opinion on the financial report for the financial year;
  - (iv) The Company has no such events as major investment plan or significant cash expenditure (excluding projects from raised proceeds);

Significant investment plan or significant cash expenditure refers to: the proposed external investment, acquisition of assets or purchase of equipment by the Company in the upcoming twelve months with accumulated expenses amounting to or exceeding 30% of the latest audited total assets of the Company, and exceeding RMB50 million.

- (3) In the case that profits are distributed by way of shares, true and reasonable reasons such as the Company's growth, dilution of net asset value per share shall be taken into consideration. Share distribution may be implemented singly or in combination with cash dividend distribution.

The board of directors of the Company shall take into consideration various factors, including its industry features, development stages, its own business model and profitability as well as whether the Company has any substantial capital expenditure arrangement, and differentiate the following circumstances and propose differentiated cash dividend policies in accordance with the procedures under the Articles of Association:

- (i) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when profits are distributed;
- (ii) Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when profits are distributed;
- (iii) Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when profits are distributed. Where the Company's stage of development is difficult to distinguish but there is substantial capital expenditure arrangement, the profit distribution may be dealt with pursuant to this rule.

The profit distribution proposal shall be proposed by the board of directors and implemented upon consideration and approval at the general meeting.

- (4) Provided that the conditions of profit distribution are satisfied, the Company shall distribute cash dividends once a year in principle, and determine whether interim cash dividends shall be distributed after considering profits and capital requirements.

**V. FORMULATION OF CYCLE OF FUTURE SHAREHOLDERS' DIVIDEND DISTRIBUTION PLANS AND RELEVANT DECISION-MAKING MECHANISM**

- (1) The board of directors of the Company shall review the shareholders' dividend distribution plan at least once every three years to ensure that the contents of the shareholders' dividend distribution plan do not violate the profit distribution policy set out in the Articles of Association. The board of directors of the Company may propose interim dividend distribution based on the liquidity position of the Company.
- (2) Adjustments or changes to the profit distribution policy and the shareholders' dividend distribution plan on the basis of the Company's production and operation conditions, investment plans and long-term development requirements shall not violate relevant laws, regulations, regulatory documents and the Articles of Association. Resolutions in relation to amendments or changes to the profit distribution policy and the shareholders' dividend distribution plan are subject to thorough discussion by the board of directors and full consideration of the opinions of the board of supervisors and public investors. After consideration and approval by the board of directors of the Company, relevant resolutions shall be proposed at the general meeting for shareholders' consideration and approval. The Company shall provide detailed explanation on the reasons for the adjustments in the related resolutions submitted to the general meeting, and independent directors shall express independent opinions on the reasonableness of the adjustments to the profit distribution plan. During consideration at the general meeting, relevant resolutions shall be subject to approval by more than two-thirds of the voting rights held by the shareholders present at the general meeting. The Company shall provide the convenience of online voting or other forms of voting to shareholders present at the general meeting for the consideration of the changes to the profit distribution policy and the shareholders' dividend distribution plan. Independent directors of the Company may solicit voting rights from the shareholders of the Company prior to the convening of the general meeting. To exercise the above power, independent directors shall obtain approval of more than half of all independent directors.

**VI. OTHER MATTERS**

- (1) The matters not covered in this Plan shall be executed in accordance with relevant laws, regulations, regulatory documents and the Articles of Association.
- (2) Upon consideration and approval at the general meeting, this Plan shall take effect on the Company's date of initial public offering of shares and listing on the SSE STAR Market.
- (3) This Plan shall be interpreted by the board of directors of the Company.

*Note:* If there is any inconsistency between the English and Chinese versions of the Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and Listing on the SSE STAR Market, the Chinese version shall prevail.

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**APPENDIX II      PLAN FOR STABILIZATION OF PRICE OF A SHARES WITHIN  
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING OF  
A SHARES AND LISTING ON THE SSE STAR MARKET**

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Cansino Biologics Inc. (hereinafter referred to as the “Company”) proposed to undertake initial public offering and listing of shares. Pursuant to the requirements of laws, administrative regulations, departmental rules and regulatory documents, such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China and Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform, the Company has formulated the following plan for stabilizing the price of A Shares for the purpose of maintaining the stability of share price after the listing of the Company and safeguarding the interest of the public investors, particularly the small-and medium investors:

**I.    CONDITIONS FOR ACTIVATION AND CESSATION OF SHARE PRICE  
STABILIZATION MEASURES OF THE COMPANY**

1.    Conditions for Activation: during the three years from the date of listing of the Company’s shares, other than pursuant to force majeure, the Company and the relevant entities will actively implement relevant share price stabilization measures when the daily closing price of the Company’s A Shares is lower than the latest audited net assets per share of the Company for 20 consecutive trading days (net assets per share is equal to total equity attributable to the ordinary shareholders of the parent company in the combined financial statements divided by total shares of the Company at the end of the year; after the reference date of the latest audit, should there be any change in the net assets or the total number of shares as a result of profit allocation, capitalization from capital public reserve, issuance of additional shares and placing, the net assets per share should be adjusted accordingly) while the requirements of laws regarding the relevant repurchase and increase the shareholding in the Company, laws and regulatory documents being satisfied.
2.    Conditions for Cessation: (1) implementation of share price stabilization measures shall be ceased if the closing price of the Company’s shares is not lower than the unaudited net assets per share for 5 consecutive trading days for the previous year during or prior to the implementation period of the specific proposal for stabilizing share price aforesaid; (2) continuation of the stabilization measures shall cause the equity distribution not being satisfied with the qualification for listing; (3) the number of shares purchased within 12 consecutive months or the amount spent on purchasing shares by each relevant entities has reached the cap.

The share price stabilization measures abovementioned shall be reactivated if the said conditions for activation is satisfied after completion and cessation of such specific proposal for stabilizing share price.

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**II. RESPONSIBLE ENTITIES**

Pursuant to this plan, the entities responsible for implementing the share price stabilization measures of the Company shall be the Company, the controlling shareholders, the de facto controllers, the directors holding office in the Company (except independent directors, the same hereinafter) and senior management. Pursuant to this plan, the directors and senior management who should implement the share price stabilization measures include both directors holding office and senior management of the Company, as well as the new directors and senior management appointed within three years from listing of the Company.

**III. SPECIFIC MEASURES OF SHARE PRICE STABILIZATION**

Should the share price be lower than the net assets per share within three years from the listing of the Company, the Company's share price stabilization measures shall be implemented in the following order: (1) repurchase of shares by the Company; (2) increase the shareholding in the Company by controlling shareholders and de facto controllers; (3) increase the shareholding in the Company by the directors holding office in the Company (except independent directors) and senior management. Should the relevant entities in the aforesaid order of measures implementation fail to perform the obligations as required or have performed the obligations accordingly but have not met the conditions that the closing price of the Company's shares for 5 consecutive trading days is being lower than the latest audited net assets per share, the obligation of corresponding implementation by the next relevant entities shall be automatically be triggered.

**1. Share Repurchase by the Company**

- (1) The Company's repurchase of shares with a view to stabilizing the share price, the repurchase and information disclosure, and disposal of shares upon repurchase shall comply with the requirements of the relevant laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for the Repurchase of Public Shares by Listed Companies (Provisional), the Supplementary Provisions on the Repurchase of Shares by Listed Companies through Call Auction and the Codes on Takeovers, Mergers and Share Repurchases, and the equity distribution of the Company shall satisfy the listing conditions;
- (2) The resolution on the repurchase of shares by the shareholders meeting shall be approved by more than two-thirds of shareholders present at the meeting with voting rights;
- (3) The Company shall repurchase public shares by call auction through stock exchanges from the date of the announcement of share price stabilization plan, the repurchase price of which shall not be higher than the latest audited net assets per share of the Company;

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(4) In addition to complying with the requirements of relevant laws and regulations, the Company shall comply with the following requirements when repurchasing shares with a view to stabilizing the share price:

- ① The number of shares in a single repurchase shall not exceed 1% of the Company's total share capital;
- ② The accumulated number of shares repurchased in an accounting year shall not exceed 2% of the Company's total share capital;
- ③ The total amount of funds used by the Company to repurchase shares shall not exceed the total amount of funds raised by the Company from the initial public offering and listing of shares on the SSE STAR Market.

All directors of the Company (except independent directors) undertake that they shall vote in favor of the relevant resolutions on the share repurchase proposal as committed by the Company at the meetings of directors in respect of such share repurchase matters.

Controlling shareholders of the Company undertake that they shall vote in favor of the relevant resolutions on the share repurchase proposal at the general meetings in respect of such share repurchase matters.

**2. Increase the Shareholding in the Company by the Controlling Shareholders and the De Facto Controllers**

- (1) The increase in shareholding by the controlling shareholders and de facto controllers of the Company and information disclosure shall comply with the Company Law, the Securities Law, the Measures for the Administration of the Takeover of Listed Companies, the Codes on Takeovers, Mergers and Share Repurchases and the laws and administrative regulations, and the equity distribution of the Company after the increase shall be in line with the listing conditions;
- (2) Controlling shareholders and de facto controllers of the Company shall increase shareholding in the Company's public shares by call auction, and the price of such increase shall not be higher than the latest audited net assets per share of the Company. The controlling shareholders shall not dispose of the shares so increased within six months from the completion of the shareholding increase plan;

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(3) In addition to complying with the requirements of relevant laws and regulations, the controlling shareholders and de facto controllers shall comply with the following requirements when repurchasing shares with a view to stabilizing the share price:

- ① The number of shares in a single shareholding increase shall not exceed 1% of the Company's total share capital;
- ② The accumulated number of shares so increased in an accounting year shall not exceed 2% of the Company's total share capital;
- ③ The shareholding increase shall not trigger any mandatory offers.

**3. Increase the Shareholding in the Company by the Directors (except Independent Directors) and Senior Management**

(1) The increase in shareholding by the directors holding office in the Company (except Independent Directors) and senior management and information disclosure shall comply with the requirements of the laws and regulations, such as the Company Law, the Securities Law, the Administration Measures on Acquisitions by Listed Companies, the Rules on the Management of Shares Held by the Directors, Supervisors and Senior Management Officers of Listed Companies and the Changes Thereof and the Model Code for Securities Transactions by Directors of Listed Issuers and the laws and administrative regulations, while the equity distribution of the Company after the increase shall be in line with the listing conditions;

(2) The directors holding office in the Company (except Independent Directors) and senior management shall increase shareholding in the Company's public shares by call auction, and the price of such increase shall not be higher than the latest audited net assets per share of the Company. Shares so increased will not be disposed of the within six months from the completion of the shareholding increase plan;

(3) In addition to complying with the requirements of relevant laws and regulations, the directors holding office (except Independent Directors) and senior management, the monetary fund for a single increasing shares of the Company and/or that in twelve consecutive months shall not exceed 30% of the annual remuneration (after tax) of such directors and senior management received from the Company last year, and shall not trigger any mandatory offers.

New directors (except Independent Directors), supervisors and senior management within three years after listing of the Company shall perform the abovementioned obligation and shall sign any undertaking related to this plan prior to the formal employment by the Company.

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**IV. PROCEDURES OF ANNOUNCEMENT**

**1. Share Repurchase of the Company**

The Company shall launch the procedures of board meeting within 5 trading days after the date of satisfaction of the implementation of conditions of measures of price stabilization for discussing the detailed repurchase plan and submitting to the general meeting for consideration. The detailed implementation plan will be announced after the completion of resolution of share repurchase at the board meeting and the general meeting convened by the Company in accordance with the laws. The Company will inform its creditors in accordance with the laws, and file the relevant materials to the competent departments such as the securities regulatory department and the stock exchange for handling the procedures of approval or registration after the share repurchase plan considered and approved at the general meeting.

**2. The Controlling Shareholders and the De Facto Controllers increase their Shares in the Company**

The controlling shareholders and the de facto controllers will submit their increasing plan and announce within 3 trading days after the date of satisfaction of the relevant conditions in accordance with the requirements under the laws, regulations and the articles of associations of the Company. The controlling shareholders and the de facto controllers will commence the plan of acquiring of the Company's shares as per the increasing plan after 3 trading days of the announcement made by the Company.

**3. Directors (other than Independent Directors) and Senior Management increase the Shareholding in the Company**

The directors (other than independent directors) and senior management will submit their increasing plan and announce within 3 trading days after the date of satisfaction of the relevant conditions in accordance with the requirements under the laws, regulations and the articles of associations of the Company. The directors (other than independent directors) and senior management will commence the plan of acquiring of the Company's shares as per the increasing plan after 3 trading days of the announcement made by the Company.

**V. RESTRICTIVE MEASURES**

For the performance of relevant measures of price stabilization, the Company is willing to be supervised by the competent authorities and assume the relevant legal liabilities. If the controlling shareholders and the de facto controllers of the Company are unable to perform the obligation of increasing the shares of the Company, the Company has the right to deduct the equivalent amounts for shares increasing from cash dividend payables of the controlling shareholders and the de facto controllers so as to perform their obligations of increasing on

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behalf of them; if the remunerated directors (excluding independent directors) and paid senior management of the Company are unable to perform the obligation of increasing the shares of the Company, the Company has the right to deduct the equivalent amounts for shares increasing after-tax salary and allowance payables of the directors and senior management so as to perform their obligations of increasing on behalf of them.

Where there were discrepancies in the requirements between the laws, regulations and regulatory documents, specific conditions for the share price stabilization measures activated by CSRC or the Shanghai Stock Exchange and the specific measures so implemented, or where there were discrepancies in the requirements in respect of the related liabilities and consequences liable for as a result of breach of the above undertakings by the Company or individuals, the Company or individuals shall voluntarily and unconditionally abide by such requirements.

Any amendment to this plan shall be considered and passed by the general meetings and be approved by more than two-thirds of the total number of shares with voting rights held by the shareholders present at the general meetings.

*Note:* If there is any inconsistency between the English and Chinese versions of the Plan for Stabilization of Price of A Shares within Three Years After the Initial Public Offering of A Shares and Listing on the SSE STAR Market, the Chinese version shall prevail.

Upon completion of this offering, the total share capital of the Company will be increased with the receipt of the proceeds. As it takes time for the implementation of investment projects with the proceeds and the expected revenue level could only be achieved upon accomplishment of all the projects, therefore, immediate growth in operations income and net profit of the Company would be difficult to be realized simultaneously, presenting the risk of diluted earnings per share for the Company in a short term.

The Company has planned to recover the impact of this offering on dilution of the shareholders' current return by way of the measures set out below as soon as possible.

**(I) STRENGTHENING R&D CAPACITY AND ENHANCING CORE COMPETITIVENESS**

The Company will increase investment in R&D on product candidates on a continuous basis, further optimize the layout of products, steadily launch R&D on new types of vaccines and product upgrades, and vigorously facilitate application of drug registration for near-commercial products, clinical trial of research products and the R&D progress of pre-clinical project candidates, to further enhance the Company's competitiveness in the industry.

**(II) STRICT CONTROL OF PRODUCT QUALITY AND SPEEDING UP COMMERCIALIZATION PROGRESS**

The Company will continue to enhance management capacity in product quality and improve quality control through full control and inspection of product quality and stringent monitor of product quality, to ensure stable supply of quality products in the market. In respect of sales, the Company will promote building of the sales team, vigorously facilitate the marketing and sales business of self-developed and manufactured near-commercial vaccine products, and explore the potential for product sales by way of professional and academic promotion and brand marketing. Meanwhile, the Company will seek communication and collaboration with international organizations and overseas customers aggressively while facilitating registration and export of products in overseas markets to expand into the international market.

**(III) ACCELERATING UTILIZATION PROGRESS OF THE PROCEEDS AND ENHANCING UTILIZATION EFFICIENCY OF FUND**

Upon the receipt of proceeds to be raised under the offering, the Company will facilitate and promote the implementation of investment projects, aiming to realize expected profit generation from investment projects as early as possible. Meanwhile, the Company will strictly monitor utilization of proceeds in accordance with the requirements under the relevant laws and regulations and the Administrative Measures on Proceeds Raised, thus ensuring adequate and efficient utilization of the proceeds raised for proposed purposes.

**(IV) IMPROVING PROFIT DISTRIBUTION POLICY AND OPTIMIZING THE  
MECHANISM OF RETURNS FOR INVESTORS**

The Company proposes to further improve its profit distribution system and strengthen the mechanism of returns for investors in accordance with the relevant requirements under the Notice on Further Implementing Matters concerning Cash Dividends of Listed Companies, Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform, the Guideline No. 3 for the Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies and the Guidance for the Articles of Listed Company to ensure protection of the interests of the Company’s shareholders, particularly the medium and minority shareholders. Meanwhile, the Company will further refine the decision-making procedures for profit distribution policy and terms of distribution policy, enhance the transparency and operability of cash dividend distribution and establish a sound and efficient mechanism of returns for shareholders. The Company shall value reasonable returns for investors and maintain a stable and consistent profit distribution policy.

**(V) FURTHER IMPROVING CORPORATE GOVERNANCE AND OFFERING  
CORPORATE GOVERNANCE STRUCTURE AND SYSTEMATIC PROTECTION  
FOR CONSISTENT AND STABLE DEVELOPMENT OF THE COMPANY**

In accordance with the requirements under laws, regulations and regulatory documents such as the Company Law, the Securities Law and the Guidance for the Articles of Listed Company, the Company has been improving its corporate governance structure, whereby the shareholders are allowed full exercise of the their rights and the board of directors are able to be perform its functions in accordance with the requirements of the Articles of Associations for scientific decision, and the independent directors can perform their duties independently to protect the legal interest of the Company, especially that of the medium and small investors, thereby rendering a scientifically efficient corporate governance structure and systematic protection for consistent and stable development of the Company.

*Note:* If there is any inconsistency between the English and Chinese versions of this document, the Chinese version shall prevail.

No.	Chapter 1 General Provisions	Chapter 1 General Provisions
1.	<p><b>Article 1</b> The Articles of Association are formulated pursuant to Company Law of the People’s Republic of China (hereinafter as “Company Law”), Securities Law of the People’s Republic of China (hereinafter as “Securities Law”), Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (hereinafter as “Special Provisions”), Mandatory Provisions for the Articles of Association of Companies to Be Listed Overseas (hereinafter as “Mandatory Provisions”), the Letter on the Opinion Regarding the Supplemental Amendments to the Articles of Association of Companies to be listed in Hong Kong (the “Opinion Regarding the Supplemental Amendments to the Articles of Association”), the Opinion Regarding Further Conformity in Operations and Reform of Companies Listed outside the PRC (the “Opinion Regarding Conformity in Operations”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter as the “Listing Rules”) and other relevant regulations and with reference to the Guidance for the Articles of Association of Listed Companies (revised in 2016) (hereinafter as the “Guidance for the Articles”), in order to protect the legitimate rights and interests of the Company and shareholders and creditors thereof and regulate the organization and behavior of the Company.</p>	<p><b>Article 1</b> The Articles of Association are formulated pursuant to Company Law of the People’s Republic of China (hereinafter as “Company Law”), Securities Law of the People’s Republic of China (hereinafter as “Securities Law”), Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (hereinafter as “Special Provisions”), Mandatory Provisions for the Articles of Association of Companies to Be Listed Overseas (hereinafter as “Mandatory Provisions”), the Letter on the Opinion Regarding the Supplemental Amendments to the Articles of Association of Companies to be listed in Hong Kong (the “Opinion Regarding the Supplemental Amendments to the Articles of Association”), the Opinion Regarding Further Conformity in Operations and Reform of Companies Listed outside the PRC (the “Opinion Regarding Conformity in Operations”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter as the “<b>Hong Kong Listing Rules</b>”), <b><u>Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (hereinafter as “SSE STAR Market Listing Rules”), Guidelines for Articles of Association of Listed Companies (2019 Revision) (hereinafter as “Guidelines for Articles”), Code of Corporate Governance for Listed Companies (2018 Revision)</u></b> and other relevant regulations, in order to protect the legitimate rights and interests of the Company and shareholders and creditors thereof and regulate the organization and behavior of the Company.</p>

2.	<p><b>Article 2</b> The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, the Special Regulations and other applicable laws and administrative rules of the PRC.</p> <p>With all shareholders of the original Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司) as the promoters, through the overall conversion of the audited book net assets of the original Chanjet Software Co., Ltd as at 30 November 2016, and conducting overall alteration, the Company was established and registered at the Tianjin Municipal Market and Quality Regulatory Commission of Binhai Area on 13 February 2017, with the Enterprise Legal Person Business License (Uniform Social Credit Code 91120116681888972M) granted.</p> <p>The promoters of the Company are Yu Xuefeng, Tao Zhu, Qiu Dongxu, Mao Helen Huihua, Jianfa Liu (劉建法), Xuan Liu (劉宣), Jianxi Du (杜建喜), Suzhou Huyanglin Venture Capital Center (Limited Partnership) (蘇州胡楊林創業投資中心(有限合夥)), Shanghai Nuoqianjin Venture Capital Investment Center (Limited Partnership) (上海諾千金創業投資中心(有限合夥)), LAV Spring (Hong Kong) Co., Limited, Shanghai Li'an Venture Capital Investment Center (Limited Partnership) (上海禮安創業投資中心(有限合夥)), Shanghai Licheng Investment Development Co., Ltd. (上海勵誠投資發展有限公司), Tianjin Heyue Guyu Equity Investment Fund Partnership (Limited Partnership) (天津和悅谷雨股權投資基金合夥企業(有限合夥)), Shao Zhongqi, Tianjin Qianyi Enterprise Management Partnership (Limited Partnership) 天津千益企業管理合夥企業(有限合夥)), QM29 Limited, Suzhou Litai Venture Capital Investment Center (Limited Partnership) (蘇州禮泰創業投資中心(有限合夥)), Lilly Asia Ventures III Investment (Hong Kong) Co., Limited, LAV Bio III Investment (Hong Kong) Co., Limited, Shanghai Huiqiu Investment Co., Ltd. (上海慧秋投資有限公司), Jiaxing Huiguang Equity Investment Fund Partnership (Limited Partnership) (嘉興慧光股權投資基金合夥企業(有限合夥)).</p>	<p><b>Article 2</b> The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, the Special Regulations, <b><u>SSE STAR Market Listing Rules, Guidelines for Articles, Code of Corporate Governance for Listed Companies (2018 Revision)</u></b> and other applicable laws and administrative rules of the PRC.</p> <p>With all shareholders of the original Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司) as the promoters, through the overall conversion of the audited book net assets of the original Chanjet Software Co., Ltd as at 30 November 2016, and conducting overall alteration, the Company was established and registered at the Tianjin Municipal Market and Quality Regulatory Commission of Binhai Area on 13 February 2017, with the Enterprise Legal Person Business License (Uniform Social Credit Code 91120116681888972M) granted.</p> <p>The promoters of the Company are Yu Xuefeng, Tao Zhu, Qiu Dongxu, Mao Helen Huihua, Jianfa Liu (劉建法), Xuan Liu (劉宣), Jianxi Du (杜建喜), Suzhou Huyanglin Venture Capital Center (Limited Partnership) (蘇州胡楊林創業投資中心(有限合夥)), Shanghai Nuoqianjin Venture Capital Investment Center (Limited Partnership) (上海諾千金創業投資中心(有限合夥)), LAV Spring (Hong Kong) Co., Limited, Shanghai Li'an Venture Capital Investment Center (Limited Partnership) (上海禮安創業投資中心(有限合夥)), Shanghai Licheng Investment Development Co., Ltd (上海勵誠投資發展有限公司), Tianjin Heyue Guyu Equity Investment Fund Partnership (Limited Partnership) (天津和悅谷雨股權投資基金合夥企業(有限合夥)), Shao Zhongqi, Tianjin Qianyi Enterprise Management Partnership (Limited Partnership) 天津千益企業管理合夥企業(有限合夥)), QM29 Limited, Suzhou Litai Venture Capital Investment Center (Limited Partnership) (蘇州禮泰創業投資中心(有限合夥)), Lilly Asia Ventures III Investment (Hong Kong) Co., Limited, LAV Bio III Investment (Hong Kong) Co., Limited, Shanghai Huiqiu Investment Co., Ltd (上海慧秋投資有限公司), Jiaxing Huiguang Equity Investment Fund Partnership (Limited Partnership) (嘉興慧光股權投資基金合夥企業(有限合夥)).</p>
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3.	<p><b>Article 8</b> Approved through a resolution at the general meeting and by relevant authorities of the state, these Articles of Association take effect on the day when the overseas-listed foreign shares issued by the Company are listed and commence dealings on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange” or “Hong Kong Stock Exchange”), and supersede the previous articles of association of the Company which has been filed with the original competent administration for industry and commerce upon taking effect.</p>	<p><b>Article 8</b> Approved through a resolution at the general meeting and by relevant authorities of the state <b><u>and the relevant regulatory institutions</u></b>, these Articles of Association take effect on the day when the shares of the Company are listed and commence dealings <b><u>on the Science and Technology Innovation Board of Shanghai Stock Exchange (hereinafter as “STAR Market”)</u></b> and supersede the previous articles of association of the Company which has been filed with the original competent administration for <b><u>market regulation</u></b> upon taking effect.</p>
<b>No.</b>	<b>Chapter 3 Shares, Registered Capital and Transfer of Shares</b>	<b>Chapter 3 Shares, Registered Capital and Transfer of Shares</b>
4.	<p><b>Article 17</b> The shares issued by the Company to investors inside the PRC for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currency shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas-listed foreign shares”. The shares that are not listed in and outside the PRC and held by investors outside the PRC shall be referred to as “unlisted foreign shares”.</p> <p>The term “foreign currency” in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (other than RMB), which is recognized by state foreign exchange authority and acceptable to pay for the shares.</p>	<p><b>Article 17</b> The shares issued by the Company to investors inside the PRC for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currency shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas-listed foreign shares”.</p> <p>The term “foreign currency” in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (other than RMB), which is recognized by state foreign exchange authority and acceptable to pay for the shares.</p>

<p>The overseas-listed foreign shares issued by the Company which are listed in Hong Kong are referred to as H shares, namely, the RMB-denominated shares approved by the Hong Kong Stock Exchange for listing whose subscription and trading are in Hong Kong dollars. Upon the approval of the State Council or its authorized departments and with the consent of the Hong Kong Stock Exchange, the Domestic Shares and unlisted foreign shares may be converted into H Shares.</p> <p>The shares issued by the Company which are not listed in domestic and overseas stock exchanges are referred to unlisted shares. Upon approval of the securities regulatory authorities under the State Council, shareholders who hold the unlisted shares of the Company may have the shares listed and traded on an overseas stock exchange. The listing and trading of such shares are also subject to the supervision procedures, regulations and requirements of the foreign stock exchange. The Company does not need to convene a class meeting to vote for the shares listed and traded in foreign stock exchange.</p>	<p>The overseas-listed foreign shares issued by the Company which are listed in Hong Kong are referred to as H shares, namely, the RMB-denominated shares approved by the Hong Kong Stock Exchange for listing whose subscription and trading are in Hong Kong dollars. Upon the approval of the State Council or its authorized departments and with the consent of the Hong Kong Stock Exchange, the Domestic Shares and unlisted foreign shares may be converted into H Shares.</p> <p>The shares issued by the Company which are not listed in domestic and overseas stock exchanges are referred to unlisted shares. Upon approval of the securities regulatory authorities under the State Council, shareholders who hold the unlisted shares of the Company may have the shares listed and traded on an overseas stock exchange. The listing and trading of such shares are also subject to the supervision procedures, regulations and requirements of the foreign stock exchange. The Company does not need to convene a class meeting to vote for the shares listed and traded in foreign stock exchange.</p>
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5.	<p><b>Article 20</b> The shareholding structure of the Company upon the completion of the initial public offering of H Shares (including 4,450,400 H Shares issued pursuant to the exercise of the over-allotment option) will be as follows:</p> <table border="1" data-bbox="308 527 831 1985"> <thead> <tr> <th data-bbox="308 527 459 634">Name of Shareholder</th> <th data-bbox="459 527 603 634">Shareholding (ten thousand shares)</th> <th data-bbox="603 527 707 634">Percentage</th> <th data-bbox="707 527 831 634">Class of Shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="308 655 459 687">Yu Xuefeng</td> <td data-bbox="459 655 603 687">1,787.4200</td> <td data-bbox="603 655 707 687">8.0279%</td> <td data-bbox="707 655 831 963">Including 11,590,183 H Shares and 6,284,017 unlisted foreign shares</td> </tr> <tr> <td data-bbox="308 985 459 1017">Tao Zhu</td> <td data-bbox="459 985 603 1017">1,787.4200</td> <td data-bbox="603 985 707 1017">8.0279%</td> <td data-bbox="707 985 831 1049">Domestic shares</td> </tr> <tr> <td data-bbox="308 1070 459 1102">Qiu Dongxu</td> <td data-bbox="459 1070 603 1102">1,711.4200</td> <td data-bbox="603 1070 707 1102">7.6866%</td> <td data-bbox="707 1070 831 1378">Including 11,083,517 H Shares and 6,030,683 unlisted foreign shares</td> </tr> <tr> <td data-bbox="308 1400 459 1474">Mao Helen Huihua</td> <td data-bbox="459 1400 603 1432">1,633.4200</td> <td data-bbox="603 1400 707 1432">7.3363%</td> <td data-bbox="707 1400 831 1708">Including 11,924,700 H Shares and 4,409,500 unlisted foreign shares</td> </tr> <tr> <td data-bbox="308 1730 459 1793">Xuan Liu (劉宣)</td> <td data-bbox="459 1730 603 1761">155.0000</td> <td data-bbox="603 1730 707 1761">0.6962%</td> <td data-bbox="707 1730 831 1793">Domestic shares</td> </tr> <tr> <td data-bbox="308 1815 459 1879">Jianfa Liu (劉建法)</td> <td data-bbox="459 1815 603 1847">333.6667</td> <td data-bbox="603 1815 707 1847">1.4986%</td> <td data-bbox="707 1815 831 1879">Domestic shares</td> </tr> <tr> <td data-bbox="308 1900 459 1964">Jianxi Du (杜建喜)</td> <td data-bbox="459 1900 603 1932">79.0000</td> <td data-bbox="603 1900 707 1932">0.3548%</td> <td data-bbox="707 1900 831 1964">Domestic shares</td> </tr> </tbody> </table>	Name of Shareholder	Shareholding (ten thousand shares)	Percentage	Class of Shares	Yu Xuefeng	1,787.4200	8.0279%	Including 11,590,183 H Shares and 6,284,017 unlisted foreign shares	Tao Zhu	1,787.4200	8.0279%	Domestic shares	Qiu Dongxu	1,711.4200	7.6866%	Including 11,083,517 H Shares and 6,030,683 unlisted foreign shares	Mao Helen Huihua	1,633.4200	7.3363%	Including 11,924,700 H Shares and 4,409,500 unlisted foreign shares	Xuan Liu (劉宣)	155.0000	0.6962%	Domestic shares	Jianfa Liu (劉建法)	333.6667	1.4986%	Domestic shares	Jianxi Du (杜建喜)	79.0000	0.3548%	Domestic shares	<p><b>Article 20</b> <u>After establishment of the Company and approval granted by the securities regulatory authorities under the State Council, the Company has issued 61,699,000 overseas listed foreign shares (including 4,450,400 H Shares issued pursuant to the exercise of the over-allotment option) for listing on the Hong Kong Stock Exchange on March 28, 2019 and April 12, 2019, respectively.</u></p> <p><u>After completion of the initial public offering of overseas listed foreign shares by the Company, the share capital of the Company consists of 222,649,899 shares, and the capital structure is constituted by 73,254,799 shares of domestic shares, 16,724,200 unlisted foreign shares and 132,670,900 shares of overseas listed foreign shares.</u></p> <p><u>After establishment of the Company and approval granted by the securities regulatory authorities, the Company has issued [●] shares of domestic shares for listing on the STAR Market on [day/month/year].</u></p> <p><u>After the Company has completed the initial public offering and listing of domestic shares, the share capital of the Company consists of [●] shares, and the capital structure is constituted by [●] shares of A shares and [●] shares of overseas listed foreign shares.</u></p>
Name of Shareholder	Shareholding (ten thousand shares)	Percentage	Class of Shares																															
Yu Xuefeng	1,787.4200	8.0279%	Including 11,590,183 H Shares and 6,284,017 unlisted foreign shares																															
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Suzhou Huyanglin Venture Capital Center (Limited Partnership) (蘇州胡楊林創 業投資中心(有 限合夥))	261.0000	1.1722%	Domestic shares
Shanghai Nuoqianjin Venture Capital Investment Center (Limited Partnership) (上海諾千金創 業投資中心(有 限合夥))	392.8800	1.7646%	Domestic shares
LAV Spring (Hong Kong) Co., Limited	1,314.0000	5.9016%	H Shares
Shanghai Li'an Venture Capital Investment Center (Limited Partnership) (上海禮安創業 投資中心(有限 合夥))	460.0000	2.0660%	Domestic shares
Shanghai Licheng Investment Development Co., Ltd. (上 海勵誠投資發 展有限公司)	100.0000	0.4491%	Domestic shares

Tianjin Heyue Guyu Equity Investment Fund Partnership (Limited Partnership) (天津和悅谷雨 股權投資基金 合夥企業(有限 合夥))	262.3422 59.0356	1.4434%	Domestic shares
Tianjin Qianyi Enterprise Management Partnership (Limited Partnership) (天津千益企業 管理合夥企業 (有限合夥))	347.4600	1.5606%	Domestic shares
SHAO ZHONGQI	86.8600	0.3901%	H Shares
QM29 LIMITED	1,097.0293 206.6245	5.8552%	H Shares
Suzhou Litai Venture Capital Investment Center (Limited Partnership) (蘇州禮泰創業 投資中心(有限 合夥))	182.8382 128.1072	1.3966%	Domestic shares
Lilly Asia Ventures III Investment (Hong Kong) Co., Limited	182.8382 128.1072	1.3966%	H Shares

LAV Bio III Investment (Hong Kong) Co., Limited	365.6764 256.2144	2.7931%	H Shares
Shanghai Huiqiu Investment Co., Ltd. (上 海慧秋投資有 限公司)	94.2222 88.5534	0.8209%	Domestic shares
Jiaxing Huiguang Equity Investment Fund Partnership (Limited Partnership) (嘉興慧光股權 投資基金合夥 企業(有限合 夥))	353.3333	1.5869%	Domestic shares
Future Industry Investment Fund (Limited Partnership) (先進製造產業 投資基金(有限 合夥))	885.5336	3.9772%	Domestic shares
Jinshi Yikang Equity Investment (Hangzhou) Partnership (Limited Partnership) (金石翊康股權 投資(杭州)合 夥企業(有限合 夥))	118.0711	0.5303%	Domestic shares

CITIC Securities Investment Co., Ltd. (中信證券投資有限公司)	118.0712	0.5303%	Domestic shares
Shanghai Gopher Yaoren Investment Center (Limited Partnership) (上海歌斐鑰韜投資中心(有限合伙))	118.0712	0.5303%	Domestic shares
Shanghai Gopher Hongben Investment Center (Limited Partnership) (上海歌斐鴻本投資中心(有限合伙))	118.0711	0.5303%	Domestic shares
Shenzhen Dachen Chuanglian Equity Investment Fund Partnership (Limited Partnership) (深圳市達晨創聯股權投資基金合夥企業(有限合伙))	255.0337	1.1454%	Domestic shares

Suzhou Industrial Park Zhongxin Hengxiang Investment Center (Limited Partnership) (蘇州工業園區 中鑫恒祥投資 中心(有限合 夥))	29.5178	0.1326%	Domestic shares
Suzhou Qiming Rongxin Equity Investment Partnership (Limited Partnership) (蘇州啟明融信 股權投資合夥 企業(有限合 夥))	119.5470	0.5369%	Domestic shares
Suzhou Industrial Park Qiming Rongchuang Equity Investment Partnership (Limited Partnership) (蘇州工業園區 啟明融創股權 投資合夥企業 (有限合夥))	28.0419	0.1259%	Domestic shares

	<p>Tianjin 329.9475 1.4819% Domestic Qianrui shares Enterprise Management Partnership (Limited Partnership) (天津千睿企業 管理合夥企業 (有限合夥))</p> <p>Tianjin 120.7150 0.5422% Domestic Qianzhi shares Enterprise Management Partnership (Limited Partnership) (天津千智企業 管理合夥企業 (有限合夥))</p> <p>Shareholders 6,169.9000 27.7112% H Shares of H Shares</p> <p><b>Total 22,264.9899 100.0000%</b></p>	
6.	<p><b>Article 21</b> After the plans for issuing overseas-listed foreign shares and domestic shares have been approved by the securities regulatory authorities under the State Council, the Company's Board may arrange for implementation of such plans by means of separate issuances.</p> <p>The Company's plan for issuance of overseas-listed foreign shares in accordance with the preceding paragraph may be implemented within 15 months upon approval by the securities regulatory authorities under the State Council.</p>	<p><b>Article 21</b> After the plans for issuing overseas-listed foreign shares and domestic shares have been approved by the securities regulatory authorities under the State Council, the Company's Board may arrange for implementation of such plans by means of separate issuances.</p> <p>The Company's plan for issuance of overseas-listed foreign shares in accordance with the preceding paragraph may be implemented within 15 months upon approval <b>or registration</b> by the securities regulatory authorities under the State Council.</p>

7.	/	<b>Article 25</b> <u>The Company or its subsidiaries (including affiliated entities of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans or in other forms to persons who purchase or intend to purchase the shares of the Company.</u>
8.	<b>Article 25</b> The Company shall not accept its shares as the subject of a pledge.	<b>Article 26</b> The Company shall not accept its shares as the subject of a pledge.
9.	<p><b>Article 26</b> The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company publicly issues any shares shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange.</p> <p>The directors, supervisors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company that he holds The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure. If listing rules of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.</p>	<p><b>Article 27</b> The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company publicly issues any shares shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange.</p> <p>The directors, supervisors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the <b>same class of the</b> Company that he holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure. If listing rules of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.</p>

No.	Chapter 4 Increase, Reduction and Repurchase of Shares	Chapter 4 Increase, Reduction and Repurchase of Shares
10.	<p><b>Article 28</b> According to operational and development needs, the Company may, according to the law and regulations and resolutions of general meetings, increase stock capital pursuant to relevant provisions of these Articles of Association.</p> <p>The Company may increase stock capital by the following means:</p> <ol style="list-style-type: none"> <li>(1) Issuing new shares to unspecified investors;</li> <li>(2) Placing new shares with existing Shareholders;</li> <li>(3) Giving new shares to existing shareholders;</li> <li>(4) Converting the reserve funds into share capital;</li> <li>(5) Other means prescribed by the law, administrative regulations or approved by the relevant regulatory authorities.</li> </ol> <p>Increasing stock capital by issuing new shares shall be carried out in accordance with the procedures specified in relevant State laws and administrative regulation after having been approved in accordance with these Articles of Association.</p>	<p><b>Article 29</b> According to operational and development needs, the Company may, according to the law and regulations and resolutions of general meetings, increase stock capital pursuant to relevant provisions of these Articles of Association.</p> <p>The Company may increase stock capital by the following means:</p> <ol style="list-style-type: none"> <li>(1) Issuing new shares to unspecified investors;</li> <li>(2) Placing new shares with existing Shareholders;</li> <li>(3) Giving new shares to existing shareholders;</li> <li>(4) <b><u>Issuing new shares to specified investors;</u></b></li> <li>(5) Converting the reserve funds into share capital;</li> <li>(6) Other means prescribed by the law, administrative regulations or approved by the relevant regulatory authorities.</li> </ol> <p>Increasing stock capital by issuing new shares shall be carried out in accordance with the procedures specified in relevant State laws and administrative regulation after having been approved in accordance with these Articles of Association.</p> <p><b><u>The Company is prohibited from issuing preferred shares which are convertible into ordinary shares.</u></b></p>

11.	<p><b>Article 30</b> If the Company reduces its registered capital, a balance sheet and an inventory of assets should be prepared.</p> <p>Where the Company reduces its registered capital, the Company shall notify the creditors and make a public announcement in accordance with provisions of the Company Law, repay its debts or provide corresponding guarantees as required by the creditors.</p> <p>The reduced registered capital of the Company may not be less than the statutory minimum.</p>	<p><b>Article 31</b> If the Company reduces its registered capital, a balance sheet and an inventory of assets should be prepared.</p> <p><b><u>The Company shall notify the creditors within 10 days, and publish an announcement in the newspapers within 30 days, from the date of passing the resolution for reduction of capital by the Company. A creditor may, within 30 days after receipt of the notice or, in the case of failure to receive such notice, within 45 days from the date of announcement, require the Company to repay its debts or to provide the corresponding guarantee for such debt.</u></b></p> <p>The reduced registered capital of the Company may not be less than the statutory minimum.</p>
12.	<p><b>Article 31</b> The Company may, in the following circumstances, repurchase its own issued outstanding shares according to legal procedures and in accordance with the procedures provided for in these Articles of Association, and submit the same to the relevant state authorities for approval:</p> <ol style="list-style-type: none"> <li>(1) Cancellation of shares in order to reduce its registered capital;</li> <li>(2) Merger with another company holding shares in the Company;</li> <li>(3) Apply the shares to employee share ownership plan or share incentive plan;</li> </ol>	<p><b>Article 32</b> The Company may, in the following circumstances, repurchase its own issued outstanding shares according to legal procedures and in accordance with the procedures provided for in these Articles of Association, and submit the same to the relevant state authorities for approval:</p> <ol style="list-style-type: none"> <li>(1) <b><u>Reduction of registered capital of the Company;</u></b></li> <li>(2) Merger with another company holding shares in the Company;</li> <li>(3) Apply the shares to employee share ownership plan or share incentive plan;</li> </ol>

<p>(4) Acquisition of shares held by shareholders (upon their request) who dissent from any resolution proposed in any general meeting on the merger or demerger of the Company;</p> <p>(5) To convert convertible corporate bonds issued by the Company;</p> <p>(6) The share repurchase is necessary to maintain the value of the Company and the interests of its shareholders;</p> <p>(7) Other circumstances where the law and administrative regulations so permit.</p> <p>Where the Company needs to purchase its own shares under any of the circumstances as mentioned in items (1) and (2) under the preceding Article, it shall be subject to a resolution of the general meeting. Where the Company needs to purchase its own shares under any of the circumstances as mentioned in Items (3), (5) and (6) under the preceding Article, it shall be made as prescribed by the Articles or under the authorization by the general meeting and approved by way of a resolution at the board meeting attended by not less than two thirds of the directors of the Company.</p> <p>After the Company purchases its own shares pursuant to the first paragraph, it shall, under the circumstance as mentioned in item (1), cancel the purchased shares within ten days after the purchase; while under either circumstance as mentioned in items (2) or (4), transfer them or write them off within six months; while under any of the circumstances as mentioned in items (3), (5) or (6), the aggregate number of shares of the Company held by itself shall not exceed 10% of its total shares in issue and the Company shall transfer them or write them off within three years.</p>	<p>(4) Acquisition of shares held by shareholders (upon their request) who dissent from any resolution proposed in any general meeting on the merger or demerger of the Company;</p> <p>(5) To convert convertible corporate bonds issued by the Company <b><u>into shares of listed company</u></b>;</p> <p>(6) The share repurchase is necessary to maintain the value of the <b><u>listed company</u></b> and the interests of its shareholders.</p> <p><b><u>Other than the aforesaid circumstances, the Company shall not acquire its own shares.</u></b></p>
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13.	<p><b>Article 32</b> With approval from relevant state authorities to repurchase its own shares, the Company may proceed in any one of the following manners:</p> <ol style="list-style-type: none"> <li>(1) Making of a repurchase offer in the same proportion to all shareholders;</li> <li>(2) Repurchase through open transactions on a stock exchange;</li> <li>(3) Repurchase by agreement outside of a stock exchange;</li> <li>(4) Other methods recognized by relevant regulatory authority.</li> </ol>	<p><b>Article 33</b> With approval from relevant state authorities to repurchase its own shares, the Company may proceed in any one of the following manners:</p> <ol style="list-style-type: none"> <li>(1) Making of a repurchase offer in the same proportion to all shareholders;</li> <li>(2) Repurchase through open transactions on a stock exchange;</li> <li>(3) Repurchase by agreement outside of a stock exchange;</li> <li>(4) Other methods recognized by relevant regulatory authority.</li> </ol> <p><b><u>When the Company acquires its own shares, it may conduct by way of open and concentrated transactions or other ways permitted by laws and regulations and recognized by the CSRC.</u></b></p> <p><b><u>Where the Company acquires its own shares under circumstances as mentioned in items (3), (5) or (6) under the first paragraph of Article 32, it should conduct by way of open and concentrated transactions.</u></b></p>
14.	<p><b>Article 33</b> In the event of a repurchase of shares by the Company by an agreement outside of a stock exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures specified in the Company's Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.</p>	<p><b>Article 34</b> In the event of <b><u>acquiring its own shares by the Company due to reasons mentioned in items (1) or (2) under the first paragraph of Article 32 herein or in</u></b> a repurchase of shares by the Company by an agreement outside of a stock exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures specified in the Company's Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts. <b><u>In the event of acquiring its own shares by the Company under the circumstances as mentioned in items (3), (5) or (6) under the first paragraph of Article 32 herein, the acquisition may be performed in accordance with the requirements as stated herein or pursuant to the mandate granted by a general meeting of shareholders and approved by a resolution at a meeting of the Board passed by not less than two-thirds of all attending directors.</u></b></p>

	<p>The contracts for the repurchase of shares referred to in the above paragraph include (but not limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.</p> <p>The Company may not assign contracts for the repurchase of its own shares or any of its rights thereunder.</p> <p>The price per share for repurchasing the Company's own redeemable shares proposed to be made otherwise than by tender or in the market shall be capped at a maximum price; where the repurchasing is proposed to be made by way of tender, tenders shall be made available to all holders of such shares on the same terms.</p>	<p>The contracts for the repurchase of shares referred to in the above paragraph include (but not limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.</p> <p>The Company may not assign contracts for the repurchase of its own shares or any of its rights thereunder.</p> <p>The price per share for repurchasing the Company's own redeemable shares proposed to be made otherwise than by tender or in the market shall be capped at a maximum price; where the repurchasing is proposed to be made by way of tender, tenders shall be made available to all holders of such shares on the same terms.</p>
15.	/	<p><b><u>Article 35 After the Company has acquired its own shares pursuant to the first paragraph of Article 32 herein, in the circumstances under item (1), such shares shall be cancelled within 10 days from the date of acquisition; in the circumstances under items (2) or (4), such shares shall be transferred or cancelled within 6 months; in the circumstances under items (3), (5) or (6), the total number of its own shares held by the Company shall not exceed 10% of the total number of issued shares of the Company and shall be transferred or cancelled within 3 years.</u></b></p>

No.	Chapter 5 Financial Assistance for Purchase of Company Shares	Chapter 5 Financial Assistance for Purchase of Company Shares
16.	<p><b>Article 36</b> The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Purchasers of shares in the Company as referred to above shall include persons that directly or indirectly undertake obligations as a result of purchasing shares in the Company.</p> <p>The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to the above obligators in order to reduce or discharge their obligations.</p> <p>The provisions of this Article shall not apply to the circumstances described in Article 38 of this Chapter.</p>	<p><b>Article 38</b> The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Purchasers of shares in the Company as referred to above shall include persons that directly or indirectly undertake obligations as a result of purchasing shares in the Company.</p> <p>The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to the above obligators in order to reduce or discharge their obligations.</p> <p>The provisions of this Article shall not apply to the circumstances described in Article <u>40</u> of this Chapter.</p>
17.	<p><b>Article 38</b> The acts listed below shall not be regarded as the acts prohibited under Article 36 of this Chapter:</p> <p>(1) Where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;</p>	<p><b>Article 40</b> The acts listed below shall not be regarded as the acts prohibited under Article <u>38</u> of this Chapter:</p> <p>(1) Where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;</p>

<p>(2) Lawful distribution of the Company's property in the form of dividends;</p> <p>(3) Distribution of dividends in scrip form;</p> <p>(4) Reduction of registered capital, repurchase of shares, adjustment of shareholding structuring, etc., in accordance with these Articles of Association of the Company;</p> <p>(5) Provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits);</p> <p>(6) The contribution by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits).</p>	<p>(2) Lawful distribution of the Company's property in the form of dividends;</p> <p>(3) Distribution of dividends in scrip form;</p> <p>(4) Reduction of registered capital, repurchase of shares, adjustment of shareholding structuring, etc., in accordance with these Articles of Association of the Company;</p> <p>(5) Provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits);</p> <p>(6) The contribution by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits).</p>
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No.	Chapter 6 Share Certificates and Register of Shareholders	Chapter 6 Share Certificates and Register of Shareholders
18.	<p><b>Article 40</b> The Company's shares shall be in registered form.</p> <p>In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required to be specified by the stock exchange(s) on which the Company's shares are listed.</p> <p>The Company may take the form of overseas depository receipt or other derivations of share certificate to issue overseas-listed foreign shares in accordance with laws and securities registration and depository practice of the listing venue.</p>	<p><b>Article 41</b> The Company's shares shall be in registered form.</p> <p>In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required to be specified by the stock exchange(s) on which the Company's shares are listed.</p> <p><b><u>China Securities Depository and Clearing Co., Ltd is the registrar and depository of share certificates held by domestic shareholders of the Company, the data recorded in the securities book-keeping system of China Securities Depository and Clearing Co., Ltd shall prevail in determining the particulars of the register of shareholders of domestic shares and the number of shares held by such shareholders.</u></b> The Company may take the form of overseas depository receipt or other derivations of share certificate to issue overseas-listed foreign shares in accordance with laws and securities registration and depository practice of the listing venue.</p>

19.	<p><b>Article 41</b> The Company shall establish a register of shareholders in accordance with evidence from the securities registration organization, and shall enter therein the following particulars:</p> <ol style="list-style-type: none"> <li>(1) The name, address (domicile), occupation or nature of each shareholder;</li> <li>(2) The class and number of shares held by each shareholder;</li> <li>(3) The amount paid or payable for the shares held by each shareholder;</li> <li>(4) The serial number of the shares held by each shareholder;</li> <li>(5) The date on which each shareholder is registered as a shareholder; and</li> <li>(6) The date on which each shareholder ceases to be a shareholder.</li> </ol> <p>The register of shareholders is the conclusive evidence of shareholders' holding of the Company shares, unless otherwise with opposite evidence.</p>	<p><b>Article 43</b> The Company shall establish a register of shareholders in accordance with evidence from the securities registration organization, <b><u>the register of shareholders represents sufficient evidence to prove the holding of shares in the Company by shareholders. The register of shareholders shall record</u></b> the following particulars:</p> <ol style="list-style-type: none"> <li>(1) The name, address (domicile), occupation or nature of each shareholder;</li> <li>(2) The class and number of shares held by each shareholder;</li> <li>(3) The amount paid or payable for the shares held by each shareholder;</li> <li>(4) The serial number of the shares held by each shareholder;</li> <li>(5) The date on which each shareholder is registered as a shareholder; and</li> <li>(6) The date on which each shareholder ceases to be a shareholder.</li> </ol> <p>The register of shareholders is the conclusive evidence of shareholders' holding of the Company shares, unless otherwise with opposite evidence.</p>
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20.	<p><b>Article 47</b> When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the Board shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall enjoy the relevant rights.</p>	<p><b>Article 49</b> When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the Board <b><u>or other conveners of a general meeting</u></b> shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall enjoy the relevant rights.</p>
21.	<p><b>Article 49</b> Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for a replacement certificate in respect of such shares (the “Relevant Shares”) if his share certificate (the “Original Share Certificate”) is lost.</p> <p>Applications for the replacement of domestic share certificates and unlisted foreign share certificates shall be dealt with in accordance with Article 143 of the Company Law.</p> <p>Applications for the replacement of overseas-listed foreign share certificates shall be dealt with in accordance with the law, regulations, rules of stock exchanges and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is kept.</p>	<p><b>Article 51</b> Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for a replacement certificate in respect of such shares (the “Relevant Shares”) if his share certificate (the “Original Share Certificate”) is lost.</p> <p>Applications for the replacement of domestic share certificates certificates shall be dealt with in accordance with Article 143 of the Company Law.</p> <p>Applications for the replacement of overseas-listed foreign share certificates shall be dealt with in accordance with the law, regulations, rules of stock exchanges and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is kept.</p>

<p>Where shareholders of overseas-listed foreign shares of companies listed in Hong Kong apply for replacement of lost certificates, such replacement shall comply with the following requirements:</p> <p>(1) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may require registration as a shareholder in respect of the Relevant Shares.</p> <p>(2) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides that a replacement share certificate shall be issued;</p> <p>(3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention in the newspapers designated by the Board; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.</p>	<p>Where shareholders of overseas-listed foreign shares of companies listed in Hong Kong apply for replacement of lost certificates, such replacement shall comply with the following requirements:</p> <p>(1) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may require registration as a shareholder in respect of the Relevant Shares.</p> <p>(2) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides that a replacement share certificate shall be issued;</p> <p>(3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention in the newspapers designated by the Board; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.</p>
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<p>(4) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The public announcement shall be displayed in the stock exchange for a period of 90 days.</p> <p>If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.</p> <p>(5) Upon expiry of the 90-day period specified in Items (3) and (4) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.</p> <p>(6) When the Company issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders.</p> <p>(7) All expenses for the cancellation of the original share certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.</p>	<p>(4) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The public announcement shall be displayed in the stock exchange for a period of 90 days.</p> <p>If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.</p> <p>(5) Upon expiry of the 90-day period specified in Items (3) and (4) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.</p> <p>(6) When the Company issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders.</p> <p>(7) All expenses for the cancellation of the original share certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.</p>
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No.	Chapter 7 Rights and Obligations of Shareholders	Chapter 7 Rights and Obligations of Shareholders
22.	<p><b>Article 54</b> When a shareholder requests to have access to the information mentioned in the preceding Article, he shall present evidence to prove the class and amount of shareholding in writing. The Company shall comply with the shareholder's request after verifying his identity, and may charge reasonable fees for providing copies of the foregoing materials.</p>	<p><b>Article 56</b> When a shareholder requests to have access to the information mentioned in the preceding Article, he shall present evidence to prove the class and amount of shareholding in writing. The Company shall comply with the shareholder's request after verifying his identity.</p>
23.	<p><b>Article 55</b> A resolution of the Company's general meeting or Board meeting shall be void if the content contravenes the law or administrative regulations.</p> <p>If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulations or these Articles of Association, or if the contents of the resolutions of such meetings contravene these Articles of Association, the shareholders can request the court to revoke the resolution within 60 days of the resolution.</p>	<p><b>Article 57</b> A resolution of the Company's general meeting or Board meeting <b><u>may be declared void by the People's Court upon application from shareholders</u></b> if the content contravenes the law or administrative regulations.</p> <p>If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulations or these Articles of Association, or if the contents of the resolutions of such meetings contravene these Articles of Association, the shareholders can request the <b><u>People's Court</u></b> to revoke the resolution within 60 days of the resolution.</p>
24.	/	<p><b><u>Article 63 If the shareholder who holds not less than 5% of the shares of the Company with voting right has pledged the shares held by him, he shall report to the Company in writing on the date when the incident has occurred.</u></b></p>

25.	/	<p><u>Article 64 The controlling shareholder or de facto controller of the Company shall not use his related-party relationship to harm the interest of the Company. In case of violating such requirement and causing losses to the Company, they shall be liable to indemnify the damages.</u></p> <p><u>The controlling shareholder and de facto controller of the Company owe a duty of honesty and integrity to the Company and its public shareholders. The controlling shareholder shall exercise his rights as a capital contributor strictly in accordance with the laws, the controlling shareholder and shall not prejudice the lawful interests of the Company and the public shareholders through profit distribution, asset reorganization, external investment, occupying funds, loan guarantees or other means, and shall not use his control position to prejudice the interests of the Company and the public shareholders.</u></p>
No.	Chapter 8 General Meeting Section 1 General Provisions on General Meeting	Chapter 8 General Meeting Section 1 General Provisions on General Meeting
26.	<p><b>Article 62</b> The general meeting shall exercise the following functions and powers:</p> <p>(1) Decide the operational policy and investment plan of the Company;</p> <p>(2) Elect and replace directors. Make decisions on matters in relation to the remuneration of the relevant directors;</p>	<p><b>Article 66</b> The general meeting shall exercise the following functions and powers:</p> <p>(1) Decide the operational policy and investment plan of the Company;</p> <p>(2) Elect and replace directors <u>who are not employee representatives</u>. Make decisions on matters in relation to the remuneration of the relevant directors;</p>

<p>(3) Elect and replace supervisors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant supervisors;</p> <p>(4) Review and approve the reports of the Board;</p> <p>(5) Review and approve the reports of the board of supervisors;</p> <p>(6) Review and approve the annual financial budgets and final accounting of the Company;</p> <p>(7) Review and approve the profit distribution plan and loss compensation plan of the Company;</p> <p>(8) Decide on increasing or reducing the registered capital of the Company;</p> <p>(9) Decide on merger, demerger, winding up, liquidation or changing the form of the Company;</p> <p>(10) Pass resolutions on the issuance of bonds or other securities and the listing plan thereof by the Company;</p> <p>(11) Pass resolutions on the appointment and dismissal of accounting firms by the Company;</p> <p>(12) Amend these Articles of Association;</p>	<p>(3) Elect and replace supervisors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant supervisors;</p> <p>(4) Review and approve the reports of the Board;</p> <p>(5) Review and approve the reports of the board of supervisors;</p> <p>(6) Review and approve the annual financial budgets and final accounting of the Company;</p> <p>(7) Review and approve the profit distribution plan, loss compensation plan, <b><u>profit distribution policy and dividend return planning</u></b> of the Company;</p> <p>(8) Decide on increasing or reducing the registered capital of the Company;</p> <p>(9) Decide on merger, demerger, winding up, liquidation or changing the form of the Company;</p> <p>(10) Pass resolutions on the issuance of bonds or other securities and the listing plan thereof by the Company;</p> <p>(11) Pass resolutions on the appointment and dismissal of accounting firms by the Company;</p> <p>(12) Amend these Articles of Association;</p>
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<p>(13) Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article 64 of these Articles of Association;</p> <p>(14) Review purchases and sales of significant assets within a year exceeding 30% (30% inclusive) of the latest audited total assets of the Company;</p> <p>(15) Review proposal of approving the change in use of proceeds;</p> <p>(16) Review share incentive plans;</p> <p>(17) Review proposals of the shareholders individually or together holding more than 3% of the Company's voting shares;</p> <p>(18) Review other matters to be approved at the general meeting as prescribed by the law, administrative regulations, department regulations, normative documents, listing rules of the place(s) in which the shares of the Company are listed or these Articles of Association.</p>	<p>(13) Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article <u>67</u> of these Articles of Association;</p> <p>(14) Review purchases and sales of significant assets within a year exceeding 30% of the latest audited total assets of the Company;</p> <p>(15) <b><u>Consider the transactions of asset purchase or sale of the Company with total asset value or transaction amount calculated on cumulative basis for 12 consecutive months exceeding 30% of the audited total assets of the Company for the latest period;</u></b></p> <p>(16) <b><u>Consider the following transactions of the Company (transaction(s) are defined and executed in accordance with the SSE STAR Market Listing Rules, excluding accepting gift of asset in cash, reduction or waiver of debt, accepting guarantee and financial assistance and transactions that confer gains unilaterally and the provision of guarantee and related-party transactions):</u></b></p> <p>1. <b><u>total asset value (if both book value and assessed value exist at the same time, whichever the higher shall prevail) involved in the transaction represents not less than 50% of the audited total asset value of the Company for the latest period;</u></b></p>
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		<p>2. <u>transaction amount of the deal represents not less than 50% of the market capitalization of the Company;</u></p> <p>3. <u>the net asset value of the transaction target (such as equity interest) for the latest accounting year represents not less than 50% of the market capitalization of the Company;</u></p> <p>4. <u>the revenue generated from the transaction target (such as equity interest) for the latest accounting year represents not less than 50% of the audited revenue of the Company for the latest accounting year and exceeds RMB50 million;</u></p> <p>5. <u>the gross profit generated from the transaction represents not less than 50% of the audited net profit of the Company for the latest accounting year and exceeds RMB5 million;</u></p> <p>6. <u>the net profit generated from the transaction target (such as equity interest) for the latest accounting year represents not less than 50% of the audited net profit of the Company for the latest accounting year and exceeds RMB5 million;</u></p> <p>(17) Review proposal of approving the change in use of proceeds;</p> <p>(18) Review share incentive plans;</p>
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		<p>(19) Review proposals of the shareholders individually or together holding not less than 3% of the Company’s voting shares;</p> <p>(20) Review other matters to be approved at the general meeting as prescribed by the law, administrative regulations, department regulations, normative documents, listing rules of the place(s) in which the shares of the Company are listed or these Articles of Association.</p> <p><b><u>If the requirements of laws, administrative regulations, departmental rules and stock exchange rules have provided otherwise for the matters to be considered and the relevant standards for considering such matters, such requirements shall prevail.</u></b></p> <p><b><u>The powers of the general meeting shall not be exercised by the Board or other institutions and individuals through any form of authorization.</u></b></p>
<p>27.</p>	<p><b>Article 63</b> The following external guarantees of the Company must be reviewed and passed at the general meeting following consideration and passing at the Board meeting:</p> <p>(1) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company or its controlled subsidiary with a total amount equal to or more than 50% of the Company’s latest audited net assets;</p>	<p><b>Article 67</b> The following external guarantees of the Company must be reviewed at the general meeting following consideration and passing at the Board meeting:</p> <p>(1) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company or its controlled subsidiary with a total amount equal to or more than 50% of the Company’s latest audited net assets;</p>

<p>(2) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount equal to or more than 30% of the Company's latest audited total assets;</p> <p>(3) On an accumulative basis in 12 consecutive months, any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount equal to or more than 30% of the Company's latest audited total assets, with an absolute amount of not less than RMB50 million;</p> <p>(4) To provide guarantee to entities with more than 70% debt equity ratio;</p> <p>(5) A single guarantee whose amount exceeds 10% of the latest audited net assets;</p> <p>(6) To provide guarantee for shareholders, de facto controller and their related parties;</p> <p>(7) Other guarantees which shall be passed at the general meeting as prescribed by the relevant laws and regulations, the local stock exchange where the Company's shares are listed and these Articles of Association.</p>	<p>(2) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount equal to or more than 30% of the Company's latest audited total assets;</p> <p>(3) To provide guarantee to entities with more than 70% debt-to-equity ratio;</p> <p>(4) A single guarantee whose amount exceeds 10% of the latest audited net assets;</p> <p>(5) To provide guarantee for shareholders, de facto controller and their related parties <b><u>and other related parties of the Company;</u></b></p> <p>(6) <b><u>any guarantee provided after the total amount of external guarantee provided by the Company has reached or exceeded 30% of the audited total assets of the Company for the latest period;</u></b></p> <p>(7) Other guarantees which shall be passed at the general meeting as prescribed by the relevant laws and regulations, the local stock exchange where the Company's shares are listed and these Articles of Association.</p>
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<p>To consider the guarantees at the Board meeting, these guarantees shall be approved by not less than two-third of the Directors present at the Board meeting. To consider the guarantees in (2) of the preceding paragraph at the general meeting, these guarantees shall be passed by votes representing not less than two-thirds of the voting rights of shareholders represented at the relevant meeting.</p> <p>When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller and their related parties, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights held by the other attending Shareholders.</p>	<p><b><u>For matters of guarantee within the powers and extent of authority of the Board, in addition to passing a resolution by not less than one-half of all directors, consent is also required from not less than two-thirds of the directors who should attend the meeting of the Board.</u></b> To consider the guarantees in (2) of the preceding paragraph at the general meeting, these guarantees shall be passed by votes representing more than two-thirds of the voting rights of shareholders represented at the relevant meeting.</p> <p><b><u>When the Company provides guarantee to a wholly-owned subsidiary, or a controlled subsidiary and other shareholders of the controlled subsidiary provide guarantee on pro-rata basis according to their interest entitlement, if the interest of the Company is not prejudiced, the aforesaid requirements applicable under items (1), (3) and (4) may be exempted, unless otherwise provided herein. The Company shall make consolidated disclosure about the aforesaid guarantee in the annual report and interim report.</u></b></p> <p><b><u>When the Company provides guarantee to a related party, it should be based on reasonable commercial grounds, timely disclosure is required after consideration and approval by the Board, and the same should be submitted to the general meeting for consideration. When the Company provides guarantees to controlling shareholder, de facto controller and their related parties, such controlling shareholder, de facto controller and their related parties shall provide reverse guarantees accordingly.</u></b></p>
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28.	<p><b>Article 66</b> The venue to hold a general meeting of the Company shall be the domicile of the Company or other specific location informed by the convener of the general meeting.</p> <p>The Company shall arrange for the venue for a physical meeting to be held. Such meeting may also be held in the way of internet voting or such other manners as recognized or required by the securities regulatory authority for the convenience of shareholders attending the meetings. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p>	<p><b>Article 70</b> The venue to hold a general meeting of the Company shall be the domicile of the Company or other specific location informed by the convener of the general meeting.</p> <p>The Company shall arrange for the venue for a physical meeting to be held. Such meeting may also be held in the way of internet voting for the convenience of shareholders attending the meetings. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p> <p><b><u>After the notice of a general meeting has been issued, the venue for holding the physical general meeting shall not be changed without a proper reason. If a change is necessary, the convener shall issue an announcement at least 2 working days prior to the date when the physical meeting is to be held and explain the reasons.</u></b></p>
29.	/	<p><b><u>Article 71 When the Company convenes a general meeting, a solicitor may be engaged to provide legal advice and make announcement on the following issues:</u></b></p> <ol style="list-style-type: none"> <li data-bbox="852 1342 1359 1513">(1) <b><u>whether the procedures for convening and holding the meeting comply with the laws, administrative regulations and these Articles of Association;</u></b></li> <li data-bbox="852 1549 1359 1683">(2) <b><u>whether the eligibility of persons attending the meeting and the qualification of the convener are lawful and valid;</u></b></li> <li data-bbox="852 1719 1359 1825">(3) <b><u>whether the voting process and voting results are lawful and valid;</u></b></li> <li data-bbox="852 1862 1359 1964">(4) <b><u>legal advice provided on other issues at the request of the Company.</u></b></li> </ol>

No.	Section 2 Proposing and Convening of General Meeting	Section 2 Proposing and Convening of General Meeting
30.	<p><b>Article 67</b> Independent non-executive directors are entitled to propose an extraordinary general meeting to the Board. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.</p> <p>If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the Board does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.</p>	<p><b>Article 72</b> Independent directors are entitled to propose an extraordinary general meeting to the Board. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.</p> <p>If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the Board does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.</p>
31.	<p><b>Article 69</b> Shareholders holding not less than 10% of shares of the Company (individually or together with others) shall be entitled to request for an extraordinary general meeting or class meeting.</p>	<p><b>Article 74</b> Shareholders who, individually or jointly, hold not less than 10% of the shares of the Company shall have the right to request <u>the Board to convene an extraordinary general meeting or class meeting for shareholders, and shall submit the request in writing to the Board. The Board shall provide a reply in writing within 10 days after receipt of the request to express consent or objection to the convening of an extraordinary general meeting or class meeting in accordance with the requirements of the laws, administrative regulations and these Articles of Association.</u></p>

	<p><u>If the Board consents to hold an extraordinary general meeting or class meeting of shareholders, it should issue a notice of general meeting within 5 days after the resolution is approved by the Board, and any change to the original request in the notice shall be subject to consent from the relevant shareholders.</u></p> <p><u>If the Board disagrees to hold an extraordinary general meeting or class meeting for shareholders, or fails to give a reply within 10 days after receiving the request, shareholders who, individually or jointly, hold not less than 10% of the shares of the Company shall have the right to propose to the board of supervisors to convene an extraordinary general meeting or a class meeting of shareholders, and the request shall be submitted to the board of supervisors in writing.</u></p> <p><u>If the board of supervisors consents to hold an extraordinary general meeting or class meeting of shareholders, it should issue a notice of general meeting within 5 days after receiving the request, and any change to the original request in the notice shall be subject to consent from the relevant shareholders.</u></p> <p><u>If the board of supervisors fails to issue a notice of general meeting within the prescribed period, the board of supervisors is deemed to refuse to convene and preside over the general meeting, and shareholders who, individually or jointly, hold not less than 10% shares of the Company for not less than 90 consecutive days may convene and preside over a general meeting.</u></p>
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32.	<p><b>Article 70</b> Where the board of supervisors or shareholders convenes a meeting in accordance with the provisions of this section, a written notice shall be sent to the Board and filed with the securities regulatory authority where the Company is located and relevant stock exchange in accordance with applicable provisions. The Board and the secretary to the Board shall cooperate in terms of such meetings. The Board shall provide the register of shareholders on the shareholding record date. The expenses reasonably resulted therefrom shall be borne by the Company and be deducted from the amounts due for payment to the directors as a result of their breach of duty.</p>	<p><b>Article 75</b> Where the board of supervisors or shareholders convenes a meeting in accordance with the provisions of this section, a written notice shall be sent to the Board and filed with the securities regulatory authority where the Company is located and relevant stock exchange in accordance with applicable provisions. <b><u>Before the announcement of the resolution on general meeting, the shareholding held by the convening shareholders shall not be less than 10%. When the convening shareholders issue a notice of general meeting and announcement on the resolution on general meeting, the relevant materials of evidence shall be submitted to the CSRC branch or stock exchange at the place where the Company is located.</u></b> The Board and the secretary to the Board shall cooperate in terms of such meetings. The Board shall provide the register of shareholders on the shareholding record date.</p> <p><b><u>The necessary expenses required for the general meetings convened by the board of supervisors or shareholders shall be borne by the Company.</u></b></p>
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No.	Section 3 Proposals and Notices of General Meeting	Section 3 Proposals and Notices of General Meeting
33.	<p><b>Article 72</b> When a general meeting is held by the Company, the Board, board of supervisors or shareholders who individually or together hold not less than 3% of the shares of the Company may propose resolutions to the Company.</p> <p>Shareholders who individually or together hold not less than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.</p> <p>Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals.</p> <p>If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 72 herein, no voting for decision shall be held at the general meeting.</p>	<p><b>Article 77</b> When a general meeting is held by the Company, the Board, board of supervisors or shareholders who individually or together hold not less than 3% of the shares of the Company may propose resolutions to the Company.</p> <p>Shareholders who individually or together hold not less than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 <u>working</u> days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.</p> <p>Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals.</p> <p>If a notice of general meeting does not specify the proposed resolutions or does not comply with Article <u>76</u> herein, no voting for decision shall be held at the general meeting.</p>

34.	<p><b>Article 75</b> Notice of the shareholders' general meeting shall include the following:</p> <ol style="list-style-type: none"> <li>(1) It shall be made in writing;</li> <li>(2) Time, place and duration of the meeting;</li> <li>(3) Specified matters to be deliberated at the meeting;</li> <li>(4) Record date for shareholders who are entitled to attend the meeting;</li> <li>(5) Provision to the shareholders of the detailed information and explanations necessary for the Shareholders to make sound decisions about the matters to be deliberated. This principle includes, but is not limited to, the provision of the detailed terms and contract(s), if any, of the proposed transaction(s) and proper explanations about related causes and effects when our Company proposes merger/s, redemption of shares, restructuring of stock capital or other restructuring;</li> <li>(6) In the event that any of the directors, supervisors, managers or other senior management has material interests at stake in matters to be deliberated, the nature and extent of the interests at stake shall be disclosed. If the matters to be deliberated affect any director, supervisor, manager or other senior management as a shareholder in a manner different from how they affect other shareholders of the same type, the difference shall be explained;</li> </ol>	<p><b>Article 80</b> Notice of the shareholders' general meeting shall include the following:</p> <ol style="list-style-type: none"> <li>(1) It shall be made in writing;</li> <li>(2) Time, place and duration of the meeting;</li> <li>(3) Specified matters to be deliberated at the meeting;</li> <li>(4) Record date for shareholders who are entitled to attend the meeting;</li> <li>(5) Provision to the shareholders of the detailed information and explanations necessary for the Shareholders to make sound decisions about the matters to be deliberated. This principle includes, but is not limited to, the provision of the detailed terms and contract(s), if any, of the proposed transaction(s) and proper explanations about related causes and effects when our Company proposes merger/s, redemption of shares, restructuring of stock capital or other restructuring;</li> <li>(6) In the event that any of the directors, supervisors, managers or other senior management has material interests at stake in matters to be deliberated, the nature and extent of the interests at stake shall be disclosed. If the matters to be deliberated affect any director, supervisor, manager or other senior management as a shareholder in a manner different from how they affect other shareholders of the same type, the difference shall be explained;</li> </ol>
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<p>(7) Inclusion of the full text of any special resolution to be proposed for adoption at the meeting;</p> <p>(8) A clear explanation indicating that the shareholder is entitled to attend and vote at the shareholders' general meeting, or to appoint one or more entrusted proxies to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily be shareholders;</p> <p>(9) Specified delivery time and place of the power of attorney for proxy voting at the meeting;</p> <p>(10) Name and telephone number of the contact person.</p>	<p>(7) Inclusion of the full text of any special resolution to be proposed for adoption at the meeting;</p> <p>(8) A clear explanation indicating that the shareholder is entitled to attend and vote at the shareholders' general meeting, or to appoint one or more entrusted proxies to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily be shareholders;</p> <p>(9) Specified delivery time and place of the power of attorney for proxy voting at the meeting;</p> <p>(10) Name and telephone number of the contact person.</p> <p><b><u>The duration between the record date of shareholdings and the date of meeting shall be subject to the requirements of the relevant regulatory authority in the place of listing of the securities of the Company. The record date of shareholding, once confirmed, shall not be changed.</u></b></p> <p><b><u>The notice and supplemental notice of a general meeting should sufficiently and fully disclose all the specific contents of all proposals. Concerning matters for discussion that require opinions from independent directors, the opinions and reasons provided by independent directors shall be disclosed at the same time when the notice or supplemental notice of the general meeting is issued.</u></b></p>
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35.	<p><b>Article 77</b> Notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or by publication on the Company's website or other website designated by stock exchange where the Company's shares are listed, subject to compliance with all applicable laws, regulations and listing rules. For holders of domestic shares and unlisted foreign shares, the notice of a general meeting may also be given by public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within 45 and 50 days before holding of the meeting. Once the announcement is published, all holders of domestic shares and unlisted foreign shares shall be deemed to have received the notice of the general meeting.</p>	<p><b>Article 82</b> Notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or by publication on the Company's website or other website designated by stock exchange where the Company's shares are listed, subject to compliance with all applicable laws, regulations and listing rules. For holders of domestic shares, the notice of a general meeting may also be given by public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within 45 and 50 days before holding of the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice of the general meeting.</p>
<b>No.</b>	<b>Section 4 Convening General Meeting</b>	<b>Section 4 Convening General Meeting</b>
36.	/	<p><b><u>Article 85 The Board of the Company and other conveners will take necessary measures to ensure the normal order of the general meeting. Any acts of interfering with the general meeting, stirring up arguments and infringing against the lawful interest of shareholders will be stopped by adopting measures and shall be reported to the relevant authority for investigation and penalty.</u></b></p>

37.	<p><b>Article 80</b> All shareholders on the register of shareholders on the shareholding record date shall be entitled to attend the general meeting, and vote in accordance with the provisions of relevant law, regulations and these Articles of Association.</p> <p>Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf.</p> <p>Such proxies may exercise the following rights as entrusted by the shareholder:</p> <ol style="list-style-type: none"> <li>(1) The shareholder's right to speak at the general meeting;</li> <li>(2) The right to demand by himself or jointly with others, in demanding a poll;</li> <li>(3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights on a poll.</li> </ol>	<p><b>Article 86</b> All shareholders on the register of shareholders on the shareholding record date <b><u>or their proxies</u></b> shall be entitled to attend the general meeting, and vote in accordance with the provisions of relevant law, regulations and these Articles of Association.</p> <p>Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf.</p> <p>Such proxies may exercise the following rights as entrusted by the shareholder:</p> <ol style="list-style-type: none"> <li>(1) The shareholder's right to speak at the general meeting;</li> <li>(2) The right to demand by himself or jointly with others, in demanding a poll;</li> <li>(3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights on a poll.</li> </ol>
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38.	<p><b>Article 81</b> An individual shareholder who attends the general meeting in person shall present valid proof which can confirm his shareholder's identity. If a proxy is appointed to attend the meeting, in addition to presenting the proxy's identity card, the proxy shall also present the shareholder's identity proof together with the authorization letter from the shareholder.</p> <p>If a shareholder who is a legal person appoints its representative to attend the meeting, the Company has right to request the representative to present the identity proof for the shareholder and its representative, as well as any resolution or authorization letter from the Board of the shareholder who is a legal person or other authority as proof of the such authorization.</p>	<p><b>Article 87</b> An individual shareholder who attends the general meeting in person shall present <u>his own identity card</u> or other valid proof <u>or certification or stock account card capable of</u> confirming his identity; if a proxy is appointed to attend the meeting, the proxy should present <u>his own valid identity document and the form of proxy authorized by the shareholder.</u></p> <p>If a shareholder <u>is a corporate legal person, its legal representative or a proxy appointed by its legal representative should attend the meeting</u> <u>If its legal representative attends the meeting in person, he should present his identity card or other valid proof capable of proving his qualification of being the legal representative; if a proxy is appointed to attend the meeting, the proxy should present his own identity card or the authorized form of proxy in writing issued by the legal representative of the corporate legal person in accordance with the laws.</u></p>
39.	<p><b>Article 84</b> Any form issued by the Board to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favour of or against each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting.</p> <p>The proxy form shall state that if the shareholder does not give specific instructions, whether the proxy shall vote at his/her own discretion.</p>	<p><b>Article 90</b> Any form issued by the Board to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favour of or against each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting.</p> <p>The proxy form shall state that if the shareholder does not give specific instructions, whether the proxy shall vote at his/her own discretion.</p>

40.	<p><b>Article 87</b> The convener and the lawyer engaged by the Company shall examine legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.</p>	<p><b>Article 93</b> The convener and the lawyer engaged by the Company shall examine legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.</p>
41.	<p><b>Article 88</b> All Directors, Supervisors and secretary to the Board of the Company shall attend general meetings, and the general manager and other senior management shall attend the meeting as non-voting participants unless there is reasonable ground.</p>	<p><b>Article 94</b> All Directors, Supervisors and secretary to the Board of the Company shall attend general meetings, and the general manager and other senior management shall attend the meeting as non-voting participants.</p>
42.	<p><b>Article 89</b> The general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to attend the meeting, the meeting shall be convened and presided over by the vice chairman of the Board. Where the chairman of the Board and the vice chairman of the Board are unable to attend the meeting, the directors shall designate a director of the Company to convene and preside over the meeting. Where the directors cannot designate a director to preside over the meeting, the shareholders attending the meeting may elect one person to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p>	<p><b>Article 95</b> <u>The general meeting shall be presided by the chairman of the Board. Where the chairman of the Board is unable to or fails to perform his duty, the meeting shall be presided by the vice chairman of the Board (where the Company has two or more vice chairmen, the meeting shall be presided by the vice chairman elected by not less than one-half of all directors). Where the vice chairman of the Board is unable to or fails to perform his duty, a director elected by not less than one-half of all directors shall preside over the meeting.</u></p>

<p>If a general meeting is convened by the board of supervisors itself, the chairman of the board of supervisors shall preside over the meeting. If the chairman of the board of supervisors is unable to or will not discharge his duties, not less than one half of the supervisors shall nominate a supervisor to preside over the meeting.</p> <p>If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p> <p>In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p>	<p>If a general meeting is convened by the board of supervisors itself, board of the chairman of the board of supervisors shall preside over the meeting. If the chairman of the board of supervisors is unable to or will not discharge his duties, not less than one half of the supervisors shall nominate a supervisor to preside over the meeting.</p> <p>If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p> <p>In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one-half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p>
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43.	<p><b>Article 94</b> The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall state the following contents:</p> <ol style="list-style-type: none"> <li>(1) Time, venue and agenda of the meeting and names of the convener;</li> <li>(2) The name of the meeting chairman and the names of the directors, supervisors, general manager and senior management attending or present at the meeting;</li> <li>(3) The numbers of shareholders (including domestic shareholders, unlisted foreign shares and overseas-listed foreign shareholders (if any)) and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;</li> <li>(4) The process of review and discussion, summary of any speech and voting results of each proposal;</li> <li>(5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;</li> <li>(6) Names of lawyer, vote counters and scrutinizer of the voting;</li> <li>(7) Other contents to be included in the minutes as specified in these Articles of Association.</li> </ol>	<p><b>Article 100</b> The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall state the following contents:</p> <ol style="list-style-type: none"> <li>(1) Time, venue and agenda of the meeting and names of the convener;</li> <li>(2) The name of the meeting chairman and the names of the directors, supervisors, general manager and senior management attending or present at the meeting;</li> <li>(3) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;</li> <li>(4) The process of review and discussion, summary of any speech and voting results of each proposal;</li> <li>(5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;</li> <li>(6) Names of lawyer, vote counters and scrutinizer of the voting;</li> <li>(7) Other contents to be included in the minutes as specified in these Articles of Association.</li> </ol>
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44.	<p><b>Article 95</b> The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board, conveners and their representatives and the chairman of the meeting present at the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than 10 years.</p>	<p><b>Article 101</b> The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board, conveners and their representatives and the chairman of the meeting present at the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than 10 years.</p>
45.	<p><b>Article 96</b> The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the place(s) in which the shares of the Company are listed.</p>	<p><b>Article 102</b> The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the place(s) in which the shares of the Company are listed. <b><u>At the same time, the convener shall report to the CSRC branch and the stock exchange of the place where Company is located.</u></b></p>
No.	<p><b>Section 5 Voting and Resolutions at General Meetings</b></p>	<p><b>Section 5 Voting and Resolutions at General Meetings</b></p>
46.	<p><b>Article 97</b> Resolutions of the general meeting include ordinary resolutions and special resolutions.</p> <p>Ordinary resolution at a general meeting shall be passed by more than one half of the voting shares held by shareholders (including their proxies) attending the general meeting.</p> <p>Special resolution at a general meeting shall be passed by not less than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.</p>	<p><b>Article 103</b> Resolutions of the general meeting include ordinary resolutions and special resolutions.</p> <p>Ordinary resolution at a general meeting shall be passed by <b><u>not less than one half</u></b> of the voting shares held by shareholders (including their proxies) attending the general meeting.</p> <p>Special resolution at a general meeting shall be passed by not less than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.</p>

<p>47.</p>	<p><b>Article 98</b> When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p>Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</p> <p>Subject to and conditional upon compliance with applicable laws, regulations and/or requirements of the listing rules of the place(s) in which the shares of the Company are listed, the Board, independent non-executive directors and other shareholders who qualify with relevant specified conditions may solicit for the voting shares from shareholders.</p>	<p><b>Article 104</b> When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p><b><u>When the general meeting considers a material event that may affect the interest of minority shareholders, the votes of minority shareholders should be counted separately. Such result of the separate vote-counting should be disclosed to the public in a timely manner.</u></b></p> <p>Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</p> <p>Subject to and conditional upon compliance with applicable laws, regulations and/or requirements of the listing rules of the place(s) in which the shares of the Company are listed, the Board, independent directors and other shareholders who qualify with relevant specified conditions may openly solicit voting rights from shareholders. <b><u>Solicitation of voting rights from shareholders should make sufficient disclosure of information, including the specific voting intention, to persons from whom such voting rights are solicited Solicitation of voting rights from shareholders by offering money or other forms of consideration is forbidden. The Company shall not set a minimum shareholding limit for voting right solicitation.</u></b></p>
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	<p>When the general meeting considers related party transactions, the related party shareholders shall not participate in the voting if so specified in the applicable law, regulations or listing rules of the place(s) in which the shares of the Company are listed. His shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related party shareholders.</p>	<p>When the general meeting considers related party transactions, the related party shareholders shall not participate in the voting, his shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related shareholders. <b><u>If the applicable laws, administrative regulations, departmental rules, regulatory documents or listing rules of the place where the shares of the Company are listed stipulate otherwise, such other provisions shall prevail.</u></b></p>
48.	<p><b><u>Article 99</u></b> Voting at general meeting will record the name of the voter.</p>	<p><b><u>Article 105</u></b> Voting at general meeting will record the name of the voter, <b>that is, by open ballot, or other methods of voting as required under the securities regulatory rules of the place where the shares of the Company are listed.</b></p>
49.	<p><b>Article 100</b> At any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded:</p> <p>(1) by the chairman of the meeting;</p> <p>(2) by at least two (2) shareholders present in person or by proxy entitled to vote thereat;</p> <p>(3) by one (1) or more shareholders present in person or by proxy who individually or jointly hold 10% or more of all shares carrying the right to vote at the meeting, before or after a vote is carried out by a show of hands.</p> <p>Unless a poll is demanded, a declaration by the chairman that a resolution is passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.</p> <p>The demand for a poll may be withdrawn by the person who demands the same.</p>	/

<u>50.</u>	<b>Article 101</b> If a poll is demanded for the election of the chairman or the adjournment of the meeting, such matters shall be resolved by poll immediately; in respect of a poll demanded for other matters, the time for such a poll shall be decided by the chairman of the meeting and other business may be proceeded with at the meeting. The result of such a poll shall still be deemed as a resolution passed at the meeting.	<b>Article 106</b> If a poll is demanded for the election of the chairman or the adjournment of the meeting, such matters shall be resolved by poll immediately; in respect of a poll demanded for other matters, the time for such a poll shall be decided by the chairman of the meeting and other business may be proceeded with at the meeting. The result of such a poll shall still be deemed as a resolution passed at the meeting.
<u>51.</u>	<b>Article 102</b> When a poll is taken at a meeting, a shareholder (including proxies) who have the right to two or more votes need not cast all his votes in the same way.	<b>Article 107</b> When a poll is taken at a meeting, a shareholder (including proxies) who have the right to two or more votes need not cast all his votes in the same way <b><u>for or against a resolution.</u></b>
<u>52.</u>	<b>Article 103</b> When the number of votes for and against a resolution is equal, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.	<b>Article 108</b> When the number of votes for and against a resolution is equal, the chairman of the meeting shall be entitled to one additional vote.

53.	<p><b>Article 104</b> As for the powers to be exercised by the general meeting of shareholders, matters as set out in paragraphs (1), (2), (3), (4), (5), (6), (7), (11), (13), (15) and (18) in Article 62, and matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations or these Articles of Association, shall be passed by ordinary resolutions at a general meeting.</p>	<p><b>Article 109</b> <u>The following matters shall be passed by ordinary resolutions at a general meeting:</u></p> <ol style="list-style-type: none"> <li>(1) <u>work reports of the Board and the board of supervisors;</u></li> <li>(2) <u>profit distribution plan and loss compensation plan proposed by the Board;</u></li> <li>(3) <u>appointment and dismissal of members of the Board and the board of supervisors, and their remuneration and payment method;</u></li> <li>(4) <u>annual budget and final accounts of the Company;</u></li> <li>(5) <u>annual report, balance sheet, income statement and other financial statements of the Company;</u></li> <li>(6) <u>engagement or removal of accounting firms;</u></li> <li>(7) <u>other matters except for those have to be passed by special resolutions as required under the laws, administrative regulations or these Articles of Association.</u></li> </ol>
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54.	<p><b>Article 105</b> As for the powers to be exercised by the general meeting of shareholders, matters set out in paragraphs (8), (9), (10), (12), (14) and (16) in Article 62 and matters required by the laws, administrative regulations or these Articles of Association, or such matters resolved by the general meeting by ordinary resolutions to be of significant impact to the Company and thereby shall be passed by special resolutions, shall be passed by special resolutions at a general meeting. Matters set out in paragraph (17) shall respectively apply the above-mentioned provisions on the ordinary resolutions and special resolutions in accordance with the specific content of shareholder's proposals.</p>	<p><b>Article 110</b> <u>The following matters shall be passed by special resolutions at a general meeting:</u></p> <ol style="list-style-type: none"> <li>(1) <u>the Company increases or reduces registered capital, issues any class of shares, warrants and other similar securities;</u></li> <li>(2) <u>the Company issues corporate bonds;</u></li> <li>(3) <u>division, combination, dissolution and liquidation of the Company;</u></li> <li>(4) <u>variation of corporate form of the Company;</u></li> <li>(5) <u>purchase or disposal of major assets by the Company within one year or the amount of guarantee exceeds 30% of the audited total assets of the Company for the latest period;</u></li> <li>(6) <u>revision of the Articles of Association;</u></li> <li>(7) <u>share incentive plans;</u></li> <li>(8) <u>other matters that have to be passed by special resolutions in accordance with the laws, administrative regulations or these Articles of Association and matters confirmed by ordinary resolutions at general meetings to have material impact on the Company.</u></li> </ol>
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55.	<p><u>Article 106</u> Shareholders who request to convene an extraordinary general meeting or a class meeting shall follow the procedures set out below:</p> <p>(1) <u>Two or more shareholders who hold in aggregate 10% or more of the voting shares at the proposed meeting may sign one or several written requisitions in the same form requesting the board of directors to convene an extraordinary general meeting or a class meeting, and the subject matter of the meeting shall be specified. Upon receipt of the said written requisitions, the board of directors shall convene an extraordinary general meeting or a class meeting as soon as possible. The calculation of the number of shares held as aforesaid shall be made as at the date of the written requisitions.</u></p> <p>(2) <u>If the board of directors fails to give notice of meeting within 30 days of the receipt of the aforesaid written requisitions, the shareholders making such requests may convene a meeting within four months of the receipt of the said requisitions by the board of directors. The procedure for convening the meeting shall, as far as possible, be the same as those for convening a shareholders' meeting by the board of directors.</u></p> <p><u>All reasonable expenses incurred in convening and holding a meeting by the shareholders as a result of the failure of the board of directors to convene such meeting upon the aforesaid requisitions shall be borne by the Company and the same shall be deducted from outstanding payments due to the directors who are in fault of their duties.</u></p>	<p><u>Article 111</u> <b>Subject to assurance that the general meeting is lawful and valid, the Company should prioritize the provision of an internet-based voting platform or other modern information technology means through various methods and channels to facilitate shareholders to attend the general meeting conveniently.</b></p>
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56.	/	<p><u>Article 112 The list of candidates for directors and supervisors shall be submitted to the general meeting in the form of a proposal for resolution.</u></p> <p><u>When the general meeting passes resolutions on the election of directors and supervisors, if any single shareholder of the Company and his parties acting in concert have interest in not less than 30% of shares, the cumulative voting system should be adopted. If no single shareholder of the Company and his parties acting in concert have interest in not less than 30% of shares, according to the requirements of the Articles of Association or a resolution of the general meeting, the cumulative voting system may be implemented.</u></p> <p><u>The cumulative voting system as mentioned above in the preceding paragraph refers to the system for electing directors or supervisors in a general meeting where the voting right of each share shall be equal to the number of directors or supervisors to be elected, the voting right owned by a shareholder may be used in a centralized manner. The Board shall publish an announcement to shareholders providing information on the biographical details and basic particulars of the candidates for directors or supervisors.</u></p> <p><u>After the general meeting has passed the resolutions on the election proposal for directors and supervisors, the term of office of the newly elected directors and supervisors shall commence on the day when the resolution is approved by the general meeting, unless otherwise provided in the resolution of the general meeting.</u></p>
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57.	/	<p>Article 113 <u>Except for the cumulative voting system, the general meeting shall pass a resolution for each of the proposals, when there is more than one proposals for a particular matter, voting should be conducted on each of the proposals according to their chronological order of being proposed Unless the general meeting is adjourned or a resolution cannot be passed due to special reasons such as force majeure, the general meeting will not set aside or refrain from voting on the proposals.</u></p>
58.	/	<p>Article 114 <u>When a proposal is considered in a general meeting, no modification to the proposal will be made, otherwise the relevant change shall be deemed a new proposal and cannot be voted in the current general meeting.</u></p>
59.	/	<p>Article 115 <u>The same voting right may only elect one of the voting methods, on-site, internet or other voting methods. If the same voting right has voted repeatedly, the voting resulting of the first time shall prevail.</u></p>
60.	/	<p>Article 116 <u>Before voting on a proposal in the general meeting, two shareholder representatives shall be elected to participate in voting counting and act as scrutineers When shareholders have interest in a proposed matter, the related shareholders and proxies are not allowed to participate in vote counting and scrutinizing process.</u></p>

		<p><u>When the general meeting is voting on the proposal, the lawyer, shareholders' representative and supervisors' representative shall be jointly responsible for vote calculation, vote scrutineer and the announcement of the voting result, which shall be recorded in the meeting minutes.</u></p> <p><u>Shareholders of the Company or their proxies voting via on-line or other methods have the right to check their voting result via corresponding voting system.</u></p>
61.	/	<p><u>Article 117 The closing time of a physical general meeting must not be earlier than the closing time through internet or other methods. The meeting chairman shall announce the voting for each proposal and its result, and shall declare whether the proposal has been approved according to the voting result.</u></p> <p><u>Before announcing the official voting result, the related parties including the Company, vote counting persons, scrutineers, substantial shareholders and internet service providers involved in the physical general meeting, internet and other voting methods shall have a duty of confidentiality on the voting details.</u></p>

62.	/	<p><u>Article 118 Shareholders who attend the general meeting in person shall express one of the following indications about the proposal submitted for voting: for, against or abstain China Securities Depository and Clearing Co., Ltd. is the nominee holder of shares transacted through the mutual connection mechanism between stock markets in Mainland China and Hong Kong, except for reporting on indications expressed by beneficial shareholders.</u></p> <p><u>Empty, erroneous or illegible ballot papers and uncast ballot papers are deemed as abstained from voting by the voters, and the voting result in respect of the number of shares held by such voters are counted as “abstention”.</u></p>
63.	<p><b>Article 107</b> The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.</p>	<p><b>Article 119</b> The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.</p>
64.	<p><b>Article 108</b> If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange recounting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.</p>	<p><b>Article 120</b> If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange recounting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.</p>

65.	/	<u>Article 122 Resolutions of a general meeting shall be announced in a timely manner, the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the percentage in the total number of shares of the Company with voting right, method of voting, voting result of each proposal and the details of each resolution which has been passed.</u>
66.	/	<u>Article 123 If any proposal has not been passed or modification has been made to a resolution of the preceding general meeting by the current general meeting, a special note should be contained in the announcement on resolutions of the general meeting.</u>
67.	/	<u>Article 124 When a general meeting has passed resolutions on the distribution of cash dividends, bonus shares or increase in share capital by conversion of capital reserves, the Company shall implement the specific proposal within 2 months after conclusion of the general meeting.</u>
No.	<b>Chapter 9 Special Procedures for Voting at Class Meeting</b>	<b>Chapter 9 Special Procedures for Voting at Class Meeting</b>
68.	<b>Article 112</b> The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such change or abrogation has been approved by way of a special resolution of the general meeting and by a separate class meeting of the affected shareholders of the class of shares in accordance with Articles 114 to 118.	<b>Article 127</b> The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such change or abrogation has been approved by way of a special resolution of the general meeting and by a separate class meeting of the affected shareholders of the class of shares in accordance with Articles <u>129</u> to <u>133</u> .

	<p>No matter what is otherwise stipulated in the Articles of Association, the shareholders of unlisted foreign shares and shareholders of domestic shares are as the same class. Any variation or abrogation (as the case may be) of any rights of shareholders of unlisted foreign shares shall be deemed as variation or abrogation of any rights of shareholders of the domestic shares, and vice versa. Any variation or abrogation of the rights of shareholders of unlisted foreign shares and shareholders of domestic shares proposed by the Company shall be subject to the approval by way of a special resolution in general meeting, and the approval by shareholders of unlisted foreign shares and shareholders of domestic shares in a general meeting separately convened in accordance with Article 115 to Article 119 which they are both entitled to attend and vote. However, it shall not be subject to the approval by either shareholder of unlisted foreign shares or shareholder of domestic shares in a general meeting separately convened in accordance with Article 115 to Article 119 which either of them is entitled to attend and vote.</p>	
69.	<p><b>Article 114</b> Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 113, except that interested shareholders shall not vote at class meetings.</p>	<p><b>Article 129</b> Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article <b>128</b>, except that interested shareholders shall not vote at class meetings.</p>

	<p>The term “interested shareholders” in the preceding paragraph shall have the following meanings:</p> <p>(1) if the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 32 hereof, the controlling shareholders as defined in these Articles of Association shall be “interested shareholders”;</p> <p>(2) if the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 32 hereof, holders of shares in relation to such agreement shall be “interested shareholders”; or</p> <p>(3) under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.</p>	<p>The term “interested shareholders” in the preceding paragraph shall have the following meanings:</p> <p>(1) if the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article <u>33</u> hereof, the controlling shareholders as defined in these Articles of Association shall be “interested shareholders”;</p> <p>(2) if the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article <u>33</u> hereof, holders of shares in relation to such agreement shall be “interested shareholders”; or</p> <p>(3) under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.</p>
<p><u>70.</u></p>	<p><b>Article 115</b> Resolutions of a meeting of shareholders of different classes may be passed only by not less than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 114.</p>	<p><b>Article 130</b> Resolutions of a meeting of shareholders of different classes may be passed only by not less than two-thirds of the voting rights of that class represented at the meeting in accordance with Article <u>129</u>.</p>

<p><u>71.</u></p>	<p><b>Article 118</b> In addition to holders of other classes of shares, shareholders of domestic shares and unlisted foreign shares shall be regarded as shareholders of the same class, while shareholders of overseas listed foreign shares shall be regarded as shareholders of a different class.</p> <p>The special procedure for voting in class meeting shall not apply to the following circumstances:</p> <p>(1) Where the Company issues domestic shares, unlisted foreign shares and overseas-listed foreign shares, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic shares, unlisted foreign shares and overseas-listed foreign shares of the Company;</p> <p>(2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council; or</p> <p>(3) Where with the approval by the securities regulatory authorities under the State Council the domestic shares and unlisted foreign shares of the Company are being converted into H shares for overseas listing and trading.</p>	<p><b>Article 133</b> In addition to holders of other classes of shares, shareholders of domestic shares shall be regarded as shareholders of the same class, while shareholders of overseas listed foreign shares shall be regarded as shareholders of a different class.</p> <p>The special procedure for voting in class meeting shall not apply to the following circumstances:</p> <p>(1) Where the Company issues domestic shares and overseas-listed foreign shares, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic shares and overseas-listed foreign shares of the Company;</p> <p>(2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council; or</p> <p>(3) Where with the approval by the securities regulatory authorities under the State Council the domestic shares of the Company are being converted into H shares for overseas listing and trading.</p>
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No.	Chapter 10 Board Section 1 Directors	Chapter 10 Board Section 1 Directors
72.	<p><b>Article 119</b> Directors shall be elected by the general meeting and serve a term of three years for each session. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations and listing rules of the place where the Company’s shares are listed.</p> <p>A director’s term of service commences from the date of passing the resolution at the shareholders’ general meeting, until the current term of service of Board ends. If a director’s term of service expires but a new director is not yet appointed, the original director shall continue to carry out the director’s duties according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director’s appointment comes into effect.</p> <p>A director’s post may be assumed by general manager or other senior management. But the total number of general managers or other senior management who also assume directorship in the company, plus the number of directors as staff representative, shall not exceed one half of the total number of directors.</p> <p>A director needs not be a shareholder of the Company.</p>	<p><b>Article 134</b> Directors shall be elected <u>or changed</u> by the general meeting, <u>and may be removed by a general meeting before expiration of a term of office.</u> Each session serves a term of three years. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations and listing rules of the place where the Company’s shares are listed.</p> <p>A director’s term of service commences from the date of passing the resolution at the shareholders’ general meeting, until the current term of service of Board ends. If a director’s term of service expires but a new director is not yet appointed, the original director shall continue to carry out the director’s duties according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director’s appointment comes into effect.</p> <p>A director’s post may be assumed by general manager or other senior management. But the total number of general managers or other senior management who also assume directorship in the company, plus the number of directors as staff representative, shall not exceed one half of the total number of directors.</p> <p>A director needs not be a shareholder of the Company.</p>

<p><u>73.</u></p>	<p><b>Article 123</b> A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board. The Board shall disclose the relevant circumstances within 2 days.</p> <p>If the number of directors fall below the minimum statutory requirement due to a director's resignation, the notice of resignation of the resigning director shall only become effective after a new director fills the vacancy. The remaining members of the Board should convene an extraordinary general meeting as soon as possible to elect a new director to fill the vacancy.</p> <p>Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the Board.</p>	<p><b>Article 138</b> A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board The Board shall disclose the relevant circumstances within 2 days.</p> <p>If the number of directors fall below the minimum statutory requirement due to a director's resignation, <b><u>before the re-elected director commences his appointment, the original director shall continue to perform the duties of a director in accordance with the requirements of laws, administrative regulations, departmental rules and these Articles of Association.</u></b></p> <p>Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the Board.</p>
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No.	Section 2 Independent Non-executive Directors	Section 2 Independent Non-executive Directors
<u>74.</u>	<p><b>Article 127</b> The Company shall have independent non-executive directors. Independent non-executive directors refer to such directors of the Company that serves no duties other than the directors' duties, has no relationship with the Company or its substantial shareholders (referring to such shareholders who separately or aggregately hold not less than 5% of the total number of voting shares) that may hinder their independent objective judgments, and satisfies the requirements on independence by the Listing Rules.</p> <p>Unless otherwise provided in this section, the relevant provisions set out in Chapter 14 of these Articles of Association shall apply to the qualifications and obligations of independent non-executive directors.</p>	<p><b>Article 142</b> The Company shall have independent non-executive directors. Independent non-executive directors refer to such directors of the Company that serves no duties other than the directors' duties, has no relationship with the Company or its substantial shareholders (referring to such shareholders who separately or aggregately hold not less than 5% of the total number of voting shares) that may hinder their independent objective judgments, and satisfies the requirements on independence under the <b><u>Hong Kong Listing Rules and the SSE STAR Market Listing Rules.</u></b></p> <p>Unless otherwise provided in this section, the relevant provisions set out in Chapter 14 of these Articles of Association shall apply to the qualifications and obligations of independent non-executive directors.</p>
<u>75.</u>	<p><b>Article 129</b> An independent non-executive director shall have the same term of office as other directors of the Company, and may be reelected upon expiry of the term given that the consecutive terms shall be no more than nine years.</p>	<p><b>Article 144</b> An independent non-executive director shall have the same term of office as other directors of the Company, and may be reelected upon expiry of the term given that the consecutive terms shall be no more than <b>six</b> years.</p>
No.	Section 3 Board	Section 3 Board
<u>76.</u>	<p><b>Article 133</b> The Board exercises the following functions and powers:</p> <p>(1) to be responsible for the convening of general meetings and report its work to the general meetings;</p> <p>(2) to implement resolutions of the general meetings;</p>	<p><b>Article 148</b> The Board exercises the following functions and powers:</p> <p>(1) to be responsible for the convening of general meetings and report its work to the general meetings;</p> <p>(2) to implement resolutions of the general meetings;</p>

<p>(3) to decide on the Company’s business plans and investment plans;</p> <p>(4) to formulate the annual financial budgets and final accounts of the Company;</p> <p>(5) to formulate the Company’s profit distribution plans and plans on making up losses;</p> <p>(6) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;</p> <p>(7) to formulate plans for mergers, demergers, dissolution and alteration of corporate form of the Company;</p> <p>(8) to formulate plans for the Company’s substantial acquisitions and purchase of shares of the Company;</p> <p>(9) within the scope authorized by the general meeting, to decide, among others, the Company’s external investment, purchase and sale of assets, provision of security on the Company’s assets, matters on external guarantees, wealth management entrustment, related party transactions;</p> <p>(10) to decide on establishment of internal management organizations of the Company;</p>	<p>(3) to decide on the Company’s business plans and investment plans;</p> <p>(4) to formulate the annual financial budgets and final accounts of the Company;</p> <p>(5) to formulate the Company’s profit distribution plans and plans on making up losses;</p> <p>(6) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;</p> <p>(7) to formulate plans for mergers, demergers, dissolution and alteration of corporate form of the Company;</p> <p>(8) to formulate plans for the Company’s substantial acquisitions and purchase of shares of the Company;</p> <p>(9) within the scope authorized by the general meeting, to decide, among others, the Company’s external investment, purchase and sale of assets, provision of security on the Company’s assets, matters on external guarantees, wealth management entrustment, related party transactions;</p> <p>(10) to decide on establishment of internal management organizations of the Company;</p>
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<p>(11) to determine the setup of the specialized committees under the Board, appoint or dismiss the chairman (convener) of such committees;</p> <p>(12) to appoint or dismiss general manager and secretary to the Board; to appoint or dismiss senior management including deputy general managers and person-in-charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations, incentives and punishments;</p> <p>(13) to formulate the basic management system of the Company;</p> <p>(14) to formulate proposals to amend these Articles of Association;</p> <p>(15) to formulate the stock option incentive plan of the Company;</p> <p>(16) to manage information disclosure of the Company;</p> <p>(17) to propose to the shareholders' general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;</p> <p>(18) to listen to work reports of the general manager and review his work;</p>	<p>(11) to appoint or dismiss general manager and secretary to the Board; to appoint or dismiss senior management including deputy general managers and person-in-charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations, incentives and punishments;</p> <p>(12) to formulate the basic management system of the Company;</p> <p>(13) to formulate proposals to amend these Articles of Association;</p> <p>(14) to formulate the stock option incentive plan of the Company;</p> <p>(15) to manage information disclosure of the Company;</p> <p>(16) to propose to the shareholders' general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;</p> <p>(17) to listen to work reports of the general manager and review his work;</p> <p>(18) to review and approve the matters on the Company's external guarantee which are not covered by Article <u>67</u> for review and consideration at a general meeting;</p>
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<p>(19) to appoint or replace the non-employee representatives directors and supervisors of the wholly-owned subsidiaries of the Company, recommend candidates for non-employee representatives directors and supervisors of the controlled subsidiaries and associates of the Company and recommend candidates for senior management of the wholly-owned subsidiaries and controlled subsidiaries of the Company;</p> <p>(20) to review and approve the matters on the Company’s external guarantee which are not covered by Article 64 for review and consideration at a general meeting;</p> <p>(21) other powers and duties authorized by the laws, administrative regulations, and department rules, listing rules of the stock exchange(s) where the Company’s shares are listed, these Articles of Association and other duties entrusted by the shareholders’ general meetings.</p> <p>The above matters of authority exercised by the Board or any transaction or arrangement of the Company which shall be reviewed by a general meeting according to listing rules of the place(s) where the Company’s shares are listed, shall be submitted to the general meeting for review.</p> <p>Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (14) which shall be passed by not less than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by not less than one half of the directors.</p>	<p>(19) other powers and duties authorized by the laws, administrative regulations, and department rules, listing rules of the stock exchange(s) where the Company’s shares are listed, these Articles of Association and other duties entrusted by the shareholders’ general meetings.</p> <p>The above matters of authority exercised by the Board or any transaction or arrangement of the Company which shall be reviewed by a general meeting according to listing rules of the place(s) where the Company’s shares are listed, shall be submitted to the general meeting for review.</p> <p>Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (13) which shall be passed by not less than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by not less than one half of the directors.</p> <p><b><u>The Board of the Company should provide an explanation to the general meeting in respect of any qualified audit opinions issued by certified public accountant on the financial statements of the Company.</u></b></p>
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<p><u>77.</u></p>	<p><b>Article 135</b> The Board shall set up an Audit Committee and Remuneration Committee, and may set up other specialized committees such as a Strategic Committee, to advise the Board on major decisions.</p> <p>The Audit Committee must have at least three members and all of them must be non-executive directors. At least one member of the Audit Committee shall be an independent non-executive director with the proper qualification as required by the Listing Rules, or appropriate accounting or related financial management expertise. The majority of the members of the Audit Committee shall be independent non-executive directors and the chairman of the Audit Committee must be an independent non-executive directors. The majority of the members of the Remuneration Committee shall be independent non-executive directors and the chairman of the Remuneration Committee must be an independent non-executive directors.</p>	<p><b>Article 150</b> The Board <u>of the Company</u> has set up an Audit Committee and Remuneration <u>and Assessment</u> Committee, and may set up other specialized committees, such as a Strategic Committee, <u>according to requirements.</u> <u>The specialized committees are accountable to the Board, perform duties pursuant to these Articles of Association and authorization of the Board, proposals should be submitted to the Board for consideration and decision. Members of the specialized committees are all directors, among them, independent directors constitute the majority of members in the Audit Committee and the Remuneration and Assessment Committee and act as conveners, and the convener of the Audit Committee is a professional in accounting</u> <u>The Board is responsible to formulate the working procedures for specialized committees and regulate the operation of specialized committees.</u></p> <p>The Audit Committee must have at least three members and all of them must be non-executive directors At least one member of the Audit Committee shall be an independent non-executive director with the proper qualification as required by the <u>Hong Kong Listing Rules or the SSE STAR Market Listing Rules</u>, or appropriate accounting or related financial management expertise The majority of the members of the Audit Committee shall be independent non-executive directors and the chairman of the Audit Committee must be an independent non-executive directors The majority of the members of the Remuneration <u>and Assessment</u> Committee shall be independent non-executive directors and the chairman of the Remuneration <u>and Assessment</u> Committee must be an independent non-executive director.</p>
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78.	/	<p><b><u>Article 152 The Board shall determine the powers for external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted wealth management and related-party transactions, and establish stringent review and decision-making procedures.</u></b></p> <p><b><u>(1) Transactions of the Company (transaction(s) are defined and executed in accordance with the SSE STAR Market Listing Rules, excluding accepting gift of asset in cash, reduction or waiver of debt, accepting guarantee and financial assistance and transactions that confer gains unilaterally and the provision of guarantee and connected/related-party transactions) that satisfy the following criteria must be voted and passed by the Board:</u></b></p> <ol style="list-style-type: none"> <li><b><u>1. total asset value (if both book value and assessed value exist at the same time, whichever the higher shall prevail) involved in the transaction represents not less than 10% of the audited total asset value of the Company for the latest period;</u></b></li> <li><b><u>2. transaction amount of the deal represents not less than 10% of the market capitalization of the Company;</u></b></li> <li><b><u>3. the net asset value of the transaction target (such as equity interest) for the latest accounting year represents not less than 10% of the market capitalization of the Company;</u></b></li> </ol>
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79.	<p><b>Article 137</b> The chairman of the Board shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to preside over general meetings and to convene and preside over Board meetings of the Company;</li> <li>(2) to procure and check the implementation of resolutions of the Board;</li> <li>(3) to sign on share certificates, bond certificates and other securities issued by the Company;</li> <li>(4) organize the formulation of various rules and coordinate operation of the Board;</li> <li>(5) to sign on important documents of the Board and legally binding documents on behalf of the Company;</li> <li>(6) to exercise the powers and functions as the legal representative;</li> <li>(7) to nominate candidates for secretary to the Board, members and chairman of the specialized committee under the Board;</li> <li>(8) to listen to regular or provisional work reports of the senior management, and provide guiding opinion to implementation of the Board resolutions;</li> <li>(9) in case of emergency of catastrophic natural disasters and other force majeure, exercise the special right of disposal over the Company's affairs that is in line with the requirements of laws and interests of the Company, and report to the Board and the general meeting afterwards;</li> </ol>	<p><b>Article 153</b> The chairman of the Board shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to preside over general meetings and to convene and preside over Board meetings of the Company;</li> <li>(2) to procure and check the implementation of resolutions of the Board;</li> <li>(3) to sign on share certificates, bond certificates and other securities issued by the Company;</li> <li>(4) organize the formulation of various rules and coordinate operation of the Board;</li> <li>(5) to sign on important documents of the Board and legally binding documents on behalf of the Company;</li> <li>(6) to exercise the powers and functions as the legal representative;</li> <li>(7) to nominate candidates for secretary to the Board, members and chairman of the specialized committee under the Board;</li> <li>(8) to listen to regular or provisional work reports of the senior management, and provide guiding opinion to implementation of the Board resolutions;</li> <li>(9) in case of emergency of catastrophic natural disasters and other force majeure, exercise the special right of disposal over the Company's affairs that is in line with the requirements of laws and interests of the Company, and report to the Board and the general meeting afterwards;</li> </ol>
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	<p>(10) to perform the functions and powers of the Board within the mandate of the Board when the Board is not in session; and</p> <p>(11) other functions and powers authorized by the laws, administrative regulations, departmental rules, these Article of Association and conferred by the Board.</p>	<p>(10) to perform the functions and powers of the Board within the mandate of the Board when the Board is not in session; and</p> <p>(11) other functions and powers authorized by the laws, administrative regulations, departmental rules, these Article of Association and conferred by the Board.</p>
<p><u>80.</u></p>	<p><b>Article 139</b> The Board meetings include regular meetings and extraordinary meetings.</p> <p>Regular meetings of the Board shall be held at least two times a year. Meetings shall be convened by the chairman of the Board. Notice in writing shall be given to all directors and supervisors ten days before the meeting is held.</p> <p>The chairman, any shareholder holding not less than one tenth voting rights, not less than one third of the directors, or the board of supervisors or the general manager may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days upon receipt of the proposal, and shall give written notice to all directors and supervisors five days before the meeting is held.</p> <p>In case of urgency, the extraordinary board meeting may be held upon approval by the chairman of the Board, not subject to the requirement of meeting notice as set out in paragraph 3 of this Article, given that reasonable notice shall be given to directors, supervisors and the general manager.</p>	<p><b>Article 155</b> The Board meetings shall be held at least two times a year. Meetings shall be convened by the chairman of the Board Notice in writing shall be given to all directors and supervisors ten days before the meeting is held.</p> <p>Any shareholder holding not less than one tenth voting rights, not less than one-third of the directors or members of the board of supervisors may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days upon receipt of the proposal.</p>

<p><u>81.</u></p>	<p><b>Article 140</b> The notice of Board meetings may be delivered in the manners as set out in Article 239 of the Articles of Association.</p> <p>Directors who have attended the meeting will be deemed to have been issued a notice of Board meeting if he had not raised any issues of not having received such notice before or during the Board meeting.</p> <p>The board meetings may be held by means of telephone conference or other similar communications equipment. So long as all participating directors can hear the other directors and communicate, all such participation shall constitute presence at the meeting as if those directors were present in person.</p>	<p><b>Article 156</b> The notice of <u>extraordinary</u> Board meetings may be delivered in the manners as set out in Article <u>258</u> of the Articles of Association; <b><u>the notice period shall be 5 days prior to the date of meeting.</u></b></p> <p>Directors who have attended the meeting will be deemed to have been issued a notice of Board meeting if he had not raised any issues of not having received such notice before or during the Board meeting.</p> <p>The board meetings may be held by means of telephone conference or other similar communications equipment So long as all participating directors can hear the other directors and communicate, all such participation shall constitute presence at the meeting as if those directors were present in person.</p>
<p><u>82.</u></p>	<p><b>Article 141</b> A notice of Board meeting shall include the following contents:</p> <ol style="list-style-type: none"> <li>(1) Date and place of meeting;</li> <li>(2) Period of the meeting;</li> <li>(3) Reasons and agenda;</li> <li>(4) Date of issuance of notice;</li> <li>(5) Method of holding the meeting.</li> </ol>	<p><b>Article 157</b> A notice of Board meeting shall include the following contents:</p> <ol style="list-style-type: none"> <li>(1) Date and place of meeting;</li> <li>(2) Period of the meeting;</li> <li>(3) Reasons and agenda;</li> <li>(4) Date of issuance of notice.</li> </ol>

83.	<p><b>Article 142</b> For any major matters to be determined by the Board, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When not less than one-fourth of the directors or two or more external directors (referring to such directors who have no executive positions in the Company) considers that the provided materials insufficient or the reasoning is unclear, they may jointly propose to defer the Board meeting or defer the consideration on the relevant matters, and the Board shall accept such suggestions accordingly.</p>	<p><b>Article 158</b> For any major matters to be determined by the Board, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When not less than one-fourth of the directors or two or more external directors (referring to such directors who have no executive positions in the Company) considers that the provided materials insufficient or the reasoning is unclear, they may jointly propose to defer the Board meeting or defer the consideration on the relevant matters, and the Board shall accept such suggestions accordingly, <b><u>and the Company should disclose the relevant circumstances in a timely manner.</u></b></p>
84.	<p><b>Article 143</b> The Board meeting shall not be held unless not less than one half of the directors are present.</p> <p>Unless otherwise provided in other articles herein, resolutions of the Board shall be passed by more than one half of all the directors.</p> <p>As for the voting on a Board resolution, each director shall have one vote. When the number of votes cast for and against a resolution equals, the chairman of the Board shall have a casting vote.</p>	<p><b>Article 159</b> The Board meeting shall not be held unless more than one half of the directors are present.</p> <p>Unless otherwise provided in other articles herein, resolutions of the Board shall be passed by more than one half of all the directors.</p> <p>As for the voting on a Board resolution, each director shall have one vote. When the number of votes cast for and against a resolution equals, the chairman of the Board shall have a casting vote.</p>

85.	<p><b>Article 148</b> The minutes of the Board shall consist of the following:</p> <ol style="list-style-type: none"> <li>(1) date and venue of the meeting and the name of the convener;</li> <li>(2) the name of the director present and name of director being appointed to attend on the other's behalf (attorney);</li> <li>(3) the agenda;</li> <li>(4) the main points of directors' speeches;</li> <li>(5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining);</li> <li>(6) the signatures of directors or their attorneys.</li> </ol>	<p><b>Article 164</b> The minutes of the Board shall consist of the following:</p> <ol style="list-style-type: none"> <li>(1) date and venue of the meeting and the name of the convener;</li> <li>(2) the name of the director present and name of director being appointed to attend on the other's behalf (attorney);</li> <li>(3) the agenda;</li> <li>(4) the main points of directors' speeches;</li> <li>(5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).</li> </ol>
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No.	Chapter 12 General Manager	Chapter 12 General Manager and <u>Other Senior Management Officers</u>
86.	<p><b>Article 152</b> The Company shall have a team of managers, who under the steering of the Board of directors implements the decisions of the Board and supervises the Company's daily work operations. A general-manager responsibility system shall be run within the team of managers.</p> <p>The Company shall have one general manager and several deputy general managers to assist the general manager, and also one person-in-charge of finance. The general manager, deputy general managers and person-in-charge of finance shall be appointed and dismissed by the Board.</p>	<p><b>Article 168</b> The Company shall have a team of managers, who under the steering of the Board implements the decisions of the Board and supervises the Company's daily work operations. A general-manager responsibility system shall be run within the team of managers.</p> <p>The Company shall have one general manager and several deputy general managers to assist the general manager, and also one person-in-charge of finance. The general manager, deputy general managers and person-in-charge of finance shall be appointed and dismissed by the Board.</p> <p><u>The general manager, deputy general manager, chief financial officer and secretary to the Board are senior management officers of the Company.</u></p> <p><u>Any person who have other administrative duties, other than acting as director or supervisor, in an entity of controlling shareholder of the Company is not allowed to act as senior management officers of the Company.</u></p> <p><u>Senior management officers who have breached the laws, administrative regulations, departmental rules or requirements of these Articles of Association in the course of performing their duties and the Company has incurred losses as a consequence, such senior management officers shall be liable for damages.</u></p>

87.	<p><b>Article 154</b> The Company's general manager shall be accountable to the Board and shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) lead the Company's production, operation and management, and report to the Board;</li> <li>(2) organize resources to carry out the Board's resolutions;</li> <li>(3) organize the implementation of the Company's annual business plan and investment plan formulated by the Board;</li> <li>(4) draft plans for the establishment of the Company's internal management structure;</li> <li>(5) draft the basic management system of the Company;</li> <li>(6) formulate detailed rules and regulations of the Company;</li> <li>(7) propose to the Board the appointment or dismissal of the Company's deputy general manager(s) and person-in-charge of finance;</li> <li>(8) appoint or dismiss other senior management other than those required to be appointed or dismissed by the Board;</li> <li>(9) exercise other powers conferred by these Articles of Association or the Board.</li> </ol>	<p><b>Article 170</b> The Company's general manager shall be accountable to the Board and shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) lead the Company's production, operation and management, and report to the Board;</li> <li>(2) organize resources to carry out the Board's resolutions;</li> <li>(3) organize the implementation of the Company's annual business plan and investment plan formulated by the Board;</li> <li>(4) draft plans for the establishment of the Company's internal management structure;</li> <li>(5) draft the basic management system of the Company;</li> <li>(6) formulate detailed rules and regulations of the Company;</li> <li>(7) propose to the Board the appointment or dismissal of the Company's deputy general manager(s) and person-in-charge of finance;</li> <li>(8) appoint or dismiss other senior management other than those required to be appointed or dismissed by the Board;</li> <li>(9) <b><u>approving matters of external investment, acquisition and disposal of assets, pledge of assets, entrusted wealth management and related-party transactions within the approval limit of the Board;</u></b></li> </ol>
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		<p>(10) exercise other powers conferred by these Articles of Association or the Board.</p> <p><u>The general manager is fully responsible for the daily business operation and management of the Company, transactions of amounts reaching the disclosure standard as required under the listing rules of the stock exchange will be disclosed according to requirements; transactions not in the ordinary course of business of the Company, such as acquisition or disposal of assets, in addition to consideration and approval by the general meeting and the Board as required under these Articles of Association, the general manager may make approval decisions.</u></p>
<b>No.</b>	<b>Chapter 13 Board of supervisors Section 1 Supervisors</b>	<b>Chapter 13 The Board of supervisors Section 1 Supervisors</b>
<u>88.</u>	<b>Article 159</b> The directors, managers and person-in-charge of finance shall not concurrently serve as supervisors.	<b>Article 175</b> The directors, <b>general managers</b> and <b>other senior management officers</b> shall not concurrently serve as supervisors.
<b>No.</b>	<b>Section 2 Board of supervisors</b>	<b>Section 2 The Board of supervisors</b>
<u>89.</u>	<b>Article 167</b> <u>The board of supervisors shall compose of two shareholder representative supervisors and one employee representative supervisor. The shareholder representative supervisors shall be elected and removed by the general meeting, and the employee representative supervisors shall be democratically elected and removed by the Company’s employees and represent no less than one third of the members of the board of supervisors.</u>	<b>Article 183</b> <u>The board of supervisors shall compose of two shareholder representative supervisors and one employee representative supervisor. The shareholder representative supervisors shall be elected and removed by the general meeting, and the employee representative supervisors shall be democratically elected and removed by the Company’s employees and represent no less than one third of the members of the board of supervisors.</u>

<p><u>90.</u></p>	<p><b>Article 168</b> The board of supervisors shall be accountable to the general meeting and exercise the following functions and powers according to the laws:</p> <ol style="list-style-type: none"> <li>(1) examine the Company's financial standing;</li> <li>(2) supervise the directors and senior management during their performance of duties to the Company, and to put forward suggestions for dismissing any directors or senior management who are in breach of the laws, administrative regulations, these Articles of Association or resolutions of the shareholders' general meetings;</li> <li>(3) demand rectification from a director and any other senior management when the acts of such persons are harmful to the Company's interest;</li> <li>(4) verify the financial information such as the financial reports, business reports and profit distribution plans, etc. to be submitted by the Board to the shareholders' general meetings and, should any queries arise, to authorize, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;</li> <li>(5) propose convening of extraordinary general meeting and to convene and preside over general meetings when the Board fails to perform such duties;</li> </ol>	<p><b>Article 184</b> The board of supervisors shall be accountable to the general meeting and exercise the following functions and powers according to the laws:</p> <ol style="list-style-type: none"> <li>(1) examine the Company's financial standing;</li> <li>(2) supervise the directors and senior management during their performance of duties to the Company, and to put forward suggestions for dismissing any directors or senior management who are in breach of the laws, administrative regulations, these Articles of Association or resolutions of the shareholders' general meetings, <b><u>when the board of supervisors of the Company has discovered any breach of laws, regulations and Articles of Association by directors and senior management officers, it should notify the Board or report to the general meeting to make timely disclosure;</u></b></li> <li>(3) demand rectification from a director and any other senior management when the acts of such persons are harmful to the Company's interest;</li> <li>(4) verify the financial information such as the financial reports, business reports and profit distribution plans, etc. to be submitted by the Board to the shareholders' general meetings and, should any queries arise, to authorize, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;</li> <li>(5) propose convening of extraordinary general meeting and to convene and preside over general meetings when the Board fails to perform such duties <b><u>as prescribed by the Company Law;</u></b></li> </ol>
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	<p>(6) submit proposals to the general meetings;</p> <p>(7) propose convening of extraordinary meeting of the Board;</p> <p>(8) represent the Company in bringing legal action against the directors and senior management in accordance with the Company Law;</p> <p>(9) conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary. The cost shall be borne by the Company;</p> <p>(10) any other duties as prescribed by the Articles of Association of the Company.</p> <p>Supervisors shall attend meetings of the Board.</p>	<p>(6) submit proposals to the general meetings;</p> <p>(7) <b><u>conduct review on regular reports of the Company prepared by the Board and provide review opinions in writing;</u></b></p> <p>(8) represent the Company in bringing legal action against the directors and senior management in accordance with the Company Law;</p> <p>(9) conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary. The cost shall be borne by the Company;</p> <p>(10) any other duties as prescribed by the Articles of Association of the Company.</p> <p>Supervisors shall attend meetings of the Board</p>
<b>No.</b>	<b>Chapter 14 Qualifications and Obligations of the Company’s Directors, Supervisors and Senior Management</b>	<b>Chapter 14 Qualifications and Obligations of the Company’s Directors, Supervisors and Senior Management</b>
<u>91.</u>	<p><b>Article 176</b> A person may not serve as a director, supervisor or senior management of the Company if any of the following circumstances applies:</p> <p>(1) A person without capacity or with restricted capacity for civil acts;</p>	<p><b>Article 192</b> A person may not serve as a director, supervisor or senior management of the Company if any of the following circumstances applies:</p> <p>(1) A person without capacity or with restricted capacity for civil acts;</p>

<p>(2) A person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;</p> <p>(3) A person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;</p> <p>(4) A person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years have elapsed since the date of the revocation of the business license;</p> <p>(5) A person who has a relatively large amount of debts due and outstanding;</p>	<p>(2) A person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;</p> <p>(3) A person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;</p> <p>(4) A person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years have elapsed since the date of the revocation of the business license;</p> <p>(5) A person who has a relatively large amount of debts due and outstanding;</p>
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<p>(6) A person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;</p> <p>(7) A person who is prohibited from entering the securities market by the CSRC and the aforesaid prohibition period has not yet expired;</p> <p>(8) Anyone judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;</p> <p>(9) Anyone who is not a natural person;</p> <p>(10) Circumstances in which a person may not serve as a director, supervisor or senior management of the Company, as required by the laws, administrative regulations or departmental regulations or rules of securities regulators and stock exchange in the place(s) in which the shares of the Company are listed.</p>	<p>(6) A person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;</p> <p>(7) A person who is prohibited from entering the securities market by the CSRC and the aforesaid prohibition period has not yet expired;</p> <p>(8) Anyone judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;</p> <p>(9) Anyone who is not a natural person;</p> <p>(10) Circumstances in which a person may not serve as a director, supervisor or senior management of the Company, as required by the laws, administrative regulations or departmental regulations or rules of securities regulators and stock exchange in the place(s) in which the shares of the Company are listed.</p> <p><b><u>If the election or appointment of directors has violated the requirements herein, such election or appointment or employment shall be void and invalid. If such circumstances arise during the period of employment of a director, the Company shall dismiss the duties of such director.</u></b></p>
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92.	/	<p><b><u>Article 193 Directors, supervisors and senior management officers shall comply with laws, administrative regulations and these Articles of Association, and owe a duty of loyalty to the Company on the following obligations:</u></b></p> <ol style="list-style-type: none"><li><b><u>(1) not to accept bribes or other illegal income by abusing the powers of his position and not to embezzle properties of the Company;</u></b></li><li><b><u>(2) not to misappropriate funds of the Company;</u></b></li><li><b><u>(3) not to deposit assets or funds of the Company in an account opened in his personal name or names of other individuals;</u></b></li><li><b><u>(4) not to violate the provisions of these Articles of Association, not to lend funds of the Company to others or provide guarantee for others with properties of the Company without consent from the general meeting or Board;</u></b></li><li><b><u>(5) not to violate the provisions of these Articles of Association or not to enter into contracts or carry out transactions with the Company without consent from the general meeting;</u></b></li><li><b><u>(6) not to use the convenience of his position to seize business opportunities from the Company in favour of himself or others, or operate a business similar to the business of the Company for the benefit of himself or others, without consent from the general meeting;</u></b></li></ol>
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		<p>(7) <u>not to receive commissions from transactions conducted with the Company for his own benefit;</u></p> <p>(8) <u>not to divulge secrets of the Company in an unauthorized manner;</u></p> <p>(9) <u>not to use his related-party relationship to harm the interest of the Company;</u></p> <p>(10) <u>other obligations of loyalty as required by laws, administrative regulations, departmental rules and these Articles of Association.</u></p> <p><u>Any income received by a director in violation of this Article shall be returned to the Company; and such director shall be liable for damages for any losses incurred by the Company as a result.</u></p>
93.	/	<p><u>Article 194 Directors, supervisors and senior management officers shall comply with laws, administrative regulations and these Articles of Association, and owe a duty of diligence to the Company on the following obligations:</u></p> <p>(1) <u>exercise the rights conferred by the Company in a prudent, serious and diligent manner to ensure that the commercial acts of the Company have complied with the requirements of national laws, administrative regulations and various national economic policies, and the commercial activities are not beyond the scope of business prescribed by the business license;</u></p>

		<p><u>(2)</u> <b><u>treat all shareholders in a fair manner;</u></b></p> <p><u>(3)</u> <b><u>acquire a timely understanding on the operation and management of the business of the Company;</u></b></p> <p><u>(4)</u> <b><u>written confirmation of opinions for regular reports of the Company should be signed to ensure that all information disclosed by the Company are true, accurate and complete;</u></b></p> <p><u>(5)</u> <b><u>provide relevant information and data in a truthful manner to the board of supervisors, and not to obstruct the exercise of powers by the board of supervisors or supervisors;</u></b></p> <p><u>(6)</u> <b><u>other obligations of diligence as required by laws, administrative regulations, departmental rules and these Articles of Association.</u></b></p>
<u>94.</u>	<b>Article 183</b> Except for circumstances prescribed in Article 60 of the Articles of Association, a director, supervisor and senior management of the Company may be relieved from liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.	<b>Article 201</b> Except for circumstances prescribed in Article <b>61</b> of the Articles of Association, a director, supervisor and senior management of the Company may be relieved from liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.
<u>95.</u>	<b>Article 189</b> A loan guarantee provided by the Company in breach of paragraph 1 of Article 187 shall be unenforceable against the Company, except in circumstances where: <p>(1) the loan is provided to a Connected Person of a director, supervisor or senior management of the Company without the loan provider being aware of it;</p> <p>(2) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.</p>	<b>Article 207</b> A loan guarantee provided by the Company in breach of paragraph 1 of Article <b>205</b> shall be unenforceable against the Company, except in circumstances where: <p>(1) the loan is provided to a Connected Person of a director, supervisor or senior management of the Company without the loan provider being aware of it;</p> <p>(2) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.</p>

<p><u>96.</u></p>	<p><b>Article 192</b> The Company shall enter into a contract in writing with every director and supervisor of the Company concerning his emoluments. Such contract shall be approved by the general meeting before it is entered into. The above-mentioned emoluments shall include:</p> <ol style="list-style-type: none"> <li>(1) emoluments in respect of his service as a director, supervisor or senior management of the Company;</li> <li>(2) emoluments in respect of his service as a director, supervisor or senior management of a subsidiary of the Company;</li> <li>(3) emoluments otherwise in connection with the management of the Company or any subsidiary thereof; and</li> <li>(4) funds as compensation for his loss of office or retirement to the aforementioned directors and supervisors.</li> </ol> <p>A director or supervisor may not sue the Company for benefits due to him on the basis of the abovementioned matters, except under a contract as mentioned above.</p> <p>In addition, the Company shall enter into a contract in writing with each director, supervisor and senior management containing at least the following provisions:</p> <ol style="list-style-type: none"> <li>(1) an undertaking by the director, supervisor or senior management to the Company that he shall observe and comply with the Company Law, the Special Provisions, these Articles of Association and other regulations of the Hong Kong Exchange, and an agreement that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his office is assignable;</li> </ol>	<p><b>Article 210</b> The Company shall enter into a contract in writing with every director and supervisor of the Company concerning his emoluments. Such contract shall be approved by the general meeting before it is entered into. The above-mentioned emoluments shall include:</p> <ol style="list-style-type: none"> <li>(1) emoluments in respect of his service as a director, supervisor or senior management of the Company;</li> <li>(2) emoluments in respect of his service as a director, supervisor or senior management of a subsidiary of the Company;</li> <li>(3) emoluments otherwise in connection with the management of the Company or any subsidiary thereof; and</li> <li>(4) funds as compensation for his loss of office or retirement to the aforementioned directors and supervisors.</li> </ol> <p>A director or supervisor may not sue the Company for benefits due to him on the basis of the abovementioned matters, except under a contract as mentioned above.</p> <p>In addition, the Company shall enter into a contract in writing with each director, supervisor and senior management containing at least the following provisions:</p> <ol style="list-style-type: none"> <li>(1) an undertaking by the director, supervisor or senior management to the Company that he shall observe and comply with the Company Law, the Special Provisions, these Articles of Association and other regulations of the Hong Kong Exchange, and an agreement that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his office is assignable;</li> </ol>
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	<p>(2) an undertaking by the director, supervisor or senior management to the Company that he shall act as an agent for each shareholder to observe and comply with his obligations to shareholders stipulated in these Articles of Association; and</p> <p>(3) the arbitration clause as set out in Article 243 thereof.</p>	<p>(2) an undertaking by the director, supervisor or senior management to the Company that he shall act as an agent for each shareholder to observe and comply with his obligations to shareholders stipulated in these Articles of Association; and</p> <p>(3) the arbitration clause as set out in Article <b>263</b> thereof.</p>
<b>No.</b>	<b>Chapter 15 Financial Accounting System and Distribution of Profits</b>	<b>Chapter 15 Financial Accounting System and Distribution of Profits</b>
<u>97.</u>	<p><b>Article 196</b> The Company adopts the calendar year as its financial year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar.</p> <p>The Company shall prepare financial reports at the end of each financial year, and such reports shall be examined and verified according to laws.</p>	<p><b>Article 214</b> The Company adopts the calendar year as its financial year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar.</p> <p>The Company shall prepare financial reports at the end of each financial year, and such reports shall be examined and verified according to laws.</p> <p><b><u>The Company shall deliver the annual financial accounting report to the CSRC and the stock exchange within 4 months from the ending date of each accounting year, deliver the half-yearly financial accounting report to the branch of CSRC and the stock exchange within 2 months from the ending date of the first 6 months of each accounting year, and deliver the quarterly financial accounting report to the branch of CSRC and the stock exchange within 1 month from the ending date of the first 3 months and first 9 months of each accounting year.</u></b></p> <p><b><u>The financial accounting reports mentioned above shall be prepared in accordance with the requirements of the relevant laws, administrative regulations and departmental rules.</u></b></p>

98.	<p><b>Article 201</b> The Company must publish two financial reports in each financial year, namely an interim financial report within 60 days after the end of the first six months of the financial year and an annual financial report within 120 days after the end of the financial year.</p>	<p><b>Article 219</b> The Company must publish two financial reports in each financial year, namely an interim financial report within 60 days after the end of the first six months of each accounting year and an annual financial report within 120 days after the end of the financial year. <b><u>If the listing rules of the stock exchange on which the shares of the Company are listed have other requirements, such other requirements shall prevail.</u></b></p>
99.	<p><b>Article 202</b> The Company shall not maintain any account books other than statutory account books.</p>	<p><b>Article 220</b> The Company shall not maintain any account books other than statutory account books. <b><u>Assets of the Company must not be kept in any account opened in the name of any other individuals.</u></b></p>
100.	<p><b>Article 204</b> Where a company distributes its after-tax profits of the current year, it shall draw 10 percent of the profits as the Company's statutory common reserve. The Company may stop drawing if the accumulative balance of the common reserve has already accounted for not less than 50 percent of the Company's registered capital.</p> <p>If the accumulative balance of the Company's statutory common reserve is not enough to make up for the losses of the Company of the previous year, the current year's profits shall first be used for making up the losses before the statutory common reserve is drawn therefrom according to the provisions of the preceding paragraph. After the Company draws the statutory common reserve from the after-tax profits, it may, upon a resolution made by the general meeting, draw a discretionary common reserve from the after-tax profits.</p>	<p><b>Article 222</b> Where a company distributes its after-tax profits of the current year, it shall draw 10 percent of the profits as the Company's statutory common reserve. The Company may stop drawing if the accumulative balance of the common reserve has already accounted for not less than 50 percent of the Company's registered capital.</p> <p>If the accumulative balance of the Company's statutory common reserve is not enough to make up for the losses of the Company of the previous year, the current year's profits shall first be used for making up the losses before the statutory common reserve is drawn therefrom according to the provisions of the preceding paragraph. After the Company draws the statutory common reserve from the after-tax profits, it may, upon a resolution made by the general meeting, draw a discretionary common reserve from the after-tax profits.</p>

	<p>After the losses have been made up and common reserves have been drawn, the remaining profits shall be distributed to shareholders in light of their proportions of shares held, unless it is not permitted in the Articles of Association to distribute profits according to the proportions of shares held by shareholders.</p> <p>If the shareholders' general meeting or the Board distributes the profits by violating the provisions of the preceding paragraph before the losses are made up and the statutory common reserves are drawn, the profits distributed must be refunded to the Company.</p> <p>No profit shall be distributed in respect of the shares of the Company which are held by the Company.</p>	<p>After the losses have been made up and common reserves have been drawn, the remaining profits shall be distributed to shareholders in light of their proportions of shares held, unless it is not permitted in the Articles of Association to distribute profits according to the proportions of shares held by shareholders.</p> <p>If the shareholders' general meeting distributes the profits by violating the provisions of the preceding paragraph before the losses are made up and the statutory common reserves are drawn, the profits distributed must be refunded to the Company.</p> <p>No profit shall be distributed in respect of the shares of the Company which are held by the Company.</p>
101.	<p><b>Article 206</b> The Company may distribute dividends in one of the following forms (or in both forms):</p> <p>(1) cash;</p> <p>(2) shares.</p> <p>As for cash dividends and other payments to domestic shareholders, the Company shall pay in RMB, and such payments to holders of foreign shares will be denominated and declared in Renminbi and paid in foreign currency. Foreign currency required by the Company to pay cash dividends and other monies to holders of foreign shares shall be obtained in accordance with the relevant provisions on foreign exchange administration of the state.</p>	<p><b>Article 224</b> The Company may distribute dividends in one of the following forms (or in both forms):</p> <p>(1) cash;</p> <p>(2) shares;</p> <p><b>(3) <u>a combination of cash and shares;</u></b></p> <p><b>(4) <u>other forms as permitted by laws, administrative regulations, departmental rules and regulatory rules of the place of listing.</u></b></p> <p>As for cash dividends and other payments to domestic shareholders, the Company shall pay in RMB, and such payments to holders of foreign shares will be denominated and declared in Renminbi and paid in foreign currency. Foreign currency required by the Company to pay cash dividends and other monies to holders of foreign shares shall be obtained in accordance with the relevant provisions on foreign exchange administration of the state.</p>

102. /	<p>Article 229 <u>The profit distribution policy of the Company are as follows:</u></p> <p>(1) <u>Principles of dividend distribution: Fully consider and listen to the opinions of shareholders (particularly minority shareholders) and independent directors; handle the relationship between short-term interests and long-term development properly, profit distribution by the Company must not be harm the capability of sustainable operation of the Company; insist on the distribution of mainly cash dividends, emphasize on the reasonable return on investment for investors, maintain the continuity and stability of profit distribution, and comply with the relevant requirements of laws and regulations.</u></p> <p>(2) <u>Forms of profit distribution: Subject to compliance with the Company's principles of profit distribution, the Company may distribute dividends in the form of cash, shares or a combination of cash and shares, with a preference for cash dividends over script dividends. Where the conditions for distribution of cash dividends are fulfilled, profit distribution should be carried out in the form of distribution of cash dividends.</u></p>
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		<p><b><u>(3) Decision-making mechanism and procedures of profit distribution:</u></b> <b><u>The Company's profit distribution plan is formulated by the Board after considering various factors comprehensively, including the actual operating conditions of the Company, future profitability, operation and development plans, cash flow conditions, return on shareholders, cost of social capital and the external financing environment. When the Board prepares the annual profit distribution plan or interim profit distribution plan, it should conduct serious research and discussion on the timing, conditions, minimum ratio, adjustment conditions, decision-making procedures and requirements and other relevant issues for distribution of cash dividends by the Company, and a resolution should be passed by not less than one-half of all directors of the board and more than one-half of all independent directors. Independent directors should provide independent opinions on the profit distribution plan and make timely disclosure. Independent directors may solicit opinions from minority shareholders, propose dividend distribution plans and submit directly to the Board for consideration. Where the Company has profit for current year but the Board has not proposed a profit distribution plan inclusive of a distribution of cash dividends, the independent directors should express independent opinions, and the Company should disclose the reasons and the plan and arrangement of the Company on the use of retained funds.</u></b></p>
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		<p><u>Under special circumstances where the existing cash dividend policy or minimum cash dividend ratio cannot be followed to determine the profit distribution plan for the current year, the specific reasons and the explicit opinions of independent directors should be disclosed in the annual report; under such circumstances, the Company's profit distribution plan for current year must be passed by not less than two-thirds of the voting rights held by shareholders at a general meeting.</u></p> <p><u>The profit distribution plan, after consideration and approval by the Board, will be submitted to the general meeting for consideration and approval, the general meeting will vote on the profit distribution plan proposed by the Board in accordance with laws and regulations. Before the general meeting considers the specific plan on distribution of cash dividends, the Company should communicate and exchange with shareholders, particularly minority shareholders, through various channels for hearing opinions and requests sufficiently from minority shareholders, and giving timely responses to issues concerned by minority shareholders. The resolution on the dividend proposal shall be passed by not less than one-half of the voting rights held by shareholders or their proxies attending the general meeting.</u></p>
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		<p><u>If script dividend is adopted for profit distribution, the true and reasonable factors, such as the growth of the Company, dilution of net assets per share, should be considered, and script dividend may be distributed separately or in combination with cash dividend</u> When the Company distributes dividends by way of <u>script dividend or a combination of script and cash dividends, a special resolution is required to be considered and passed at the general meeting of the Company.</u></p> <p>(4) <u>Conditions, ratio and intervals of cash dividends.</u></p> <p><u>When the Company distributes cash dividends, the following conditions must be satisfied at the same time:</u></p> <ol style="list-style-type: none"><li>1. <u>the Company's amount of distributable profit for the year (that means, the remaining amount of after-tax profit after deduction of loss compensation and allocation of reserves) is positive;</u></li><li>2. <u>must not exceed the cumulative amount of distributable profit;</u></li><li>3. <u>the audit firm has issued a standard and unqualified audit report on the financial report of the Company for the year;</u></li><li>4. <u>no incident involving material investment plan or material cash expenditure has occurred in the Company (excluding capital-raising investment projects).</u></li></ol>
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		<p><u>Material investment plan or material cash expenditure refers to: the cumulative expenditure of the Company in the next 12 months on proposed external investment, acquisition of assets or purchase of equipment has reached or exceeded 30% of the audited total assets of the Company for the latest period and the amount exceeds RMB50 million.</u></p> <p><u>Subject to compliance with the aforementioned conditions for cash dividend distribution, the Board of the Company shall consider comprehensively the relevant factors, including the characteristics of the industry in which the Company operates, the stage of development, its own operation model, profit level and whether there is any arrangement on material capital expenditure, to identify the following circumstances and to propose a differentiated cash dividend distribution policy in accordance with the procedures stipulated in the Articles of Association:</u></p> <ol style="list-style-type: none"><li><u>1. the Company is in a mature development stage without any arrangement of material capital expenditure, when profit distribution is carried out, the ratio of cash dividends in this profit distribution shall reach a minimum ratio of 80%;</u></li><li><u>2. the Company is in a mature development stage with an arrangement of material capital expenditure, when profit distribution is carried out, the ratio of cash dividends in this profit distribution shall reach a minimum ratio of 40%;</u></li></ol>
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		<p><u>3. the Company is in a growth development stage with an arrangement of material capital expenditure, when profit distribution is carried out, the ratio of cash dividends in this profit distribution shall reach a minimum ratio of 20%;</u></p> <p><u>4. the development stage of the Company is not easy to identify but with an arrangement of material capital expenditure, treatment stipulated in the preceding clause may be followed.</u></p> <p><u>If capital funds of the Company have been utilized by shareholders in violation of regulations, the Company should deduct the dividends payable to such shareholders to recover the utilized funds.</u></p> <p><u>The profit distribution in the form of cash by the Company in each year shall not be less than 10% of the distributable profit realized in the current year, when conditions allow, the Board of the Company may propose the distribution of an interim cash dividend depending on the profitability of the Company to the extent permitted by the relevant regulations.</u></p>
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		<p><b><u>(5) Adjustment mechanism of profit distribution policy:</u></b></p> <p><b><u>The Company will discuss the adjustments to the profit distribution policy based on actual changes in the conditions of production and operation, capital requirements and long-term development The adjusted profit distribution policy is based on the principle of protecting the interest of shareholders and must not violate relevant laws and regulations and provisions of regulatory documents The proposal to adjust the profit distribution policy, together with opinions expressed by independent directors, will be considered by the Board before submission to the general meeting of the Company for approval, a resolution must be passed by not less than two-thirds of the voting rights held of shareholders attending the general meeting The general meeting of the Company adopts a combination of on-site voting and internet voting to facilitate convenient participation by minority shareholders in the decision-making process.</u></b></p>
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103.	/	<p><b>Article 230</b> <u>The Company implements an internal audit system which is equipped with the professional auditors to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company. The duties and responsibilities of the internal audit system and the audit staff of the Company shall be approved by the Board before implementation. The chief auditing officer is accountable, and reports, to the board of director.</u></p>
No.	<p align="center"><b>Chapter 16 Appointment of an Accounting Firm</b></p>	<p align="center"><b>Chapter 16 Appointment of an Accounting Firm</b></p>
104.	<p><b>Article 212</b> The Company shall engage an independent accounting firm that complies with relevant state regulations to audit the annual and other financial reports of the Company, and provide services such as auditing of accounting statements, verification of net assets and other relevant consultation.</p> <p>The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting.</p> <p>If the Company’s inaugural meeting does not exercise its power under the preceding paragraph, the Board shall exercise such power.</p>	<p><b>Article 231</b> The Company shall engage an independent accounting firm <u>that has obtained the “qualifications to engage in securities related business”</u> and complies with relevant state regulations to audit the annual and other financial reports of the Company, and provide services such as auditing of accounting statements, verification of net assets and other relevant consultation, <u>for a term of one year and subject to renewal after expiration.</u></p> <p>The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting.</p> <p>If the Company’s inaugural meeting does not exercise its power under the preceding paragraph, the Board shall exercise such power.</p>

105.	<p><b>Article 213</b> An accounting firm engaged by the Company shall have the following rights:</p> <ol style="list-style-type: none"> <li>(1) the right of access at any time to the account books, records or vouchers of the Company and the right to require directors and other senior management of the Company to provide the relevant information and explanations;</li> <li>(2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;</li> <li>(3) the right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.</li> </ol>	<p><b>Article 233</b> An accounting firm engaged by the Company shall have the following rights:</p> <ol style="list-style-type: none"> <li>(1) the right of access at any time to the account books, records or vouchers of the Company and the right to require directors and other senior management of the Company to provide the relevant information and explanations;</li> <li>(2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;</li> <li>(3) the right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.</li> </ol> <p><b><u>The Company warrants that true and complete accounting documents, accounting ledgers and books, financial accounting reports and other accounting information shall be provided to the engaged accounting firm, no refusal, concealment or false report is allowed.</u></b></p>
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<p>106.</p>	<p><b>Article 218</b> Where the Company dismisses or does not reappoint an accounting firm, it shall notify the accounting firm in advance. The accounting firm is entitled to present its views to the general meeting. Where an accounting firm proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.</p> <p>(1) The accounting firm may resign from its post through the place of resignation notice in writing at the legal address of the Company. Such notice shall take effect upon the date it is placed at the legal address of the Company or a later date as specified in the notice. And the notice shall include the following statements:</p> <ol style="list-style-type: none"> <li>1. that its resignation does not involve any announcement to shareholders or creditors of the Company; or</li> <li>2. any other such circumstances that shall be presented.</li> </ol> <p>(2) Within 14 days upon the receipt of such notice in writing as referred to in paragraph (1) of this Article, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains statements as above mentioned in paragraph (1) 2 of this Article, the Company shall prepare and place copies of such statement at the company for inspection by shareholders. The Company shall also deliver copies of such foregoing statements with postage prepaid mail to each holder of overseas-listed foreign shares by the address registered in the shareholders register, or, under the premise subject to applicable laws, regulations and listing rules, post such information at the company website or a site specified by the stock exchange of the place in which the Company's shares are listed.</p>	<p><b>Article 238</b> Where the Company dismisses or does not reappoint an accounting firm, it shall notify the accounting firm <b>15 days</b> in advance. The accounting firm is entitled to present its views to the general meeting <b>when the proposal to dismiss the accounting firm is presented for voting at the general meeting of the Company.</b> Where an accounting firm proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.</p> <p>(1) The accounting firm may resign from its post through the place of resignation notice in writing at the legal address of the Company. Such notice shall take effect upon the date it is placed at the legal address of the Company or a later date as specified in the notice. And the notice shall include the following statements:</p> <ol style="list-style-type: none"> <li>1. that its resignation does not involve any announcement to shareholders or creditors of the Company; or</li> <li>2. any other such circumstances that shall be presented.</li> </ol> <p>(2) Within 14 days upon the receipt of such notice in writing as referred to in paragraph (1) of this Article, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains statements as above mentioned in paragraph (1) 2 of this Article, the Company shall prepare and place copies of such statement at the company for inspection by shareholders. The Company shall also deliver copies of such foregoing statements with postage prepaid mail to each holder of overseas-listed foreign shares by the address registered in the shareholders register, or, under the premise subject to applicable laws, regulations and listing rules, post such information at the company website or a site specified by the stock exchange of the place in which the Company's shares are listed.</p>
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	(3) If the accounting firm's resignation notice contains any statement referred to in paragraph (1) 2 of this Article, the accounting firm may request the Board to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.	(3) If the accounting firm's resignation notice contains any statement referred to in paragraph (1) 2 of this Article, the accounting firm may request the Board to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.
<b>No.</b>	<b>Chapter 17 Merger, Demerger, Dissolution and Liquidation Section 1 Merger and Demerger</b>	<b>Chapter 17 Merger, Demerger, Dissolution and Liquidation Section 1 Merger and Demerger</b>
<u>107.</u>	<p><b>Article 220</b> The merger of a company may be effected by way of merger or consolidation.</p> <p>As for a merger, both parties to the merger shall conclude an agreement with each other and prepare balance sheets and checklists of properties. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on its merger and shall make announcement on newspaper three (3) times within thirty (30) days of the date of the Company's resolution on its merger.</p> <p>In the case of a merger, the respective accounts payable and receivable will be inherited by the continuing company, or the newly formed company after the merger.</p>	<p><b>Article 240</b> The merger of a company may be effected by way of merger or consolidation.</p> <p><b><u>A merger by absorption occurs when a company absorbs other companies and the absorbed companies are dissolved</u></b> <b><u>A consolidation occurs when not less than two companies are merged to establish a new company and the merging parties are dissolved.</u></b></p> <p>As for a merger, both parties to the merger shall conclude an agreement with each other and prepare balance sheets and checklists of properties The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on its merger and shall make announcement on newspaper three (3) times within thirty (30) days of the date of the Company's resolution on its merger.</p> <p><b><u>Creditors may request the Company to fully repay the debts or provide the corresponding guarantees within 30 days from the receipt of notice, or if the notice has not been received, within 45 days from the date of the announcement.</u></b></p> <p>In the case of a merger, the respective accounts payable and receivable will be inherited by the continuing company, or the newly formed company after the merger.</p>

<u>108.</u>	<b>Article 222</b> Where any of the registered items is changed during the process of merger or demerger of a company, the Company shall go through modification registration with the Company registration authority. If it is dissolved, it shall be deregistered according to the law. If any new company is established, it shall go through the procedures for company establishment according to the law.	<b>Article 242</b> Where any of the registered items is changed during the process of merger or demerger of a company, the Company shall go through modification registration with the Company registration authority. If it is dissolved, it shall be deregistered according to the law. If any new company is established, it shall go through the procedures for company establishment according to the law.  <b><u>When the Company increases or reduces registered capital, it should complete the procedures for change of registration with the company registration authority in accordance with the laws.</u></b>
<b>No.</b>	<b>Section 2 Dissolution and Liquidation</b>	<b>Section 2 Dissolution and Liquidation</b>
<u>109.</u>	<b>Article 223</b> Company shall be dissolved under any of the following circumstances:  (1) The term of operation expires;  (2) The general meeting decides to dissolve it;  (3) It is necessary to be dissolved due to merger or demerger of the Company;  (4) The Company is declared bankrupt according to the law for being unable to pay its due debts;  (5) Its business license is canceled or it is ordered to close down or to be dissolved according to the law; or	<b>Article 243</b> The Company shall be dissolved under any of the following circumstances:  (1) The term of operation expires;  (2) The general meeting decides to dissolve it;  (3) It is necessary to be dissolved due to merger or demerger of the Company;  (4) The Company is declared bankrupt according to the law for being unable to pay its due debts;  (5) Its business license is canceled or it is ordered to close down or to be dissolved according to the law; or

	<p>(6) The Company has great difficulties in operation or management and cannot be solved by any other means, so that the interests of the shareholders will be subject to heavy loss if it continues to exist. The shareholders who hold ten percent or more of the voting rights of all the shareholders of the Company may plead the people’s court to dissolve the Company;</p> <p>(7) Any of the matters for dissolution as stipulated in these Articles of Association appears.</p>	<p>(6) The Company has great difficulties in operation or management and cannot be solved by any other means, so that the interests of the shareholders will be subject to heavy loss if it continues to exist. The shareholders who hold ten percent or more of the voting rights of all the shareholders of the Company may plead the people’s court to dissolve the Company;</p> <p>(7) Any of the matters for dissolution as stipulated in these Articles of Association appears.</p> <p><b><u>In the circumstances of item (1) mentioned in the first paragraph of this Article, the Company may continue to survive by amending these Articles of Association.</u></b></p> <p><b><u>If these Articles of Association are amended according to the provisions of the preceding paragraph, such amendment must be approved by a resolution passed by not less than two-thirds of the voting rights held by shareholders attending the general meeting.</u></b></p>
<p><u>110.</u></p>	<p><b>Article 224</b> Where the Company is dissolved according to the provisions of Article 223 (1), (2) or (6) of these Articles of Association, a liquidation committee shall be formed within 15 days as of the occurrence of the causes of dissolution, to carry out a liquidation. The liquidation committee shall comprise the directors or any other people as determined by the general meeting. Where no liquidation group is formed within the time limit, the creditors may plead the people’s court to designate relevant persons to form a liquidation group.</p>	<p><b>Article 244</b> Where the Company is dissolved according to the provisions of Article <b>243</b> (1), (2), <b>(5)</b>, <b>(6)</b> or <b>(7)</b> of these Articles of Association, a liquidation committee shall be formed within 15 days as of the occurrence of the causes of dissolution, to carry out a liquidation The liquidation committee shall comprise the directors or any other people as determined by the general meeting. Where no liquidation group is formed within the time limit, the creditors may plead the people’s court to designate relevant persons to form a liquidation group.</p>

	<p>Where the Company is dissolved according to the provisions of Article 223 (4) of these Articles of Association, the people’s court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.</p> <p>Where the Company is dissolved according to the provisions of Article 223 (5) of these Articles of Association, the relevant authorities shall arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation, or Company shall carry out liquidation with reference to paragraph (1) of this article.</p>	<p>Where the Company is dissolved according to the provisions of Article <b>243</b> (4) of these Articles of Association, the people’s court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.</p>
<p><u>111.</u></p>	<p><b>Article 229</b> In case of liquidation upon dissolution, if the liquidation committee notices that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing balance sheets and checklists of properties, it shall immediately apply to the people’s court to declare bankruptcy.</p> <p>Once the people’s court declares the bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the people’s court.</p>	<p><b>Article 249</b> In case of liquidation upon dissolution, if the liquidation committee notices that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing balance sheets and checklists of properties, it shall immediately apply to the people’s court to declare bankruptcy.</p> <p>Once the people’s court declares the bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the people’s court.</p> <p><b><u>If the Company is declared bankrupt in accordance with the laws, liquidation shall be implemented pursuant to the laws on corporate winding up.</u></b></p>

No.	Chapter 19 Notice	Chapter 19 Notice and <u>Announcements</u>
112.	<p><b>Article 238</b> Notices of the Company may be served through means as follows:</p> <ol style="list-style-type: none"> <li>(1) delivery by hand;</li> <li>(2) by post;</li> <li>(3) by fax or email;</li> <li>(4) subject to the law, regulations and listing rules of the place(s) in which the shares of the Company are listed, post at the Company's website or such website designated by relevant stock exchange;</li> <li>(5) by public announcement;</li> <li>(6) the prescribed means between the Company and the recipient or the confirmed means by such recipient; or</li> <li>(7) other means approved by the relevant regulatory agency of the listing place or as set out in these Articles of Association.</li> </ol> <p>Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.</p>	<p><b>Article 258</b> Notices of the Company may be served through means as follows:</p> <ol style="list-style-type: none"> <li>(1) delivery by hand;</li> <li>(2) by post;</li> <li>(3) by fax or email;</li> <li>(4) subject to the law, regulations and listing rules of the place(s) in which the shares of the Company are listed, post at the Company's website or such website designated by relevant stock exchange;</li> <li>(5) by public announcement;</li> <li>(6) the prescribed means between the Company and the recipient or the confirmed means by such recipient; or</li> <li>(7) other means approved by the relevant regulatory agency of the listing place or as set out in these Articles of Association.</li> </ol> <p>Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.</p>

<p>Unless the context otherwise requires, “announcement” referred to in these Articles of Association shall refer to (i) if issued to shareholders of domestic shares and shareholders of unlisted foreign shares or within the PRC in accordance with relevant regulations and these Articles of Association, the announcement published in such Chinese newspapers as specified by the Chinese laws and regulations or the State securities regulatory agency; and (ii) if issued in Hong Kong to holders of H shares in accordance with the relevant provisions or these Articles of Association, announcement being published in Hong Kong newspapers specified in relevant listing rules. All notices or other documents required under Chapter 13 of the Listing Rules to be sent by the Company to shall be in the English language, or accompanied by a certified English translation.</p> <p>Under the premise of the Company’s observation to the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to holders of the overseas-listed foreign shares in accordance with requirements of such listing rules, the Company may also electronically or at the company’s website or such website of the stock exchange post such information so as to send out such information to such holders, instead of such delivery by hand or postage prepaid mail.</p>	<p>Unless the context otherwise requires, “announcement” referred to in these Articles of Association shall refer to (i) if issued to shareholders of domestic shares or within the PRC in accordance with relevant regulations and these Articles of Association, the announcement published in such Chinese newspapers as specified by the Chinese laws and regulations or the State securities regulatory agency; and (ii) if issued in Hong Kong to holders of H shares in accordance with the relevant provisions or these Articles of Association, announcement being published in Hong Kong newspapers specified in relevant listing rules. All notices or other documents required under Chapter 13 of the Listing Rules to be sent by the Company to shall be in the English language, or accompanied by a certified English translation.</p> <p>Under the premise of the Company’s observation to the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to holders of the overseas-listed foreign shares in accordance with requirements of such listing rules, the Company may also electronically or at the company’s website or such website of the stock exchange post such information so as to send out such information to such holders, instead of such delivery by hand or postage prepaid mail.</p>
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113.	/	<p><b>Article 262</b> <u>The Company has designated any one of the following newspapers, including China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily, and the official website of the Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>) as the media for publication of the Company's announcements and other required disclosure of information with effect from the date of listing and dealing of the shares of the Company on the Science and Technology Innovation Board of Shanghai Stock Exchange.</u></p>
<b>No.</b>	<b>Chapter 20 Settlement of Disputes</b>	<b>Chapter 20 Settlement of Disputes</b>
114.	<p><b>Article 242</b> The Company shall comply with the following rules in settling disputes:</p> <p>(1) Whenever any disputes or claims arise from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between (i) the Company and its directors or senior management; and (ii) a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director or supervisor or the general manager or other senior management of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares or a holder of unlisted foreign shares, the parties concerned shall resolve such disputes and claims through arbitration.</p>	<p><b>Article 263</b> The Company shall comply with the following rules in settling disputes:</p> <p>(1) Whenever any disputes or claims arise from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between (i) the Company and its directors or senior management; and (ii) a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director or supervisor or the general manager or other senior management of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such disputes and claims through arbitration.</p>

<p>Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are shareholders, directors, supervisors, general manager or other senior management of the Company or the Company, shall submit to arbitration.</p> <p>Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.</p> <p>(2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.</p> <p>If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.</p>	<p>Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are shareholders, directors, supervisors, general manager or other senior management of the Company or the Company, shall submit to arbitration.</p> <p>Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.</p> <p>(2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.</p> <p>If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.</p>
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	<p>(3) The laws of People’s Republic of China shall govern the arbitration of disputes or claims described in clause (1) above, unless otherwise provided by the law or administrative regulations.</p> <p>(4) The award of the arbitral body is final and shall be binding on the parties thereto.</p>	<p>(3) The laws of People’s Republic of China shall govern the arbitration of disputes or claims described in clause (1) above, unless otherwise provided by the law or administrative regulations.</p> <p>(4) The award of the arbitral body is final and shall be binding on the parties thereto.</p>
<b>No.</b>	<b>Chapter 21 Supplementary Articles</b>	<b>Chapter 21 Supplementary Articles</b>
<u>115.</u>	<b>Article 243</b> Definition	<b>Article 264</b> Definition
	<p>(1) In these Articles of Association, “acting in concert” means the act of two or more people that in form of agreement (whether oral or written) reaching a consensus that, through take-over of the Company’s voting rights by any one of them to achieve the purpose of controlling the Company or to consolidate such control;</p> <p>(2) A “de facto controller” means a person, though not a shareholder, but through investment relationship, agreement, or other arrangement, can actually control the activities of the Company;</p> <p>(3) “Associated relationship” is the relationship between the controlling shareholder, de facto controller, directors, supervisors or senior management, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company’s interests. However, enterprises owned by the State will not be regarded as having associated relationship only because they are owned by the State.</p>	<p>(1) In these Articles of Association, “acting in concert” means the act of two or more people that in form of agreement (whether oral or written) reaching a consensus that, through take-over of the Company’s voting rights by any one of them to achieve the purpose of controlling the Company or to consolidate such control;</p> <p>(2) A “de facto controller” means a person, though not a shareholder, but through investment relationship, agreement, or other arrangement, can actually control the activities of the Company;</p> <p>(3) “Associated relationship” is the relationship between the controlling shareholder, de facto controller, directors, supervisors or senior management, and enterprises directly or indirectly controlled by them, other relationships which may possibly cause the transfer of the Company’s interests, <b><u>as well as the relationship between related parties or connected persons as defined in the listing rules of the stock exchange where the shares of the Company are listed.</u></b> However, enterprises owned by the State will not be regarded as having associated relationship only because they are owned by the State.</p>

116.	<p><b>Article 245</b> The term “accounting firm” as used in these Articles of Association shall have the same meaning as “auditor”.</p>	<p><b>Article 266</b> The term “accounting firm” as used in these Articles of Association shall have the same meaning as “auditor”. <u>Unless otherwise specified in the relevant national laws, administrative regulations and the relevant regulatory rules of the place where the shares of the Company are listed, “independent non-executive director” mentioned in these Articles of Association shall have the same meaning as “independent director”.</u></p>
117.	/	<p><b>Article 269</b> <u>The Board may formulate the details of the Articles of Association in accordance with the provisions herein The details of the Articles of Association shall not contravene the provisions of these Articles of Association. The appendices to these Articles of Association include the Rules of Procedure for General Meeting, the Rules of Procedure for Meetings of the Board and the Rules of Procedure for Meetings of the Board of supervisors.</u></p>
118.	/	<p><b>Article 270</b> <u>After consideration and approval by the general meeting of the Company, these Articles of Association shall come into force and be adopted from the date of listing of the shares of the Company on the Science and Technology Innovation Board of Shanghai Stock Exchange.</u></p>

*Note:* If there is any inconsistency between the English and Chinese versions of Articles of Association, the Chinese version shall prevail.

**CHAPTER I GENERAL**

**Article 1** In order to standardize the behavior of CanSino Biologics Inc. (hereinafter referred to as the “Company”) and ensure that the shareholders’ meeting exercises its powers according to the law, these Rules shall be formulated in accordance with the laws and regulations including the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), Securities Law of the People’s Republic of China and Mandatory Provisions for Companies Listing Overseas, as well as the Rules Governing the Listing of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (hereinafter referred to as “the SSE STAR Market Listing Rules”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and Articles of Association of the Company (hereinafter referred to as the “Articles of Association”).

**Article 2** The Company shall convene the shareholders’ meeting in strict accordance with the laws, administrative regulations, the SSE STAR Market Listing Rules, Hong Kong Listing Rules, Articles of Association and the relevant provisions of these Rules to ensure that shareholders can exercise the powers according to the law.

**Article 3** The Board of Directors of the Company shall perform its duties earnestly and carefully organize the shareholders’ meeting on time. All directors of the Company shall perform their duties diligently to ensure that the shareholders’ meeting will be convened in a good manner and their functions and powers will be exercised according to the law.

**CHAPTER II GENERAL PROVISIONS OF SHAREHOLDERS’ MEETING**

**Article 4** The shareholders’ meeting shall exercise its functions and powers within the scope prescribed by the Company Law and the Articles of Association.

**Article 5** Except when the Company is under a special circumstance such as a crisis, the Company shall not, without a prior approval by a special resolution at a general meeting, enter into a contract to handover all or part of the management of important matters of the Company to a person other than to a director, supervisor, general manager or other senior management.

**Article 6** The general meetings shall include annual general meetings and extraordinary general meetings. Annual meetings shall be convened once a year and shall be held within six months from the end of the preceding financial year.

The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (1) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association of the Company;

- (2) The losses of the Company that have not been made up reach one-third of the total share capital of the Company;
- (3) Shareholders who individually or jointly hold not less than 10% of issued shares with voting rights of the Company require in writing an extraordinary shareholders' general meeting to be convened;
- (4) Whenever the Board considers necessary;
- (5) When the board of supervisors proposes a meeting;
- (6) Other circumstances prescribed by the law, administrative regulations, departmental regulations or these Articles of Association.

**Article 7** The venue to hold a general meeting of the Company shall be the domicile of the Company or other specific location informed by the convener of the general meeting.

The Company shall arrange for the venue for a physical meeting to be held. Such meeting may also be held by way of internet voting for the convenience of shareholders attending the general meetings. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

After the notice of a general meeting has been issued, the venue for holding the physical general meeting shall not be changed without a proper reason. If a change is necessary, the convener shall issue an announcement at least two working days prior to the date when the physical meeting is to be held and explain the reasons.

**Article 8** When the Company convenes a general meeting, a solicitor may be engaged to provide legal advice and make announcement on the following issues:

- (1) whether the procedures for convening and holding the meeting comply with the laws, administrative regulations and these Articles of Association;
- (2) whether the eligibility of the attendants and the qualification of the convener are lawful and valid;
- (3) whether the voting process and voting results are lawful and valid;
- (4) legal advice provided on other issues at the request of the Company.

**CHAPTER III CONVENING OF SHAREHOLDERS' MEETING**

**Article 9** The Board of Directors shall convene shareholders' meeting on time in accordance with the Articles of Association and these Rules.

**Article 10** Independent directors are entitled to propose an extraordinary general meeting to the Board. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within five days upon making the decision. If the Board does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.

**Article 11** The board of supervisors is entitled to propose an extraordinary general meeting to the Board, which shall be made in writing. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within five days of the decision. Any changes made to the original request in the notice shall be agreed by the board of supervisors.

If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, it shall be deemed as failing or not discharging its duties to convene the general meeting. The board of supervisors shall then be entitled to convene and hold the meeting itself.

**Article 12** Shareholders who, individually or jointly, hold not less than 10% of the shares of the Company shall have the right to request the board of directors to convene an extraordinary general meeting or class meeting for shareholders, and shall submit the request in writing to the board of directors. The board of directors shall provide a reply in writing within 10 days after receipt of the request to express consent or objection to the convening of an extraordinary general meeting or class meeting in accordance with the requirements of the laws, administrative regulations and these Articles of Association.

If the board of directors consents to hold an extraordinary general meeting or class meeting of shareholders, it should issue a notice of general meeting within five days after the resolution is approved by the board of directors, any change to the original request in the notice shall be subject to consent from the relevant shareholders.

If the board of directors disagrees to hold an extraordinary general meeting or class meeting for shareholders, or fails to give a reply within 10 days after receiving the request, shareholders who, individually or jointly, hold not less than 10% of the shares of the Company shall have the right to propose to the board of supervisors to convene an extraordinary general meeting or a class meeting of shareholders, and the request shall be submitted to the board of supervisors in writing.

If the board of supervisors consents to hold an extraordinary general meeting or class meeting of shareholders, it should issue a notice of general meeting within five days after receiving the request, any change to the original request in the notice shall be subject to consent from the relevant shareholders.

If the board of supervisors fails to issue a notice of general meeting within the prescribed period, the board of supervisors is deemed to refuse to convene and preside over the general meeting, and shareholders who, individually or jointly, hold not less than 10% shares of the Company for not less than 90 consecutive days may convene and preside over a general meeting.

**Article 13** Where the board of supervisors or shareholders convenes a meeting in accordance with the provisions of this section, a written notice shall be sent to the board of directors and filed with the securities regulatory authority where the Company is located and relevant stock exchange in accordance with applicable provisions. Before the announcement of the resolution on general meeting, the shareholding held by the convening shareholders shall not be less than 10%. When the convening shareholders issue a notice of general meeting and announcement on the resolution on general meeting, the relevant materials of evidence shall be submitted to the CSRC branch or stock exchange at the place where the Company is located. The board of directors and the secretary to the board of directors shall cooperate in terms of such meetings. The board of directors shall provide the register of shareholders on the shareholding record date.

The necessary expenses incurred for the general meetings convened by the board of supervisors or shareholders shall be borne by the Company.

#### **CHAPTER IV PROPOSAL AND NOTICE OF SHAREHOLDERS' MEETING**

**Article 14** The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and these Articles of Association.

**Article 15** When a general meeting is held by the Company, the board of directors, board of supervisors or shareholders who individually or jointly holding not less than 3% of the shares of the Company may propose resolutions to the Company.

Shareholders who individually or jointly holding not less than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 working days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals.

If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 14 herein, no voting for decision should be held at the general meeting.

**Article 16** Where a general meeting is convened by the Company, it shall issue a written notice 45 days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. Shareholders who intend to attend the general meeting shall deliver their written replies to the Company 20 days prior to the meeting.

When calculating the time limit of the notice, the date of the meeting and the issue date of the notice shall be excluded.

**Article 17** The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting based on the written replies received 20 days prior to the holding of the general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches no less than one half of the total number of the Company's voting shares, the Company may hold the general meeting. If not, the Company shall within five days inform the shareholders again by public notice of the matters to be considered as well as the date and place of the meeting. Upon notification by the public announcement, the Company may hold the general meeting.

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

**Article 18** Notice of the shareholders' general meeting shall:

- (1) be made in writing;
- (2) include the time, place and duration of the meeting;
- (3) specify the matters to be deliberated at the meeting;
- (4) specify the record date for shareholders who are entitled to attend the meeting;

- (5) provide to the shareholders of the detailed information and explanations necessary for the Shareholders to make sound decisions about the matters to be deliberated. This principle includes, but is not limited to, the provision of the detailed terms and contract(s), if any, of the proposed transaction(s) and proper explanations about related causes and effects when our Company proposes merger/s, redemption of shares, restructuring of stock capital or other restructuring;
- (6) in the event that any of the directors, supervisors, managers or other senior management has material interests at stake in matters to be deliberated, include the nature and extent of the interests at stake shall be disclosed. If the matters to be deliberated affect any director, supervisor, manager or other senior management as a shareholder in a manner different from how they affect other shareholders of the same type, the difference shall be explained;
- (7) include the full text of any special resolution to be proposed for adoption at the meeting;
- (8) include a clear explanation in writing indicating that the shareholder who is entitled to attend and vote at the shareholders' general meeting is entitled to appoint one or more entrusted proxies to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily be shareholders;
- (9) specify delivery time and place of the power of attorney for proxy voting at the meeting; and
- (10) specify the name and telephone number of the contact person.

The duration between the record date of shareholdings and the date of meeting shall be subject to the requirements of the relevant regulatory authority in the place of listing of the securities of the Company. The record date of shareholding, once confirmed, shall not be changed.

The notice and supplemental notice of a general meeting should sufficiently and fully disclose all the specific contents of all proposals. Matters for discussion that require opinions from independent directors, the opinions and reasons provided by independent directors shall be disclosed at the same time when the notice or supplemental notice of the general meeting is issued.

**Article 19** For matter of discussion which involve the election of directors and supervisors, the notice of meeting shall fully disclose the detailed information of the candidates for such directors and supervisors, which should at least include the following:

- (1) personal information such as their education background, work experience and part-time job, if any;

- (2) whether they are associated with the Company or the controlling shareholders and de facto controller of the Company;
- (3) disclosure of their shareholdings in the Company;
- (4) whether or not they have been penalized by CSRC or other related securities regulatory departments and the stock exchange.

Unless a director or supervisor is elected via the accumulative voting system, each candidate of director or supervisor shall be individually proposed.

**Article 20** Notice of general meeting shall be served to any shareholder (whether he has voting rights on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or by publication on the Company's website or other website designated by stock exchange where the Company's shares are listed, subject to compliance with all applicable laws, regulations and listing rules. For holders of domestic shares, the notice of a general meeting may also be given by public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within 45 and 50 days before holding of the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice of the general meeting.

**Article 21** After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make a public announcement giving reasons within two working days before the scheduled date, unless otherwise prescribed in listing rules of the place(s) in which the shares of the Company are listed (if so, the latter shall prevail).

**Article 22** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

#### CHAPTER V CONVENING OF SHAREHOLDERS' MEETING

**Article 23** The board of directors of the Company and other conveners will take necessary measures to ensure the normal order of the general meeting. Any acts of interfering with the general meeting, stirring up arguments and infringing against the lawful interest of shareholders will be stopped by adopting measures and be reported to the relevant authority for investigation and penalty.

**Article 24** All shareholders on the register of shareholders on the shareholding record date or their proxies shall be entitled to attend the general meeting, and vote in accordance with the provisions of relevant law, regulations and these Articles of Association.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf.

Such proxies may exercise the following rights as entrusted by the shareholder:

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

**Article 25** An individual shareholder who attends the general meeting in person shall present his own identity card or other valid proof or certification or stock account card capable of confirming his identity; if a proxy is appointed to attend the meeting, the proxy should present his own valid identity document and the form of proxy authorized by the shareholder.

If a shareholder is a corporate legal person, its legal representative or a proxy appointed by its legal representative should attend the meeting. If its legal representative attends the meeting in person, he should present his identity card or other valid proof capable of proving his qualification of being the legal representative; if a proxy is appointed to attend the meeting, the proxy should present his own identity card or the authorized form of proxy in writing issued by the legal representative of the corporate legal person in accordance with the laws.

**Article 26** The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or attorney duly authorized.

The instrument issued by the shareholder to authorize another person to attend the general meeting shall specify the following contents:

- (1) name of the proxy;
- (2) whether the proxy has voting rights;

- (3) indication of consent, objection or abstention concerning each proposal for resolution on the general meeting agenda;
- (4) date of signing of instrument and term of validity;
- (5) signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed.
- (6) number of shares represented by such proxy;
- (7) if more than one proxy is appointed, the number of shares represented by each proxy respectively.

**Article 27** The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting before 24 hours prior to the meeting at which the proxy is authorized to vote or before 24 hours prior to the specified time of the voting. Where the instrument is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's general meetings as the representative of such legal person.

**Article 28** Any form issued by the Board to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting.

The proxy form shall state that if the shareholder does not give specific instructions, whether the proxy may shall vote at his own discretion.

**Article 29** Where the entrusting party has deceased, incapacitated to act, withdrawn the appointment or withdrawn the signed appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before commencement of the relevant meeting.

**Article 30** A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the principal.

**Article 31** The convener and the lawyer engaged by the Company shall examine legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.

**Article 32** All directors, supervisors and secretary to the Board of the Company shall attend general meetings, and the general manager and other senior management officers shall attend the meeting as non-voting participants.

**Article 33** The general meeting shall be presided by the chairman of the Board. Where the chairman of the Board is unable to or fails to perform his duty, the meeting shall be presided by the vice chairman of the Board (where the Company has two or more vice chairmen, the meeting shall be presided by the vice chairman elected by not less than one-half of all directors). Where the vice chairman of the Board is unable to or fails to perform his duty, a director elected by not less than one-half of all directors shall preside over the meeting.

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

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one-half of the attending shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

**Article 34** In the annual general meeting, the board of directors and the board of supervisors shall report their work during the past year to the general meeting. Each independent non-executive director shall also present a work report.

**Article 35** Directors, supervisors and senior management shall explain and answer the enquiries and suggestions from shareholders at the general meeting.

**Article 36** The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

**Article 37** The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall include the following:

- (1) time, venue and agenda of the meeting and names of the convener;
- (2) the name of the meeting chairman and the names of the directors, supervisors, general manager and other senior management officers attending or present at the meeting;
- (3) the numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (4) the process of review and discussion, summary of any speech and voting results of each proposal;
- (5) shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (6) names of lawyer, vote counters and scrutinizer of the voting;
- (7) other contents to be included in the minutes as specified in these Articles of Association.

**Article 38** The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board, conveners and their representatives and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than 10 years.

**Article 39** The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately

followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the place(s) in which the shares of the Company are listed. At the same time, the convener shall report to the CSRC branch and the stock exchange of the place where Company is located.

## **CHAPTER VI VOTING AND RESOLUTIONS OF SHAREHOLDERS' MEETING**

**Article 40** Resolutions of the general meeting include ordinary resolutions or special resolutions.

Ordinary resolution at a general meeting shall be passed by not less than one-half of the voting shares held by shareholders (including their proxies) attending the general meeting.

Special resolution at a general meeting shall be passed by not less than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

**Article 41** When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.

When the general meeting considers a material event that may affect the interest of minority shareholders, the votes of minority shareholders should be counted separately. Such result of the separate vote-counting should be disclosed to the public in a timely manner.

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

Subject to and conditional upon compliance with applicable laws, regulations and/or requirements of the listing rules of the place(s) in which the shares of the Company are listed, the Board, independent directors and other shareholders who qualify with relevant specified conditions may openly solicit voting rights from shareholders. Solicitation of voting rights from shareholders should make sufficient disclosure of information, including the specific voting intention, to persons from whom such voting rights are solicited. Solicitation of voting rights from shareholders by offering money or other forms of consideration is forbidden. The Company shall not set a minimum shareholding limit for voting right solicitation.

When the general meeting considers related party transactions, the related shareholders shall not participate in the voting, his shares held with voting rights will not be counted within the total number of valid votes. The announcement on the resolutions of the general meeting shall fully disclose the voting results of the non-related shareholders. If the applicable laws, administrative regulations, departmental rules, regulatory documents or listing rules of the place where the shares of the Company are listed stipulate otherwise, such provisions shall prevail.

**Article 42** Voting at general meeting will record the name of the voter, that is, by open ballot, or other methods of voting as required under the securities regulatory rules of the place where the shares of the Company are listed.

**Article 43** If a poll is demanded for the election of the chairman or the adjournment of the meeting, such matters shall be resolved by poll immediately; in respect of a poll demanded for other matters, the time for such a poll shall be decided by the chairman of the meeting and other business may be proceeded with at the meeting. The result of such a poll shall still be deemed as a resolution passed at the meeting.

**Article 44** When a poll is taken at a meeting, a shareholder (including proxies) who have the right to two or more votes need not cast all his votes in the same way for or against a resolution.

**Article 45** When the number of votes for and against a resolution is equal, the chairman of the meeting shall be entitled to one additional vote.

**Article 46** The following matters shall be passed by ordinary resolutions at a general meeting:

- (1) work reports of the board of directors and the board of supervisors;
- (2) profit distribution plan and loss compensation plan proposed by the board of directors;
- (3) appointment and dismissal, remuneration and payment method of members of the board of directors and the board of supervisors;
- (4) annual report, balance sheet, income statement and other financial statements of the Company;
- (5) engagement or removal of accounting firms;
- (6) other matters except for those have to be passed by special resolutions as required under the laws, administrative regulations or these Articles of Association.

**Article 47** The following matters shall be passed by special resolutions at a general meeting:

- (1) the increases or reduction of registered capital, issuance of any class of shares, warrants and other similar securities;
- (2) issuance of corporate bonds;

- (3) division, combination, dissolution and liquidation of the Company;
- (4) variation of corporate form of the Company;
- (5) purchase or disposal of major assets by the Company within one year or the amount of guarantee exceeds 30% of the audited total assets of the Company for the latest period;
- (6) revision of the Articles of Association;
- (7) share incentive plans;
- (8) other matters that have to be passed by special resolutions in accordance with the laws, administrative regulations or these Articles of Association and matters confirmed by ordinary resolutions at general meetings to have material impact on the Company.

**Article 48** Subject to assurance that the general meeting is lawful and valid, the Company should prioritize the provision of an internet-based voting platform or other modern information technology means through various methods and channels to facilitate shareholders to attend the general meeting conveniently.

**Article 49** The list of candidates for directors and supervisors shall be submitted to the general meeting in the form of a proposal for resolution.

When the general meeting passes resolutions on the election of directors and supervisors, if any single shareholder of the Company and his parties acting in concert have interest in not less than 30% of shares, the cumulative voting system should be adopted. If no single shareholder of the Company and his parties acting in concert have interest in not less than 30% of shares, according to the requirements of the Articles of Association or a resolution of the general meeting, the cumulative voting system may be implemented.

The cumulative voting system as mentioned above in the preceding paragraph refers to the system for electing directors or supervisors in a general meeting where the voting right of each share shall be equal to the number of directors or supervisors to be elected, the voting right owned by a shareholder may be used in a centralized manner. The board of directors shall publish an announcement to shareholders providing information on the biographical details and basic particulars of the candidates for directors or supervisors.

After the general meeting has passed the resolutions on the election proposal for directors and supervisors, the term of office of the newly elected directors and supervisors shall commence on the day when the resolution is approved by the general meeting, unless otherwise provided in the resolution of the general meeting.

**Article 50** Except for the cumulative voting system, the general meeting shall pass a resolution for each of the proposals. When there is more than one proposals for a particular matter, voting should be conducted on each of the proposals according to their chronological order of being proposed. Unless the general meeting is adjourned or a resolution cannot be passed due to special reasons such as force majeure, the general meeting will not set aside or refrain from voting on the proposals.

**Article 51** When a proposal is considered in a general meeting, no modification to the proposal will be made, otherwise the relevant change shall be deemed a new proposal and cannot be voted in the current general meeting.

**Article 52** The same voting right may only elect one of the voting methods, on-site, internet or other voting methods. If the same voting right has voted repeatedly, the voting resulting of the first time shall prevail.

**Article 53** Before voting on a proposal in the general meeting, two shareholder representatives shall be elected to participate in voting counting and act as scrutineers. When shareholders have interest in a proposed matter, the related shareholders and proxies are not allowed to participate in vote counting and scrutinizing process.

When a proposal is voted in a general meeting, the vote counting and scrutinizing process shall be jointly responsible and performed by a lawyer, a representative of shareholders and a representative of supervisors, the voting result should be announced on-site and the voting result of a resolution shall be recorded in the minutes of meeting.

A shareholder of the Company or his proxy who has voted through the internet or other voting methods shall be entitled to inspect his own voting result through the corresponding voting system.

**Article 54** The closing time of a physical general meeting must not be earlier than the closing time through internet or other methods. The meeting chairman shall announce the voting for each proposal and its result, and shall declare whether the proposal has been approved according to the voting result.

Before announcing the official voting result, the related parties including the Company, vote counting persons, scrutineers, substantial shareholders and internet service providers involved in the physical general meeting, internet and other voting methods shall have a duty of confidentiality on the voting details.

**Article 55** Shareholders who attend the general meeting in person shall express one of the following indications about the proposal submitted for voting: for, against or abstain. China Securities Depository and Clearing Co., Ltd. is the nominee holder of shares transacted through the mutual connection mechanism between stock markets in Mainland China and Hong Kong, except for reporting on indications expressed by beneficial shareholders.

Blank, erroneous or illegible ballot papers and uncast ballot papers are deemed as abstained from voting by the voters, and the voting result in respect of the number of shares held by such voters are counted as “abstention”.

**Article 56** The chairman of the meeting shall decide whether or not a resolution of the general meeting has been passed according to the voting result. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

**Article 57** If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange recounting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after announcement of the voting result, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

**Article 58** If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting. The minutes of meeting and the registration record of attendants signed by the attending shareholders.

**Article 59** Resolutions of a general meeting shall be announced in a timely manner, the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the percentage in the total number of shares of the Company with voting right, method of voting, voting result of each proposal and the details of each resolution which has been passed.

**Article 60** If any proposal has not been passed or modification has been made to a resolution of the preceding general meeting by the current general meeting, a special note should be contained in the announcement on resolutions of the general meeting.

**Article 61** When a general meeting has passed resolutions on the distribution of cash dividends, bonus shares or increase in share capital by conversion of capital reserves, the Company shall implement the specific proposal within 2 months after conclusion of the general meeting.

**Article 62** Shareholders may examine photocopies of the minutes of meetings during the Company’s office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within 7 days upon receipt of payment of reasonable charges.

## CHAPTER VII SPECIAL VOTING PROCEDURES FOR CLASS SHAREHOLDERS

**Article 63** Shareholders who hold different classes of shares are class shareholders.

Class shareholders shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and these Articles of Association.

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

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

**Article 64** The Company shall not proceed to change or abrogate the shareholders’ rights of a class of shares unless such change or abrogation has been approved by way of a special resolution of the general meeting and by a separate class meeting of the affected class shareholders in accordance with Articles 66 to 70.

**Article 65** The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

- (1) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) a conversion of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such conversion;
- (3) a removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) a reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class
- (5) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) a removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;

- (7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) an imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;
- (9) an issuance of rights to subscribe for, or convert into, shares of such class or another class;
- (10) an increase in the rights and privileges of shares of another class;
- (11) restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring; and
- (12) any amendment or cancellation of the provisions of this section.

**Article 66** Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 65, except that interested shareholders shall not vote at class meetings.

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

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

**Article 67** Resolutions of a meeting of class shareholders may be passed only by not less than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 66.

**Article 68** When the Company is to hold a class meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver their written replies to the Company of their attendance.

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

If there are any special requirements by the listing rules of the place where the Company's shares are listed, such requirements shall prevail.

**Article 69** The notice of class meeting of shareholders shall be delivered only to the shareholders entitled to vote thereat.

The procedure of a class meeting shall, to the extent possible, be identical with the procedure of a general meeting. Unless otherwise specified in this chapter, provisions of the Articles of Association of the Company relevant to procedure for the holding of a general meeting shall be applicable to a class meeting.

**Article 70** In addition to holders of other classes of shares, shareholders of domestic shares and shareholders of overseas listed foreign shares shall be regarded as shareholders of a different class.

The special procedure for voting in class meeting shall not apply to the following circumstances:

- (1) Where the Company issues domestic shares and overseas-listed foreign shares, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic shares and overseas-listed foreign shares of the Company;
- (2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council; or
- (3) Where with the approval by the securities regulatory authorities under the State Council the domestic shares of the Company are being converted into H shares for overseas listing and trading.

**CHAPTER VIII AUTHORITY OF THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS**

**Article 71** Subject to the provisions of laws, regulations and the articles of association of the company, the shareholders' meeting may authorize the board of directors by adopting resolutions.

**Article 72** The relevant provisions of laws, administrative regulations, departmental rules and regulations and the Articles of Association of the Company shall be decided by the shareholders' meeting, and the shareholders' meeting shall consider such matters in order to safeguard the shareholders' rights to make decisions on such matters. Where necessary, reasonable and lawful, the shareholders' meeting may authorize the board of directors to decide on specific matters that cannot or have no need to be decided immediately at the shareholders' meeting.

The authorization of the shareholders' meeting to the board of directors, if the authorized matter is an ordinary resolution matter, shall be adopted by not less than half of the voting rights held by the shareholders (including the shareholders' proxies) present at the shareholders' general meeting; In the case of a special resolution, not less than two-thirds of the voting rights held by shareholders (including their proxies) present at the shareholders' general meeting shall be passed. The content of the authorization should be clear and specific.

**Article 73** The board of directors shall fully discuss and demonstrate the authorized matters, when making decisions, and may, if necessary, hire professional intermediaries to provide advice to ensure the decisions scientific and reasonable.

**CHAPTER IX SUPPLEMENTARY PROVISIONS**

**Article 74** Matters not covered by these management policies shall be inconsistent with the laws and regulations thereafter issued or the Articles of Association, provisions of such laws and regulations as well as the Articles of Association shall prevail.

**Article 75** Unless otherwise specified, terms and definition in this Policy shall have the same meaning as those in the Articles of Association.

**Article 76** The power of interpretation of these Rules shall be vested in the Board of Directors of the Company.

**Article 77** These Rules are annexes to the Articles of Association and shall come into effect on the day when the Company's shares are listed on the SSE STAR Market of Shanghai Stock Exchange after being reviewed and approved by the shareholders' meeting of the Company.

*Note:* If there is any inconsistency between the English and Chinese versions of the rules of procedures, the Chinese version shall prevail.

**CHAPTER I GENERAL**

**Article 1** In order to protect the rights and interests of the CanSino Biologics Inc. (hereinafter referred to as the “Company”) and the shareholders, regulate the behavior of the directors, establish a standardized organizational structure and operational procedures of the Board of Directors, and ensure that the Company’s business decisions are efficiently and orderly conducted, these Rules are formulated in accordance with the provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”) and relevant laws and regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as the Articles of Association of CanSino Biologics Inc. (hereinafter referred to as the “Articles of Association”).

**Article 2** From the effective date, these Rules shall become legally binding documents to regulate the organization and behavior of the Board of Directors of the Company and regulate the functions and powers, duties, rights and obligations of the chairman of the board, directors and secretaries of the board in the Company.

**CHAPTER II DIRECTORS**

**Article 3** A person may not serve as a director of the Company if any of the following circumstances applies:

- (1) A person without capacity or with restricted capacity for civil acts;
- (2) A person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) A person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;
- (4) A person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license;
- (5) A person who has a relatively large amount of debts due and outstanding;

- (6) A person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;
- (7) A person who is prohibited from entering the securities market by the CSRC and the aforesaid prohibition period has not yet expired;
- (8) Anyone judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;
- (9) Anyone who is not a natural person;
- (10) Circumstances in which a person may not serve as a director of the Company, as required by the laws, administrative regulations or departmental regulations or rules of securities regulators and stock exchange in the place(s) in which the shares of the Company are listed.

If the election or appointment of directors has violated the requirements herein, such election or appointment or employment shall be void and invalid. If such circumstances arise during the period of employment of a director, the Company shall dismiss the duties of such director.

**Article 4** Directors shall be elected or changed by the general meeting, and may be removed by a general meeting before expiration of a term of office. Each session serves a term of three years. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations and listing rules of the place where the Company's shares are listed.

A director's term of service commences from the date of passing the resolution at the shareholders' general meeting, until the current term of service of Board ends. If a director's term of service expires but a new director is not yet appointed, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director's appointment comes into effect.

A director may be general manager or other senior management. But the total number of general managers or other senior management who also assume directorship in the company, plus the number of directors as staff representative, shall not exceed one half of the total number of directors.

A director needs not be a shareholder of the Company.

**Article 5** The directors shall abide by the laws, administrative regulations and the Articles of Association, and assume the following fiduciary duties:

- (1) not to abuse power to accept bribery or other illegal income and to misappropriate the Company's assets;
- (2) not to embezzle the Company's fund;
- (3) not to open an account in his own name to deposit the funds and assets of the Company;
- (4) not to violate the requirements of the Articles of Association by lending the Company's funds to others or providing guarantee for others by using the Company's assets without the approval of the shareholders' meeting or the Board of Directors;
- (5) not to violate the requirements of the Articles of Association by, or without the approval of the shareholders' meeting, concluding a contract or conducting a transaction with the Company;
- (6) not to, without the consent of the shareholders meeting, abuse its power to seek business opportunities for himself that should be attributed to the Company, to operate independently or jointly with others the same kind of business as that of the Company;
- (7) not to speculate the commissions of the Company;
- (8) not to reveal the confidential information of the Company without permission;
- (9) not to abuse its associated relations to impair the interests of the Company; and
- (10) perform other fiduciary duties prescribed in laws, administrative regulations, department rules and the Articles of Association.

Directors' income obtained by breaching the provisions of this Article shall belong to the Company; if the Company suffers from losses caused thereby, such directors shall also bear the compensation liability.

**Article 6** Directors shall comply with laws, administrative regulations and these Articles of Association, and owe a duty of diligence to the Company on the following obligations:

- (1) exercise the rights conferred by the Company in a prudent, serious and diligent manner to ensure that the commercial acts of the Company have complied with the requirements of national laws, administrative regulations and various national economic policies, and the commercial activities are not beyond the scope of business prescribed by the business license;
- (2) treat all shareholders in a fair manner;
- (3) acquire a timely understanding on the operation and management of the business of the Company;
- (4) provide and sign written confirmation of opinions for regular reports of the Company to ensure that all information disclosed by the Company are true, accurate and complete;
- (5) provide relevant information and data in a truthful manner to the board of supervisors, and not to obstruct the exercise of powers by the board of supervisors or supervisors;
- (6) other obligations of diligence as required by laws, administrative regulations, departmental rules and these Articles of Association.

**Article 7** Written notice concerning proposed nomination of a director candidate and indication of the candidate's intention to accept the nomination shall be sent to the Company seven days before the shareholders' general meeting is convened.

Subject to compliance with relevant laws and regulations, a director can be removed by ordinary resolution passed on a general meeting before the expiry of his term of office. Such removal does not prejudice the director's claim for damages pursuant to any contract.

**Article 8** If a director is unable to attend the Board meetings in person for two consecutive meetings, and does not appoint other directors to attend Board meeting on his behalf, he shall be deemed as failing to carry out his duties. The Board shall propose to the general meeting to replace him.

**Article 9** A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board. The Board shall disclose the relevant circumstances within two days.

If the number of directors fall below the minimum statutory requirement due to a director's resignation, before the appointment of the re-elected director commences, the original director shall continue to perform the duties of a director in accordance with the requirements of laws, administrative regulations, departmental rules and these Articles of Association.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his resignation report to the Board.

When a director's resignation takes effect or his term of service expires, the director shall complete all transfer procedures with the Board. His fiduciary duty towards the Company and the shareholders do not necessarily cease after the end of his term of service and shall still be in effect for a reasonable period of time as stipulated in these Articles of Association.

**Article 10** In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the Board, that director shall declare his stance and capacity in advance.

**Article 11** If a director breaches the laws, administrative regulations, departmental regulations or these Articles of Association when carrying out his duties and causes loss to the Company, he shall be held responsible for damages.

### **CHAPTER III COMPOSITION AND AUTHORITY OF THE BOARD OF DIRECTORS**

**Article 12** The Board shall compose of 12 directors, including four independent non-executive directors. The Board shall have one chairman, and the general meeting shall decide whether or how to set up the post of vice chairman by an ordinary resolution at the general meeting. (The terms and conditions governing vice chairman as provided herein and hereinafter within these Articles of Association shall be only applicable to circumstances where the position(s) of vice chairman is set up in the Company.)

The chairman and vice chairman (or vice chairmen) of the Board shall be elected and removed by more than one half of all the directors. The chairman and vice chairman (or vice chairmen) of the Board shall serve a term of three years and may be re-elected upon the expiry of their terms.

**Article 13** In the exercise of the functions and powers, the Board of Directors shall be in accordance with the scope of Company Law and Articles of Association.

The Board of Directors of the Company should provide an explanation to the general meeting in respect of any non-standard audit opinions issued by certified public accountant on the financial statements of the Company.

**Article 14** The Board of the Company has set up an Audit Committee and Remuneration and Assessment Committee, and may set up other specialized committees upon needs, such as a Strategic Committee. The specialized committees are accountable to the Board of Directors, perform duties pursuant to these Articles of Association and authorization of the board of directors, proposals should be submitted to the Board of Directors for consideration and decision. Members of the specialized committees are all directors, among them, independent directors constitute the majority of members in the Audit Committee and the Remuneration and Assessment Committee and act as conveners, and the convener of the Audit Committee is a professional in accounting. The Board of Directors is responsible to formulate the working procedures for specialized committees and regulate the operation of specialized committees.

The Audit Committee must have at least three members and all of them must be non-executive directors. At least one member of the Audit Committee shall be an independent non-executive director with the proper qualification as required by the Hong Kong Listing Rules or the SSE STAR Market Listing Rules, or appropriate accounting or related financial management expertise. The majority of the members of the Audit Committee shall be independent non-executive directors and the chairman of the Audit Committee must be an independent non-executive directors. The majority of the members of the Remuneration and Assessment Committee shall be independent non-executive directors and the chairman of the Remuneration and Assessment Committee must be an independent non-executive director.

**Article 15** Where the fixed assets are proposed for disposal by the Board, such as the expected value of fixed assets are proposed for disposal, when aggregated with value of fixed assets already disposed of within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet recently considered by the general meetings, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.

The term “fixed assets disposal” referred to in this Article refers to (among other things) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

**Article 16** The Board of Directors shall determine the powers for external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted wealth management and related-party transactions, and establish stringent review and decision-making procedures. Major investment shall engage with relevant experts and professionals for review and evaluate, and propose for approval of the shareholders’ meeting.

**CHAPTER IV MEETING PROCEDURES**

**Article 17** The chairman of the Board shall convene and preside over Board meetings of the Company. The vice chairman shall assist the chairman of the Board in work. When the chairman is unable to or does not carry out his duties, they shall be carried out by the vice chairman (if the Company has two or more vice chairmen, then these duties shall be carried out by the vice chairman nominated by not less than one half of the directors). Where the vice chairman is unable to or does not carry out his duties, not less than one half of the directors shall nominate a director to carry out the duties.

**Article 18** The meetings of the board of directors shall be held at least twice a year. Meetings shall be convened by the chairman of the Board. Notice in writing shall be given to all directors and supervisors ten days before the meeting is held.

Any shareholder holding not less than one tenth voting rights, not less than one-third of the directors or members of the board of supervisors may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days upon receipt of the proposal.

**Article 19** The notice of extraordinary Board meetings may be delivered in the manners as set out in Article 258 of the Articles of Association; the notice period shall be five days prior to the date of meeting.

Directors who have attended the meeting will be deemed to have been issued a notice of Board meeting if he had not raised any issues of not having received such notice before or during the Board meeting.

The board meetings may be held by means of telephone conference or other similar communications equipment. So long as all participating directors can hear the other directors and communicate, all such participation shall constitute presence at the meeting as if those directors were present in person.

**Article 20** A notice of Board meeting shall include the following contents:

- (1) date and place of meeting;
- (2) period of the meeting;
- (3) reasons and agenda;
- (4) date of issuance of notice.

**Article 21** For any major matters to be determined by the Board, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When more than one-fourth of the directors or two or more external directors (referring to such directors who have no executive positions in the Company) considers that the provided materials insufficient or the reasoning is unclear, they may jointly propose to defer the Board meeting or defer the consideration on the relevant matters, and the Board shall accept such suggestions accordingly, and the Company should disclose the relevant circumstances in a timely manner.

**Article 22** The directors shall attend a Board meeting in person. If a director is unable to attend for any reasons, he may appoint another director in writing to attend on his behalf. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period. It shall be signed or sealed by the principal.

The appointed director who attends the meeting shall exercise the director's duties within the authorized scope. If a director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he shall be deemed to have waived the voting rights in the meeting.

**Article 23** The Board meeting shall not be held unless more than one-half of the directors are present.

Unless otherwise provided in other articles herein, resolutions of the Board shall be passed by more than one half of all the directors.

As for the voting on a Board resolution, each director shall have one vote. When the number of votes cast for and against a resolution equals, the chairman of the Board shall have an additional casting vote.

**Article 24** When a director is related to companies which is the subject of a resolution to be decided at a board meeting, the related director shall not vote on that resolution, and shall not vote on behalf of other directors. That director's meeting can be held if more than one half of the independent directors attends. Resolutions made by the board meeting shall be passed by more than one half of the independent directors. If less than three independent directors attend the board meeting, the matter shall be submitted to the general meeting for consideration.

Where the Company intends to conduct a related party transaction which is subject to consideration and approval at a general meeting, prior consent should be obtained from independent directors before such transaction is submitted to the Board for consideration.

Prior consent from independent directors shall be approved by not less than half of all independent directors and disclosed in an announcement of the relevant related party transaction.

**Article 25** The secretary of the board and every supervisor shall have the right to attend every meeting of the Board of Directors; unless otherwise decided by the Board of Directors, the general manager and the financial administrator shall be entitled to attend every meeting of the Board of Directors; upon the proposal of any director, the deputy general manager and other senior management personnel shall have the right to attend meetings of the Board of Directors; any other person invited by the Board of Directors may attend meetings of the Board of Directors.

According to the provisions in Article 18 of the Company Law, while deciding on major matters relating to operation, or formulating important rules and standards, the Board of Directors shall listen to the opinions and suggestions from the staff through staff representative meeting, staff meeting or other forms.

**Article 26** The directors attending the meeting shall be registered on the meeting attendance book, and the directors representing other directors shall, in addition to indicating the name of the principal, sign their names and indicate the words “proxy”.

Other members who attend the meeting shall also register on the meeting attendance book.

**Article 27** The Board meeting shall vote by show of hands, by poll or via facsimile.

Provided that the directors can fully express their opinions at the extraordinary board meetings, such meetings can be held by means of delivery by hand, post, fax or other means of communication and resolutions could be passed thereof which shall be signed by the directors who attended the meeting.

**Article 28** The Board of Directors shall arrange at least one director to cooperate with the secretary of the board in the statistics of the voting results, and shall invite a supervisor to conduct on-the-spot supervision over the counting process and the counting results.

When a meeting of the Board of Directors is convened by means of communication, the vote counters and the scrutineers shall be arranged by the chairman of the meeting, but it should be ensured that at least one director and one supervisor are among the vote counters and the scrutineers.

The vote counters and the scrutineers shall perform their duties in good faith and fairly, and shall bear legal responsibility for the authenticity and accuracy of the statistical results.

**Article 29** If a meeting of the Board of Directors is convened on site, the Board of Directors shall arrange appropriate time for the directors attending the meeting to ask questions. The general managers and other senior executives who attend the meeting shall reply to or explain the questions raised by directors.

The supervisor and the general manager, as well as the attendees related to the matters considered in the meeting of the Board of Directors, shall have the right to speak at the meeting; with the consent of the chairman of the meeting, other attendees are also entitled to speak at the meeting.

**Article 30** The Board shall keep minutes of its decisions on the matters discussed at the meeting. The directors, secretary to the Board and recorder who attended the meeting shall sign the minutes of that meeting.

The directors shall be responsible for the decisions of the Board. Where a resolution of the Board is in violation of the laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director shall be relieved from such liability.

The minutes of Board meeting shall be kept as a company file for a period of no less than 10 years.

**Article 31** The minutes of the Board shall consist of the following:

- (1) date and venue of the meeting and the name of the convener;
- (2) the name of the director present and name of director being appointed to attend on the other's behalf (proxy);
- (3) the agenda;
- (4) the main points of directors' speeches; and
- (5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).

**CHAPTER V CHAIRMAN OF THE BOARD**

**Article 32** The Board of Directors shall have one chairman elected by more than half of all the directors. Chairman of the Board serves a term of three years and may serve consecutive terms if re-elected upon the expiry of his term.

**Article 33** The chairman of the Board shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over Board meetings of the Company;
- (2) to procure and check the implementation of resolutions of the Board;
- (3) to sign on share certificates, bond certificates and other securities issued by the Company;
- (4) organize the formulation of various rules and coordinate operation of the Board;
- (5) to sign on important documents of the Board and legally binding documents on behalf of the Company;
- (6) to exercise the powers and functions as the legal representative;
- (7) to nominate candidates for secretary to the Board, members and chairman of the specialized committee under the Board;
- (8) to listen to regular or provisional work reports of the senior management, and provide guiding opinion to implementation of the Board resolutions;
- (9) in case of emergency of catastrophic natural disasters and other force majeure, exercise the special right of disposal over the Company's affairs that is in line with the requirements of laws and interests of the Company, and report to the Board and the general meeting afterwards;
- (10) to perform the functions and powers of the Board within the mandate of the Board when the Board is not in session; and
- (11) other functions and powers authorized by the laws, administrative regulations, departmental rules, these Article of Association and conferred by the Board.

**CHAPTER VI SUPPLEMENTARY PROVISIONS**

**Article 34** Matters not covered by these management policies shall be inconsistent with the laws and regulations thereafter issued or the Articles of Association, provisions of such laws and regulations as well as the Articles of Association shall prevail.

**Article 35** Unless otherwise specified, terms and definition in this Policy shall have the same meaning as those in the Articles of Association.

**Article 36** The power of interpretation of these Rules shall be vested in the Board of Directors of the Company.

**Article 37** These Rules are annexes to the Articles of Association and shall come into effect on the day when the Company's shares are listed on the SSE STAR Market of Shanghai Stock Exchange after being reviewed and approved by the shareholders' meeting of the Company.

*Note:* If there is any inconsistency between the English and Chinese versions of the rules of procedures, the Chinese version shall prevail.

**CHAPTER I GENERAL**

**Article 1** In order to protect the rights and interests of CanSino Biologics Inc. (hereinafter referred to as the “Company”) and its shareholders, standardize the behavior of CanSino Biologics Inc. and ensure the Board of Supervisors to exercise its powers according to law, these Rules shall be formulated in accordance with the laws and regulations, including the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China and the Mandatory Provisions for Companies Listing Overseas, as well as the Rules Governing the Listing of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and the Articles of Association of CanSino Biologics Inc. (hereinafter referred to as the “Articles of Association”).

**Article 2** From the effective date of these Rules, these Rules shall form a legally binding document to regulate the organization and behavior of the Board of Supervisors of the Company and regulate the rights and obligations of conveners of the Company’s Board of Supervisors and the supervisors.

**Article 3** The Board of Supervisors shall be responsible to the general meeting of shareholders. The Board of Supervisors shall supervise the Company’s finance and the legality of the Company’s directors and senior management in performing their duties, and safeguard the legitimate rights and interests of the Company and its shareholders.

**Article 4** The Company shall take measures to protect the supervisors’ right to know and provide the supervisors with necessary information and materials in a timely manner so that the Board of Supervisors can effectively supervise, inspect and evaluate the Company’s financial situation and management.

**CHAPTER II SUPERVISORS**

**Article 5** A person may not serve as a supervisor of the Company if any of the following circumstances applies:

- (1) A person without capacity or with restricted capacity for civil acts;
- (2) A person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;

- (3) A person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;
- (4) A person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license;
- (5) A person who has a relatively large amount of debts due and outstanding;
- (6) A person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;
- (7) A person who is prohibited from entering the securities market by the CSRC and the aforesaid prohibition period has not yet expired;
- (8) Anyone judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;
- (9) Anyone who is not a natural person;
- (10) Circumstances in which a person may not serve as a supervisor of the Company, as required by the laws, administrative regulations or departmental regulations or rules of securities regulators and stock exchange in the place(s) in which the shares of the Company are listed.

**Article 6** Directors, general managers and other senior executives of the Company may not concurrently act as supervisors.

### **CHAPTER III COMPOSITION AND POWERS OF THE BOARD OF SUPERVISORS**

**Article 7** The Company shall establish a Board of Supervisors which shall be composed of three members, one of whom shall be the chairman. The term of office of a supervisor shall be three years, renewable upon re-election and re-appointment.

The appointment and dismissal of the chairman of the board of supervisors shall be passed by not less than two-thirds of its members.

**Article 8** The Board of Supervisors shall compose of two shareholder representative supervisors and one employee representative supervisor. The shareholder representative supervisors shall be elected and removed by the general meeting, and the employee representative supervisors shall be democratically elected and removed by the Company's employees and represent no less than one third of the members of the Board of Supervisors.

**Article 9** In the exercise of the functions and powers, the Board of Supervisors shall be in accordance with the scope of Company Law and Articles of Association.

Supervisors shall attend meetings of the Board.

**Article 10** The Board of Supervisors shall conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary. The reasonable cost incurred herein shall be borne by the Company.

**Article 11** A supervisor shall faithfully perform his supervisory duties in accordance with the laws, administrative regulations and these Articles of Association.

**Article 12** The Company shall disclose the announcement in relation to the resolution of the Board of Supervisors; if the supervisor objects or abstains, the reason for such objection or abstention shall be disclosed.

#### **CHAPTER IV MEETING PROCEDURES**

**Article 13** The meeting of the Board of Supervisors shall be held at least once every six months, which shall be convened and preside over by the chairman of the Board of Supervisors. A supervisor may propose to convene an extraordinary meeting of the Board of Supervisors.

Where the Chairman of the Board of Supervisors is incapable of performing or fails to perform his duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the meeting of the Board of Supervisors.

**Article 14** Chairman of the Board of Supervisors shall draw up the proposals for the meeting before issuing the notice of the regular meeting of the Board of Supervisors. When drawing up the proposals, Chairman of the Board of Supervisors shall solicit the opinions of the supervisors as necessary.

**Article 15** If a supervisor proposes to convene an interim meeting of the Board of Supervisors, he shall submit a written proposal signed by him to Chairman of the Board of Supervisors, with the following items specified in the written proposal:

- (1) name of the proposer;
- (2) reasons or basis for the proposals;
- (3) specific and detailed proposals;
- (4) date or time limit, location and mode of the meeting proposed;
- (5) contact details of the proposer and the date of proposal.

Upon receipt of the above written proposal and the relevant materials, Chairman of the Board of Supervisors may request the proposer to amend or supplement the proposal if he thinks the proposal is unclear, unspecific or the relevant materials are insufficient. Chairman of the Board of Supervisors shall convene a meeting of the Board of Supervisors within 10 days after receiving the proposal.

**Article 16** A notice of the regular meeting of the board of supervisors to all supervisors shall be given in writing 10 days prior to the convening of such meeting.

A notice to a meeting of the board of supervisors shall include the following contents:

- (1) date, venue, and duration of the meeting;
- (2) reasons and issues of discussion;
- (3) issue date of notice.

**Article 17** Meetings of the supervisory committee may be held only if more than half of the supervisors are present. The rules of procedure for the Board of Supervisors shall be as follows: each Supervisor shall have one vote, which shall be cast by registered or written form.

The voting procedure: the supervisors may vote for or against a proposal, or abstain from voting. For supervisors making none or two of the above selections at the same time, chairman of the meeting shall request such supervisors to reconsider; the supervisors refusing to reselect or leaving during the meeting site without making a selection will be deemed as abstaining from voting.

The resolutions of the Board of Supervisors shall be passed by not less than two thirds of the members of the Board of Supervisors.

**Article 18** A supervisor shall attend meetings of the board of supervisors in person, or appoint in writing another supervisor to attend the meeting on his behalf during his absence with cause. The proxy form shall specify the extent of authorization.

**Article 19** The proposals of the Board of Supervisors may be discussed by way of actual meeting or by electronic means.

**Article 20** If the meeting is held by physical attendance, the supervisors attending the meeting shall sign on the book of attendance of the meeting.

**Article 21** The Board of Supervisors shall vote by registered form, and each supervisor shall have one vote.

**Article 22** The Board of Supervisors shall appoint one supervisor to count the votes.

#### **CHAPTER V MEETING MINUTES**

**Article 23** The discussed matters shall be recorded in the minutes of the meeting of the board of supervisors. Supervisors attending the meeting shall sign on the minutes of meetings.

Supervisors are entitled to request that an explanation of their comments made at the meetings be noted in the minutes.

**Article 24** Minutes of the meeting shall contain the following:

- (1) date and place of the meeting, and the name of the convener;
- (2) names of the supervisors present in person and supervisors appointed as proxies by other Supervisors on their behalf;
- (3) agenda of the meeting;
- (4) key points of a supervisor's speech;
- (5) the way and result of voting on each proposal (the voting results shall include the number of affirmative votes, objected votes or abstained votes).

**Article 25** The minutes of the Board of Supervisors shall be kept in the premise of the Company, and shall be kept as the documents of the company for at least 10 years.

**CHAPTER VI SUPPLEMENTARY PROVISIONS**

**Article 26** Matters not covered by these management policies shall be inconsistent with the laws and regulations thereafter issued or the Articles of Association, provisions of such laws and regulations as well as the Articles of Association shall prevail.

**Article 27** Unless otherwise specified, terms and definition in this Policy shall have the same meaning as those in the Articles of Association.

**Article 28** The power of interpretation of these Rules shall be vested in the Board of supervisors of the Company.

**Article 29** These Rules are annexes to the Articles of Association and shall come into effect on the day when the Company's shares are listed on the SSE STAR Market after being reviewed and approved by the shareholders' meeting of the Company.

*Note:* If there is any inconsistency between the English and Chinese versions of the rules of procedures, the Chinese version shall prevail.

## CHAPTER I GENERAL PROVISIONS

**Article 1** In order to regulate the use and management of the fund raised by CanSino Biologics Inc. (hereinafter referred to as the “Company”), improve the efficiency of the use of the fund raised, guard against the risk of the use of the fund, ensure the safety of the use of the fund and protect the interests of investors, this policy is formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of People’s Republic of China, the Rules for the Listing of STAR Market Stocks on the Shanghai Stock Exchange, the Measures for the Management of Fund Raising of Listed Companies on the Shanghai Stock Exchange, and other laws, regulations, normative documents, as well as the Constitution of CanSino Biologics Inc. (hereinafter referred to as the “Articles of Association”) in light of the actual situation of the company.

**Article 2** The term “raised funds” as mentioned in this policy refers to the funds raised by a company from investors through public issuance of securities (including initial public offering of stocks, allotment of shares, additional issuance, issuance of convertible corporate bonds, issuance of convertible corporate bonds with separate transactions, etc.) and non-public issuance of securities, but does not include the funds raised by the Company in implementation of equity incentives.

**Article 3** The board of directors of a company shall fully demonstrate the feasibility of investment projects with raised funds, and be sure that the investment projects have good market prospects and profitability, effectively guard against investment risks and improve the efficiency of the use of raised funds.

**Article 4** The directors, supervisors and senior managers of a company shall be diligent and responsible, urge the company to regulate the use of raised funds, consciously safeguard the safety of raised funds, and shall not participate in, assist or condone the company to alter the purpose of raised funds without authorization or in disguise.

**Article 5** The board of directors of a company shall be responsible for establishing and improving the management policy of the company’s raised funds and ensuring its effective implementation. The management policy of raised funds shall clearly stipulate the storage, use, alteration, supervision and accountability of the raised funds special account.

**Article 6** The controlling shareholders and the actual controllers of a company shall not directly or indirectly occupy or misappropriate the company’s raised funds, nor shall they use the company’s raised funds and raised funds investment projects (hereinafter referred to as “raised funds projects”) to obtain illegitimate benefits.

**Article 7** Where a raised funds project is implemented through a subsidiary company or other enterprise controlled by the company, the company shall ensure that the subsidiary company or other enterprise controlled by the company abides by its raised funds management policy.

## CHAPTER II STORAGE OF FUND RAISING

**Article 8** The Company shall centralize the management and use of the raised funds in a special account established with the approval of the board of directors (hereinafter referred to as the “special raised funds account”).

No special raised funds account may deposit non-raised funds or use them for other purposes.

**Article 9** The Company shall sign a tripartite supervision agreement with sponsors and commercial banks (hereinafter referred to as “commercial banks”) which deposit the raised funds within one month after the receipt of the collected funds. The agreement should include at least the following elements:

- (1) the Company shall centralize the raised funds in the special raised funds account;
- (2) commercial banks shall provide monthly bank statements to Company for raised funds accounts, and copy them to sponsors;
- (3) where the Company accumulates more than RMB50 million in total from the special raised funds account in one or within 12 months and reaches 20% of the net amount of the total raised funds after deducting the cost of issuance (hereinafter referred to as “net raised funds”), the company shall promptly notify the sponsoring institution;
- (4) the sponsor institution may at any time inquire about the special account information of fund raising in commercial banks;
- (5) liability for breach of contract of Company, commercial banks and sponsors.

The company shall report to the Shanghai Stock Exchange for archival filing and public announcement within two trading days after the signing of the above agreement.

If the above-mentioned agreement terminates in advance due to the change of sponsor institution or commercial bank before the expiration of the validity period, the Company shall sign a new agreement with the relevant parties within two weeks from the date of the termination of the agreement, and report to the Shanghai Stock Exchange for archival filing and public announcement within two trading days after the signing of the new agreement.

## CHAPTER III USE OF FUND RAISING

**Article 10** The Company shall use the raised funds in accordance with the investment plan for raising funds promised in the application documents for issuance. When a situation seriously affects the normal operation of the raised funds investment plan, the Company shall report to the Shanghai Stock Exchange in time and make a public announcement.

**Article 11** The Company shall abide by the following requirements when using the raised funds:

- (1) The Company shall clearly stipulate the application for the use of raised funds, the authority of examination and approval at different levels, decision-making procedures, risk control measures and information disclosure procedures;
- (2) The Company shall use the raised funds in accordance with the plan for the use of the raised funds promised in the application documents for issuance;
- (3) In the event of a situation seriously affecting the normal operation of the raised funds plan, the Company shall promptly report to the Shanghai Stock Exchange and make a public announcement;
- (4) Where the following circumstances occur in the project, the Company shall reassess the feasibility and expected income of the project, decide whether to continue the project, and disclose the progress of the project, the reasons for the abnormalities and the adjusted project in the latest periodic report (if any):
  1. Significant changes have taken place in the market environment involved in the project;
  2. The shelf time of the project is more than one year;
  3. Over the completion period of the raised funds investment plan and the amount of the raised funds investment does not reach 50% of the relevant planned amount;
  4. There are other abnormal situations in the project.

**Article 12** The fund raised by the Company shall, in principle, be used for its principal business. The Company may not use the raised funds as follows:

- (1) Except for financial enterprises, investment projects are financial investments such as holding transactional financial assets and financial assets available for sale, lending to others, entrusting financial management, and direct or indirect investments in companies whose principal business is to buy and sell negotiable securities;
- (2) To alter the purpose of raising funds in disguised form through pledge, entrusted loan or other means;
- (3) Providing the raised funds directly or indirectly to the controlling shareholders, the actual controllers and other related parties for their use, so as to facilitate the related parties to obtain unfair benefits from the project;
- (4) Other acts in violation of the provisions on the management of raised funds.

**Article 13** Where the Company invests in a raised funds investment project in advance with self-financing funds, it may replace the self-financing funds with the raised funds within six months after the raised funds have arrived in the accounts. Substitution matters shall be examined and approved by the board of directors. Accounting firms shall issue certification reports, and the independent directors, board of supervisors and sponsors shall express their clear consent. The Company shall report to the Shanghai Stock Exchange and make a public announcement within two trading days after the board meeting.

**Article 14** The temporary idle fund raised by the Company may be managed in cash, but the products invested shall meet the following conditions:

- (1) It has high security and meets the cost-guaranteed requirements, and the principal part of the product issuer can provide the cost-guaranteed commitment;
- (2) Good liquidity, and shall not affect the normal operation of the raised funds investment plan.

Investment products shall not be pledged, and the special settlement account for products (if applicable) shall not store non-raised funds or be used for other purposes. If the special settlement account for products is opened or cancelled, the Company shall timely report it to the exchange for record and make a public announcement.

**Article 15** The use of idle raised funds for investment products shall be examined and approved by the board of directors of the company, and the independent directors, board of supervisors and sponsors shall express their clear consent. The Company shall make a public announcement for the following contents within two trading days after the board meeting:

- (1) The basic situation of the raised funds, including the time of the raised funds, the amount of the raised funds, the net amount of the raised funds and the investment plan, etc.;
- (2) The use of raised funds;
- (3) The amount and duration of idle raised funds investment products, the existence of disguised changes in the use of raised funds and measures to ensure that the normal operation of raised funds projects is not affected;
- (4) Distribution of income, scope of investment and safety of investment products;
- (5) Opinions issued by independent directors, board of supervisors and sponsors.

**Article 16** Where a company temporarily uses idle raised funds to supplement its current funds, it shall meet the following requirements:

- (1) The purpose of raising funds shall not be altered in disguise, nor shall it affect the normal operation of the investment plan for raising funds;
- (2) It shall be limited to the production and operation related to the principal business, and shall not be used for new share allotment or purchase through direct or indirect arrangements, or for the trading of stocks and their derivatives, convertible company bonds, etc.;
- (3) The time for a single replenishment of liquidity shall not exceed 12 months;
- (4) Funds raised for temporary replenishment of liquidity that have been returned to the previous fund that has expired (if applicable).

Where the Company temporarily uses idle raised funds to supplement its liquidity, it shall be examined and approved by the board of directors of the company, and the independent directors, board of supervisors and sponsors shall express their clear consent. The Company shall report to the Shanghai Stock Exchange and make a public announcement within two trading days after the board meeting.

Before the expiration date of the supplementary liquidity, the Company shall return this part of the funds to the raised funds special account, and report it to the Shanghai Stock Exchange and announce it within two trading days after the full return of the funds.

**Article 17** The portion of the actual net raised funds exceeding the amount of the planned raised funds (hereinafter referred to as “over-raised funds”) of a company may be used to permanently supplement liquidity and repay bank loans. The accumulated amount shall not exceed 30% of the total amount of the over-raised funds every 12 months, and it shall also promise not to make high-risk investments and provide financial support to others within 12 months after the replenishment of liquidity.

**Article 18** Where the over-raised funds are used to permanently supplement liquidity and repay bank loans, they shall be examined and approved by the board of directors and the shareholders’ general meeting of the Company, and the online voting method shall be provided for shareholders. Independent directors and sponsors shall express their clear consent. The company shall report to the Shanghai Stock Exchange within two trading days after the board meeting and publicly announce the following contents:

- (1) The basic situations of the current raised funds, including the time of the raised funds, the amount of the raised funds, the net amount of the raised funds, the excess amount of the raised funds and the investment plan, etc.;
- (2) The use of raised funds;
- (3) Necessity and detailed plans for permanent replenishment of liquidity or repayment of bank loans with over-raised funds;
- (4) A commitment not to make high-risk investments or provide financial support to others within 12 months after the replenishment of liquidity;
- (5) The impact of permanent replenishment of liquidity or repayment of bank loans with over-raised funds on the Company;
- (6) Opinions issued by independent directors, board of supervisors and sponsors.

**Article 19** Where the Company uses the over-raised funds for construction projects and new projects (including acquisition of assets, etc.), it shall invest in its principal business, and make a scientific and prudent feasibility analysis of investment projects in accordance with the relevant provisions of Articles 22 to 25 of these Measures, so as to fulfill its obligation of information disclosure in a timely manner.

**Article 20** After the completion of a single project, the Company shall use the savings raised by the project (including interest income) for other projects, which shall be examined and approved by the board of directors, and only after the independent directors, sponsoring agencies and the board of supervisors have given their clear consent. The company shall report to the Shanghai Stock Exchange and make a public announcement within two trading days after the board meeting.

If the savings raised funds (including interest income) are less than RMB1 million or less than 5% of the promised investment amount of the project raised funds, they may be exempted from the procedure mentioned in the preceding paragraph, and their use shall be disclosed in the annual report.

Where the savings raised from the Company's individual raised funds project (including interest income) are used for non-raised funds projects (including supplementary liquidity), the Company shall perform the corresponding procedures and disclosure obligations in the light of changes in the raised funds project.

**Article 21** After the completion of the project, if the savings raised fund (including interest income) is not less than 10% of the net raised fund, the Company shall be examined and approved by the board of directors and the shareholders' meeting, and the savings may be used to raise funds only after the independent directors, sponsors and the board of supervisors have expressed their concurrent opinions. The Company shall report to the Shanghai Stock Exchange and make a public announcement within two trading days after the board meeting.

If the savings raised fund (including interest income) is less than 10% of the net raised fund, it shall be examined and approved by the board of directors, and only after the independent directors, sponsors and the board of supervisors have given their definite consent can they be used. The company shall report to the Shanghai Stock Exchange and make a public announcement within two trading days after the board meeting.

Savings raised funds (including interest income) less than RMB5 million or less than 5% of the net raised funds may be exempted from the procedure mentioned in the preceding paragraph, and their use shall be disclosed in the latest periodic report.

#### **CHAPTER IV ALTERATION OF THE INVESTMENT DIRECTION OF THE FUND RAISED**

**Article 22** The fund raised by the Company shall be used for the purposes specified in the prospectus or the solicitation instruction. If a company's funded project changes, it must be considered and approved by the board of directors and shareholders' general meeting, and it can be changed only after the independent directors, sponsors and board of supervisors have expressed their clear consent.

If the Company only changes the place where the project is implemented, it may exempt from the procedure mentioned in the preceding paragraph, but it shall be examined and approved by the board of directors of the Company, and report to the Shanghai Stock Exchange within two trading days and publicly announce the reasons for the change and the opinions of the sponsors.

**Article 23** The altered project shall be invested in the principal business.

The Company should scientifically and prudently carry out feasibility analysis of new investment projects, ensure that the investment projects have good market prospects and profitability, effectively guard against investment risks, and improve the efficiency of the use of raised funds.

**Article 24** Where a company intends to change its project of offering and investment, it shall report to the Shanghai Stock Exchange within two trading days after submitting it to the board of directors for consideration and publicly announce the following contents:

- (1) The basic situation of the original project and the specific reasons for its change;
- (2) The basic situation, feasibility analysis and risk indication of the new project;
- (3) Investment plans for new projects raised and invested;
- (4) Notes on new projects that have been or are yet to be examined and approved by relevant departments (if applicable);
- (5) The opinions of independent directors, board of supervisors and sponsors on the alteration of the project;
- (6) Notes on the modification of the project to be submitted to the shareholders' meeting for consideration;
- (7) Other contents required by the Shanghai Stock Exchange.

Where a new project involves related party transactions, asset purchase and foreign investment, it shall also be disclosed in accordance with the relevant regulations of the company.

**Article 25** Where the Company changes its offering and investment projects to purchase assets (including rights and interests) of controlling shareholders or actual controllers, it shall ensure that after the acquisition, it can effectively avoid horizontal competition and reduce related party transactions.

**Article 26** Where the Company intends to transfer or replace a raised or invested project (except for all the transferred or replaced projects in the company's major asset reorganization), it shall report to the Shanghai Stock Exchange within two trading days after submission to the board of directors for consideration and publicly announce the following contents:

- (1) The specific reasons for the transfer or replacement of foreign investment projects;
- (2) The amount of funds raised to invest in the project;
- (3) The degree of completion of the project and its benefits;
- (4) Basic information, feasibility analysis and risk indication of the replacement project (if applicable);
- (5) Pricing basis and related benefits of transfer or replacement;
- (6) The opinions of independent directors, board of supervisors and sponsors on the transfer or replacement of investment projects;
- (7) Notes on the transfer or replacement of an investment project that need to be submitted to the shareholders' meeting for consideration;
- (8) Other contents required by the Shanghai Stock Exchange.

The Company should pay full attention to the collection and use of transfer price, the change of ownership of converted assets and the continuous operation of converted assets, and fulfill the necessary obligation of information disclosure.

#### **CHAPTER V MANAGEMENT AND SUPERVISION OF THE USE OF FUND RAISING**

**Article 27** The Company shall disclose the actual use of the raised funds truthfully, accurately and completely.

**Article 28** The board of directors shall conduct a comprehensive semi-annual check on the progress of raised funds investment projects and issue a special report on the storage and actual use of raised funds by the company (hereinafter referred to as the Special Report on Raised funds).

Where there are differences between the actual investment progress and the investment plan of a raised funds investment project, the Company shall explain the specific reasons in the Special Report on Raised funds. Where there is a situation of using idle raised funds to invest in products in the current period, the Company shall disclose in the Special Report on Raising Funds the earnings of the current period, as well as the information of the investment share at the end of the period, the signatory party, the name of the product and the duration of the period.

The Special Report on Fund Raising shall be examined and approved by the board of directors and the board of supervisors, and shall be reported to the Shanghai Stock Exchange and announced publicly within two trading days after its submission to the board of directors for consideration. During the annual audit, the Company employs accounting firms to issue certification reports on the deposit and use of the raised funds, and submit the annual reports to the Shanghai Stock Exchange when disclosing the annual reports, while disclosing them on the website of the Shanghai Stock Exchange.

**Article 29** The independent directors, the board of directors' audit committee and the board of supervisors shall continue to pay attention to the actual management and use of the raised funds. Not less than one-half of the independent directors, board of directors' audit committees or board of supervisors may employ accounting firms to issue certification reports on the storage and use of the raised funds. The Company shall cooperate actively and bear the necessary expenses.

The board of directors shall report and announce to the Shanghai Stock Exchange within two trading days after receiving the certification report specified in the preceding paragraph. If the certification report considers that there are irregularities in the management and use of the fund raised by the company, the board of directors shall also announce the irregularities in the storage and use of the fund raised, the consequences that have been or may be caused, and the measures that have been taken or are to be taken.

**Article 30** The sponsor institution shall conduct on-site investigation on the storage and use of the Company's raised funds at least every six months.

At the end of each fiscal year, the sponsor institution shall issue a special verification report on the deposit and use of the Company's annual raised funds, and submit the annual report to the Shanghai Stock Exchange when the Company discloses the annual report, and at the same time disclose it on the website of the Shanghai Stock Exchange. The verification report shall include the following elements:

- (1) The deposit, use and special account balance of the raised funds;
- (2) Progress of raised funds projects, including differences in the progress of raised funds investment plans;

- (3) Replacement of self-financing funds from pre-invested projects with raised funds (if applicable);
- (4) The situation and effect of supplementing liquidity with idle raised funds (if applicable);
- (5) The use of over-raised funds (if applicable);
- (6) Change in the direction of the raised funds (if applicable);
- (7) Conclusive opinions on the compliance of the storage and use of the Company's raised funds;
- (8) Other contents required by the Shanghai Stock Exchange.

At the end of each fiscal year, the board of directors of the Company shall disclose the conclusive opinions of the sponsor's special verification report in the Special Report on Fund Raising.

#### CHAPTER VI SUPPLEMENTARY PROVISIONS

**Article 31** This policy does not apply to the management of the use of funds raised by Company issuing H-share stocks. The management of the use of funds raised by companies issuing H-share stocks shall be carried out in accordance with the relevant provisions of the Hong Kong Securities and Futures Commission and the Hong Kong Stock Exchange Limited Company.

**Article 32** Where matters not covered by this policy are inconsistent with the provisions of laws, regulations, normative documents or Articles of Association promulgated or amended after the entry into force of this policy, they shall be implemented in accordance with the provisions of laws, regulations, normative documents and Articles of Association.

**Article 33** Unless otherwise specified, the terms used in this policy have the same meaning as those in the Articles of Association.

**Article 34** The right of interpretation of this policy belongs to the board of directors of the Company.

**Article 35** The policy, which has been examined and approved by the shareholders' meeting of the Company, shall come into effect as of the date when the Company's shares are listed on the Shanghai Stock Exchange STAR Board.

*Note:* If there is any inconsistency between the English and Chinese versions of the Management Policies for Raised Funds, the Chinese version shall prevail.

## CHAPTER I GENERAL PROVISIONS

**Article 1** In order to strengthen the management of related and connected transactions (collectively referred to as “related party transactions”) of CanSino Biologics Inc. (康希諾生物股份公司) (the “Company”), protect the lawful interests of all shareholders of the Company and guarantee the compliance with the principles of fairness, impartiality and openness of the related party transactions between the Company and the related parties, these management policies have been formulated in accordance with the relevant provisions of laws, regulations and regulatory documents including the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (the “SSE STAR Market Listing Rules”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), and the Articles of Association of the Company (the “Articles of Association”).

**Article 2** During the course of transactions with related parties, the Company shall guarantee the legality, necessity, rationality and fairness of the transaction with related parties, maintain the independence of the Company, and shall not adjust financial indicators through transactions with related parties or prejudice the Company’s interests.

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

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

**CHAPTER II RELATED PARTY TRANSACTIONS, RELATED PARTIES AND  
RELATED PARTY RELATIONSHIPS**

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

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

- (1) any acquisition or disposal of assets by the Group, including a deemed disposal;
- (2) (i) the Group granting, accepting, exercising, transferring or terminating an option to acquire or dispose of assets or to subscribe for securities; or (ii) the Group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
- (3) external investment (other than purchase of wealth management products from banks);
- (4) giving an indemnity undertaking or providing or receiving financial assistance. “Financial assistance” includes granting credit, lending money, or providing an indemnity undertaking against obligations under a loan, guaranteeing or providing security for a loan;
- (5) providing guarantees;
- (6) renting or leasing out assets;
- (7) entering into or terminating finance leases or operating leases, or sub-leases;
- (8) entering into contracts in respect of management (including entrusted operation or operation upon commission, etc.);
- (9) entering into an agreement or arrangement to set up a joint venture in any form (such as companies established in the form of a partnership or a company) or any other forms of joint arrangement;

- (10) issuing new securities of the Company or its subsidiaries, including underwriting or sub-underwriting an issue of securities;
- (11) gifting or receiving gifted assets;
- (12) restructuring debts or creditor's rights;
- (13) transferring of research and development projects;
- (14) entering into licensing agreements;
- (15) acquiring or providing raw materials, semi-finished products and/or finished goods, fuels or power;
- (16) selling products or commodities;
- (17) providing or receiving services;
- (18) providing, receiving or sharing services;
- (19) management of assets and operations by consignment or commission;
- (20) joint investment with related parties;
- (21) other matters possibly causing transfers of resources or obligations arising from agreements;
- (22) Related transactions referred to in the Hong Kong Listing Rules as amended from time to time, or other transactions recognized by the stock exchange of the places where the Company's shares are listed.

“Transactions with third parties” include:

- (1) the Group providing financial assistance (as defined under the Hong Kong Listing Rules, same hereinafter) to a commonly held entity (as defined under the Hong Kong Listing Rules, same hereinafter), or receiving financial assistance from a commonly held entity;
- (2) the Group acquiring an interest in a company (the “target company”) from a person who is not a related person, and if the target company's substantial shareholder:
  - (i) is, or is proposed to be, a controller. A “controller” refers to a director, chief executive or controlling shareholder of the Company; or

- (ii) is, or will, as a result of the transaction, become, an associate of a controller or proposed controller.

*Note:* Acquiring the target company's assets is also a related transaction if these assets in the transaction stated in paragraph (2) account for 90% or more of the target company's net assets or total assets.

The above transactions with third parties also constitute related transactions.

**Article 4** Related parties of the Company include related legal persons and related natural persons.

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

- (1) any legal person or other organizations that directly or indirectly exercises or controls 10% or more of the voting shares at the proposed meeting;
- (2) any legal person or other organizations, other than the Company and its holding subsidiaries, that is directly or indirectly controlled by the legal person mentioned in the preceding paragraph;
- (3) any legal person or other organizations that is directly or indirectly controlled by a related natural person of the Company stated herein, or any legal person or other organizations in which the related natural person assumes the position of director or senior management, other than the Company and its holding subsidiaries;
- (4) (in case of legal person) any substantial shareholder, director, supervisor or chief executive of the Company or any of its subsidiaries, any person who served as a director of the Company or any of its subsidiaries in the last 12 months, or any legal person or other organizations holding 5% or more of the shares of the Company or any of its subsidiaries, and their parties acting in concert;
- (5) an associate of any of the following persons:
  - (i) a director (including any person who occupies the position of a director, by whatever name called, same hereinafter), chief executive or substantial shareholder (a shareholder holding 5% or more shares) of the Company or any of its subsidiaries;
  - (ii) a person who was a director of the Company or any of its subsidiaries in the last 12 months;
  - (iii) a supervisor of the Company or any of its subsidiaries.

As defined under the Hong Kong Listing Rules, an “associate” refers to:

- (i) its subsidiary or holding company, or a fellow subsidiary of the holding company;
- (ii) the trustees, acting in their capacity as trustees of any trust of which the Company is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the “trustees”);
- (iii) a 30%-controlled company held, directly or indirectly, by the company, the companies referred to in paragraph (1) above and/or the trustees (individually or collectively), or any of the subsidiaries of such 30%-controlled company;
- (iv) any joint venture partner of a cooperative or contractual joint venture (whether or not a separate legal person) where:
  - (a) the person (being an individual), his immediate family members and/or the trustees; or
  - (b) the person (being a company), any of its subsidiary, holding company or a fellow subsidiary of the holding company, and/or the trustees, together directly or indirectly hold 30% (or an amount that would trigger a mandatory general offer or establish legal or management control over a business enterprise under the PRC laws) or more in the joint venture’s capital or assets contributions, or the contractual share of its profits or other income;
- (6) a related subsidiary, which is:
  - (i) a non-wholly-owned subsidiary of the Company where any related person(s) at the Company level, individually or collectively, can exercise 10% or more of the voting power at the subsidiary’s general meeting. This 10% excludes any indirect interest in the subsidiary which is held by the related person(s) through the Company; or
  - (ii) any subsidiary of a non-wholly-owned subsidiary referred to in paragraph (a) above; or
- (7) a legal person or other organizations as determined by the relevant laws, regulations, the SSE STAR Market Listing Rules, the Hong Kong Listing Rules or the Company based on the principle of “substance over form” that they have other special or related relationships with the Company and may lead or have led the Company to make skewed distribution in their favor.

The Company and the legal person or other organizations mentioned in item (II) of Article 4 herein which is controlled by the same state-owned assets supervision and administration institution shall not constitute an related party relationship, save for the legal representative, general manager, responsible person or more than half of the directors, supervisors or senior management members concurrently serving in a listed company of such legal person or other organization.

A natural person who meets any of the following conditions is a related natural person of the Company:

- (1) a substantial shareholder of the Company or any of its subsidiaries, and any natural person who directly or indirectly holds 5% or more of the shares of the Company or any of its subsidiaries;
- (2) a director, supervisor, chief executive and senior management member of the Company or any of its subsidiaries, and any person who was a director of the Company or any of its subsidiaries in the last 12 months;
- (3) a director, supervisor and senior management member or other major responsible person of the legal person or other organizations which directly or indirectly controls the Company or any of its subsidiaries;
- (4) close family members who have a close relationship with a person as described in items (I) to (III) above, including his spouse, his child or step-child, natural or adopted, under the age of 18 (each an “immediate family member”); a person cohabiting with him as a spouse, or his child, step-child, parent, step-parent, brother, step-brother, sister or step-sister (each a “family member”); and a father-in-law, mother-in-law, son-in-law, sister-in-law, spouse of child above the age of 18, brother-in-law, sister-in-law, grandparent, grandchild, uncle, aunt, cousin, nephew or niece (each a “relative”);
- (5) the trustees, acting in their capacity as trustees of any trust of which the individual as described in items (I) to (III) above or his immediate family member is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object (other than a trust which is an employees’ share scheme or occupational pension scheme established for a wide scope of participants and the related persons’ aggregate interests in the scheme are less than 30%) (the “trustees”);
- (6) a 30%-controlled company held, directly or indirectly, by the individual as described in items (I) to (III) above, his immediate family members and/or the trustees (individually or together), or any of its subsidiaries;

- (7) a majority-controlled company held, directly or indirectly, by the family members (individually or together), or held by the family members together with the individual as described in items (I) to (III) above, his immediate family members and/or the trustees, or any of its subsidiaries;
- (8) a majority-controlled company held, directly or indirectly, by the relatives (individually or together), or held by the relatives together with the related person as described in items (I) to (III) above, the trustees, his immediate family members and/or family members, or any subsidiary of that majority-controlled company;
- (9) a natural person as determined by the relevant laws, regulations, the SSE STAR Market Listing Rules, the Hong Kong Listing Rules or the Company based on the principle of “substance over form” who has other special or related relationships with the Company and may lead or has led the Company to make skewed distribution in his favor;
- (10) a “deemed connected person” under the Hong Kong Listing Rules, no matter such person is a legal person or natural person.

**Article 5** A legal person or natural person that meets any of the following conditions shall be regarded as a related party of the Company:

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

### CHAPTER III DECISION-MAKING POWERS ON RELATED PARTY TRANSACTIONS

**Article 6** Decision-making authority on related party transactions:

- (1) If the transaction is not conducted on normal commercial terms or better, it shall be approved by the board of directors (the “Board”) and/or a general meeting of the Company in accordance with the SSE STAR Market Listing Rules and the Hong Kong Listing Rules, and shall comply with other applicable provisions of the SSE STAR Market Listing Rules and the Hong Kong Listing Rules.
- (2) Any related party transaction between the Company and a related natural person involving a transaction amount of less than RMB300,000 shall be subject to the approval of the general manager of the Company.

- (3) Any related party transaction (other than the provision of guarantee) between the Company and a related legal person involving a transaction amount of less than RMB3,000,000 or less than 0.1% of the latest audited total assets or market capitalization of the Company shall be subject to the approval of the general manager of the Company.
- (4) Any related party transaction (other than the provision of guarantee) between the Company and a related natural person involving a transaction amount of not less than RMB300,000 shall be subject to the review and approval of the Board and timely disclosure.

Any related party transaction (other than the provision of guarantee) between the Company and a related legal person involving a transaction amount of not less than 0.1% of the latest audited total assets or market capitalization of the Company and more than RMB3,000,000 shall be subject to the review and approval of the Board and timely disclosure.

- (5) For a transaction (other than the provision of guarantee) between the Company and a related natural person or legal person accounting for not less than 1% of the total assets or market capitalization of the Company and amounting to more than RMB30,000,000, a valuation report or audit report shall be provided according to the provisions of the Listing Rules, and such transaction shall be submitted to a general meeting for consideration and approval upon review of the Board.

The aforesaid are also subject to the following arrangements under the Hong Kong Listing Rules:

- (1) A transaction shall be submitted to the Board if any of its percentage ratios (other than the profits ratio) is equal to or higher than:
- (i) 0.1% or above;
  - (ii) 1% or above and the transaction is a related transaction only because it involves related person(s) at the subsidiary level; or
  - (iii) 5% or above and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the related person or commonly held entity) amounts to HK\$3,000,000 or above.

- (2) A transaction shall be submitted to the Board and be subject to shareholders' approval if any of its percentage ratios (other than the profits ratio) is equal to or higher than:
- (i) 5% or above; or
  - (ii) 25% or above and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the related person or commonly held entity) amounts to HK\$10,000,000 or above.

Unless the exceptions or exemptions under the Hong Kong Listing Rules apply, the Company shall comply with applicable Hong Kong Listing Rules requirements, including but not limited to announcement, circular, independent board committee, independent financial adviser, annual reporting, annual review, etc.

**Article 7** Any guarantee, regardless of its amount, provided by the Company for its shareholders, de facto controllers and the related parties shall be submitted to a general meeting for consideration and approval upon approval of the Board.

Where the shareholders consider a resolution at a general meeting regarding the provision of guarantees in favor of shareholders, de facto controllers and their related parties, such shareholders, or shareholders under the control of such de facto controllers shall abstain from voting. Such resolution is subject to the approval of not less than two-thirds of the voting rights held by other shareholders present at the general meeting.

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

**Article 8** If the subject matter of the related party transaction subject to consideration and approval at a general meeting according to these management policies is the equity interest of the Company, the Company shall engage an accounting firm qualified to deal with securities and futures to audit the financial reports of the current financial year and of the last quarter of the subject matter of the transaction. The cut-off date for the audit shall not be more than six months prior to the date of entering into the agreement. If the subject matter of the transaction is non-cash assets other than equity interest, the Company shall engage a property valuer firm qualified to deal with securities and futures to carry out valuation. The base date of the valuation shall not be more than one year from the date of entering into the agreement.

In case of the subject matter of the related party transaction in the ordinary and usual course of business of the Company, audit or valuation may be exempted.

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

**Article 9** Where the Company intends to conduct a related party transaction which is subject to consideration and approval at a general meeting, prior consent should be obtained from independent directors before such transaction is submitted to the Board for consideration.

Prior consent from independent directors shall be approved by not less than half of all independent directors and disclosed in a public announcement of the relevant related party transaction.

**Article 10** Where the Company enters into a related party transaction involving the “provision of financial assistance”, “provision of guarantee”, “entrusted financial management” or other matters as described in Article 3 herein, calculation shall be based on the actual amount and shall be calculated in aggregate within twelve consecutive months according to the type of transaction. Where the aggregate amount reaches the standards set out in Article 6 herein, the provisions of Article 6 shall apply. If the relevant decision-making procedures under Article 6 have been performed, the transaction shall not be included in the relevant scope of aggregated calculation.

**Article 11** If the Company enters into the following related party transactions within twelve consecutive months, based on the principle of aggregated calculation, the provisions of Article 6 herein shall apply:

- (1) transactions entered into with the same related party or parties related with one another;
- (2) transactions entered into with different related parties with respect to a certain type of subject matter;
- (3) whether or not these transactions involve the acquisition or disposal of a constituent part of an asset, or securities of or interests in a company or group of companies; or
- (4) whether these transactions together will lead to substantial involvement by the Group in a new business activity.

The same related party referred to above shall include legal persons or other organizations under control of the same entity as the related party or having control of interests in each other with the related party, or in which their positions of director or senior management are assumed by the same natural person.

If the relevant decision-making procedures under Article 6 have been performed, the transaction shall not be included in the relevant scope of aggregated calculation.

The Company shall also comply with the aggregation calculation requirements for related transactions under the Hong Kong Listing Rules.

Companies may not avoid the related transaction rules by arranging a series of small transactions over a period of time, rather than entering into a single, larger transaction at one time.

#### CHAPTER IV REVIEW AND APPROVAL PROCEDURES ON RELATED PARTY TRANSACTIONS

**Article 12** Related directors include the following directors or directors who meet any of the following conditions:

- (1) being the counterparty of a transaction;
- (2) holding office in the counterparty, or holding office in a legal entity or other organizations which is in a position to directly or indirectly control the counterparty or which is under the direct or indirect control of the counterparty;
- (3) having direct or indirect control of the counterparty;
- (4) being a close family member of the counterparty or its direct or indirect controller (including spouse, father, mother, father-in-law, mother-in-law, brother, sister, brother-in-law, sister-in-law, child aged 18 or above, son-in-law, daughter-in-law, brother or sister of son-in-law or daughter-in-law, father or mother of son-in-law or daughter-in-law);
- (5) being a close family member of a director, supervisor or senior management member of the counterparty or its direct or indirect controller (including spouse, father, mother, father-in-law, mother-in-law, brother, sister, brother-in-law, sister-in-law, child aged 18 years or above, son-in-law, daughter-in-law, brother or sister of son-in-law or daughter-in-law, father or mother of son-in-law or daughter-in-law);
- (6) being a person whose independent commercial judgment may be influenced as determined by the relevant laws, regulations, the SSE STAR Market Listing Rules, the Hong Kong Listing Rules or the Company based on the principle of “substance over form” for other reasons.

**Article 13** Statement of related directors

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

**Article 14** The description on the related party transaction in the relevant resolution of the Board shall at least include the following contents:

- (1) the details, quantity, unit price, total amount, proportion in similar business, pricing policy and its basis of such transaction. It shall also indicate whether the pricing is fair and whether there is any difference from the third-party price on the market. For a major related party transaction without a comparable marker price or with a restricted price, it shall indicate whether the relevant costs and profits criteria are specified in the contract.
- (2) the impact of such transaction on the financial conditions and operating results of the Company.
- (3) whether such transaction prejudices the interests of the Company and minority shareholders.

**Article 15** Subject to the laws and regulations of the places where the Company's shares are listed and the SSE STAR Market Listing Rules and the Hong Kong Listing Rules, when the Board of the Company considers a related party transaction, the related directors shall abstain from voting and shall not exercise voting rights on behalf of other directors. A meeting of the Board may be held with the attendance of more than half of the non-related directors and any resolution passed at such meeting shall be subject to approval by more than half of the non-related directors. Where fewer than three non-related directors attend such meeting, the transaction shall be submitted to a general meeting for consideration. If a related transaction is not exempted under the Hong Kong Listing Rules, the Company shall also comply with the relevant announcement, circular and independent shareholders' approval requirements.

**Article 16** Subject to the laws and regulations of the places where the Company's shares are listed and the SSE STAR Market Listing Rules and the Hong Kong Listing Rules, the following shareholders shall abstain from voting when a related party transaction is considered at the general meeting:

- (1) being the counterparty;
- (2) having direct or indirect control of the counterparty;
- (3) being under direct or indirect control of the counterparty;
- (4) being directly or indirectly controlled by the same legal person, other organizations or natural person as the counterparty;
- (5) being a close family member of the counterparty or a direct or indirect controller of the counterparty (including spouse, father, mother, father-in-law, mother-in-law, brother, sister, brother-in-law, sister-in-law, child aged 18 years or above, son-in-law, daughter-in-law, brother or sister of son-in-law or daughter-in-law, father or mother of son-in-law or daughter-in-law);
- (6) holding office in the counterparty, or holding office in a legal entity which is in a position to directly or indirectly control the counterparty or which is under the direct or indirect control of the counterparty (applicable to shareholders who are natural persons);
- (7) being restricted or influenced in terms of voting right due to an equity transfer agreement or other agreements that has not been fulfilled by the counterparty or its related party;
- (8) being a legal person or natural person as determined by the relevant laws, regulations, the SSE STAR Market Listing Rules, the Hong Kong Listing Rules or the Company based on the principle of "substance over form" that may lead or has led the Company to make skewed distribution in his or its favor.

**Article 17** When a general meeting votes on a related party transaction, the related shareholders shall abstain from voting and shall not exercise the voting rights on behalf of other shareholders; and the number of voting shares represented by them shall not be counted in the total number of shares validly voted.

**Article 18** The Group must enter into a written agreement for a related transaction. The written agreement for a continuing related transaction must contain the basis for calculating the payments to be made. The term of the agreement must be fixed and reflect normal commercial terms or better. The term of the agreement shall not exceed three years except under special circumstances where the nature of the transaction requires a longer term. In this case, the Company must appoint an independent financial adviser to explain why the agreement requires a longer term and to confirm that it is normal business practice for agreements of this type to be of such duration. If the term of such ordinary related party transaction agreement between the Company and the related party exceeds three years, the review procedure should be performed triennially according to these management policies, subject to the requirements of the SSE STAR Market Listing Rules and the Hong Kong Listing Rules in relation to continuing related transactions.

#### CHAPTER V DISCLOSURE OF RELATED PARTY TRANSACTIONS

**Article 19** Where the Company enters into a transaction with related parties with a related party in daily course of business, the obligation to disclose and the consideration procedures shall be observed under the following circumstances:

- (1) the Company may conduct a reasonable estimation of the annual amount of daily transactions with related parties by type to fulfill the consideration procedures and obligation to disclose; the Company shall re-submit such transactions based on any amount in excess of the estimated total amount for consideration and disclose the same.
- (2) the Company shall group and disclose daily transactions with related parties by types in the annual reports and interim reports;
- (3) Where the term of daily transaction with related parties' agreement entered into between the Company and the related party is longer than three years, the Company shall go through again the relevant consideration procedures and disclose such transaction every three years.

**Article 20** Where a transaction between the Company and the related party meets any of the following criteria, it shall be disclosed in a timely manner:

- (1) a transaction entered into with a related natural person with a transaction amount of not less than RMB300,000;
- (2) a transaction entered into with a related legal person with a transaction amount accounting for not less than 0.1% of the latest audited total assets or market capitalization of the Company and more than RMB3,000,000.

**Article 21** Relevant obligations stipulated herein may be exempted for the following related party transactions entered into between the Company and the related parties:

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

#### CHAPTER VI SUPPLEMENTARY PROVISIONS

**Article 22** A related party transaction of a subsidiary controlled or held as to not less than 50% by the Company shall be deemed as an act of the Company, and the decision-making and disclosure standards shall be subject to the above requirements. A related party transaction of an investee company of the Company shall be subject to the above requirements in terms of the amount after multiplying the subject matter of the transaction by the shareholding ratio or agreed profit sharing ratio.

**Article 23** Decision-making records, resolutions and other documents in relation to related party transactions shall be kept by the secretary to the Board for no less than ten years.

**Article 24** Unless otherwise specified, terms and definition in this Policy shall have the same meaning as those in the Articles of Association.

**Article 25** Matters not covered by these management policies shall be inconsistent with the laws and regulations thereafter issued or the Articles of Association, provisions of such laws and regulations as well as the Articles of Association shall prevail.

**Article 26** These management policies shall be construed by the Board of the Company.

**Article 27** Subject to the approval at a general meeting of the Company, these management policies shall come into effect from the date on which the shares of the Company are traded on the SSE STAR Market.

*Note:* If there is any inconsistency between the English and Chinese versions of these management policies, the Chinese version shall prevail.

## CHAPTER I GENERAL PROVISIONS

**Article 1** In order to protect the lawful rights and interests of investors, standardize the provision of external guarantees by CanSino Biologics Inc. (the “Company”), avoid risks of external guarantees of the Company effectively, and ensure the safety of the assets of the Company, these policies have been formulated in accordance with the relevant provisions of laws, such as the Company Law of the People’s Republic of China (the “Company Law”), regulations and normative documents, and the Articles of Association of CanSino Biologics Inc. (the “Articles of Association”), while taking into account the actual circumstances of the Company.

**Article 2** This policy is applicable to the company and its wholly-owned and holding subsidiaries (“subsidiaries”).

**Article 3** As stated in this policy, external guarantees refer to the guarantee, asset mortgage, pledge and other guarantees provided by the company for any other unit or individual with its own assets or credits, specifically including loan guarantee, bank’s letter of credit and bank’s acceptance bill guarantee, guarantee for the issuance of a letter of guarantee, etc.

This policy is not applicable to the guarantees provided by the company for its own debts.

The guarantees provided by the company for its subsidiaries are considered as external guarantees.

**Article 4** The Company shall abide by the following basic principles in providing external guarantees:

- (1) Comply with laws, regulations and normative documents, such as the Company Law and the Guarantee Law, and conform to the provisions of the Articles of Association on external guarantees;
- (2) Follow the principles of legal compliance, prudence, mutual benefit and safety, and strictly control the risk of guarantee;
- (3) The external guarantees shall be subject to unified management, and the branches of the Company shall not provide external guarantees. Without the approval of the Company, the subsidiaries shall not provide external guarantees, nor shall they provide guarantees to each other;
- (4) External guarantees must require the guaranteed party (excluding wholly-owned subsidiaries of the company and mutual insurance enterprises) to provide counter-guarantee and other necessary preventive measures, and the provider of counter-guarantee should have the actual ability to bear;
- (5) Any external guarantee shall be approved by the shareholders’ general meeting or the board of directors.

**Article 5** The Company shall prudently treat and strictly control the risks of debt arising from the external guarantees, and the relevant responsible persons shall bear joint and several liabilities for losses arising from illegal or inappropriate external guarantees.

## CHAPTER II ACCEPTANCE AND INVESTIGATION OF APPLICATION FOR EXTERNAL GUARANTEE

**Article 6** The board of directors of the Company shall, prior to the consideration of the external guarantee proposal, fully investigate the operation and credit status of the guaranteed party, carefully consider and analyze the financial position, operation status, industry prospects and credit status of the guaranteed party, and make a prudent decision in accordance with the law.

Before signing the guarantee contract, the guarantee applicant shall apply for guarantee to the relevant departments of the company, stating the debt status to be guaranteed, the corresponding business or project, risk assessment and prevention, and providing the following information:

- (1) Basic information of the enterprise (including enterprise name, registered address, legal representative, business scope and other relations with the company);
- (2) The main contract related to the loan and the information related to the main contract;
- (3) Counter-guarantee scheme and basic information;
- (4) Guarantee method, term, amount, etc.;
- (5) Recent audit financial reports, sources of repayment funds and plans, repayment capacity analysis;
- (6) Whether there is any record of non-performing loans in the main bank;
- (7) Statements of the non-existence of major litigation, arbitration or administrative penalties;
- (8) Other important information that the company considers necessary.

**Article 7** The relevant departments of the Company shall, according to the basic information provided by the guarantee applicant, investigate the financial position, industry prospects, operating conditions, credit and reputation of the guarantee applicant to determine whether the information is true or not, and the verification results shall be submitted to the financial department in written form.

The financial department shall carefully check the authenticity and validity, pending and potential lawsuits of the guarantee materials and the main contract, to prevent the guaranteed object cheating the company's guarantee by fraudulent means, and to reduce the potential risk of external guarantees.

**Article 8** After the financial department of the Company has directly accepted the application for guarantee from the guaranteed party or received the application for guarantee from other departments, it shall promptly investigate or review the credit standing of the guaranteed party, draw an investigation report, conduct a risk assessment and put forward opinions on the feasibility of external guarantees.

**Article 9** The person in charge of financial affairs of the company shall be responsible for the daily audit of the external guarantee matters.

### CHAPTER III EXTERNAL GUARANTEES AUDIT

**Article 10** The financial department of the Company shall submit to the secretary to the board of directors for examination after the external guarantees have been examined by the person in charge of financial affairs of the Company. The financial department shall also submit to the board of directors an investigation report on the credit status of the guaranteed party, including the information provided by the guaranteed party and the verification results of other guarantee undertaking departments of the Company.

The board of directors shall further examine the financial position, development prospects, operation status and credit status of the guaranteed party, combining with the above investigation report and verification results of the Company, and fully analyze the benefits and risks of the guarantee.

Where the Board considers it necessary to provide additional supplementary information, the financial department of the Company shall provide such information in a timely manner.

**Article 11** According to the relevant information, the Board of Directors shall carefully examine whether the guaranteed party has the following circumstances and shall not pass the proposal of providing guarantee:

- (1) Those that do not conform to national laws and regulations or national industrial policies;
- (2) Those that do not conform to the provisions of this policy;
- (3) Those whose property rights are unclear, whose transformation has not been completed, or whose establishment does not conform to the national laws and regulations or the national industrial policies;

- (4) Providing false financial statements and other information;
- (5) Those that the Company has previously guaranteed for, and with overdue bank loan or in arrears of interest;
- (6) Loss of the previous year or little profit of the previous year or estimated loss of the current year;
- (7) Enterprises whose business conditions have deteriorated and whose commercial reputation is not good;
- (8) Failing to implement the effective property used for counter-guarantee.

#### CHAPTER IV AUTHORITY FOR EXAMINATION AND APPROVAL OF EXTERNAL GUARANTEES

**Article 12** The following external guarantee acts of the company shall be submitted to the shareholders' meeting for consideration and approval by the board of directors of the company:

- (1) Guarantees whose total amount of external guarantees provided by the Company and its substantially owned subsidiaries reaches or exceeds 50% of the latest audited net assets of the Company;
- (2) Guarantees whose total amount of external guarantees within 12 consecutive months reaches or exceeds 30% of the latest audited total assets of the Company;
- (3) Guarantee provided for a guarantee applicant with a gearing ratio of more than 70%;
- (4) A single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;
- (5) Guarantees provided to shareholders, de facto controller and its related parties;
- (6) Guarantees whose total amount of external guarantees reaches or exceeds 30% of the latest audited total assets of the Company;
- (7) Other guarantees as stipulated under the provisions of the laws and regulations of the PRC or the places where shares of the Company are listed or the Articles of Association.

Except for the guarantee matters to be considered and approved by the shareholders' general meeting of the Company, other guarantees provided by the Company to the outside world shall be considered and approved by the board of directors. As for the guarantee matters within the scope of authority of the board of directors, in addition to being approved by more than half of all directors, they shall also be approved by not less than two-thirds of directors present at the meeting of the board of directors. When the shareholders' general meeting considers the guarantee matters stated in item (II) above, it shall be subject to approval by shareholders representing two-thirds or more of the voting rights present at a general meeting.

**Article 13** Guarantees provided by the Company to its wholly-owned subsidiaries or guarantees provided to its substantially owned subsidiaries where other shareholders of such substantially owned subsidiaries provide guarantees proportionately according to their beneficial interests and the interests of the listed company are not impaired may be exempted from the provisions of above items (I), (III) and (IV) of Article 12, unless otherwise provided in the Articles of Association.

The Company shall summarize and disclose the above guarantees in its annual reports and semi-annual reports.

**Article 14** Guarantees provided by the Company to related parties shall be based on reasonable business logic, and are subject to timely disclosure upon consideration and approval of the Board and shall be submitted to a general meeting for consideration and approval. If the Company provides guarantees to controlling shareholders, de facto controllers and related parties, such controlling shareholders, de facto controllers and its related parties shall provide counter-guarantees.

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

**Article 16** The independent directors shall express their independent opinions when the board of directors considers the external guarantees (except for the provision of guarantees to the subsidiaries within the scope of the merger), and may, when necessary, engage an accounting firm to check the accumulated and current external guarantees of the Company, and shall report to the board of directors in time if any abnormality is found.

**Article 17** Where shareholders consider a resolution at a general meeting on the provision of guarantees in favor of shareholders, de facto controllers and their related parties, such shareholders and shareholders under the control of such de facto controllers, are required to abstain from voting.

**CHAPTER V GUARANTEE CONTRACT**

**Article 18** After the external guarantee is approved by the board of directors or the general meeting of shareholders, a written guarantee contract must be concluded. The guarantee contract must conform to the relevant legal provisions, and the items stipulated in the guarantee contract shall be clear and specific.

**Article 19** At the conclusion of the Guarantee Contract, the financial department shall, in conjunction with the Company's legal department, carefully review the relevant contents of the Guarantee Contract. The financial department shall require the other party to amend or refuse to provide guarantee for mandatory terms or terms that are obviously unfavorable to the interests of the Company and terms that may involve unexpected risks.

**Article 20** The Chairman of the Company or other legally authorized persons shall sign the guarantee contracts on behalf of the Company pursuant to the resolutions of the Board or a general meeting of the Company. No person shall be entitled to sign such guarantee contracts on behalf of the Company without approval and authorization by a general meeting or the Board of the Company. The responsible person shall not sign guarantee contract beyond his authority or sign or affix the Company's seal on the principal contract in the capacity of a guarantor.

**Article 21** The Company may enter into a mutual guarantee agreement with business corporations in compliance with these policies. The responsible person shall timely require the other party to provide relevant financial and accounting statements and other information revealing its debt repayment ability truthfully.

**Article 22** Where the law stipulates that the guarantee must be registered, the financial department must register the guarantee with the relevant registration authority.

**CHAPTER VI THE IMPLEMENTATION AND RISK MANAGEMENT OF THE  
COMPANY'S EXTERNAL GUARANTEES**

**Article 23** Upon approval of the external guarantees of the Company by the handling department of the Company, the legal representative of the Company or authorized representative shall sign the external guarantee contract on behalf of the Company.

After the external guarantee matters of the subsidiary company are approved by the competent department of the company, the legal representative of the subsidiary company or its authorized representative shall sign the guarantee contract on behalf of the company.

**Article 24** After the conclusion of the guarantee contract, the financial department of the Company shall notify the board of supervisors in a timely manner. The board of supervisors shall strictly check whether the guarantee has performed the relevant procedures of examination, approval and resolution in accordance with this policy.

**Article 25** The financial department of the company shall establish a file system for external guarantees, clean up and inspect the guarantee contracts and materials in time, and regularly check with relevant institutions such as banks to ensure the completeness, accuracy and effectiveness of the archived materials. The designated person shall be responsible for the subsequent management of the guarantee contract and the collection and recording of the financial position, production and operation of the guaranteed party and major changes in the company, regularly analyze its financial situation and solvency, pay attention to its production and operation, assets and liabilities, external guarantees, separation and merger, change of legal representative, establish relevant financial files, and report regularly to the board of directors.

**Article 26** The financial department and each department shall pay attention to the production and operation, changes in assets and liabilities, external guarantees or other liabilities, division, merger, changes in legal representatives and changes in commercial reputation of the guaranteed party, especially the repayment of matured debts, and continuously follow up and evaluate the risk degree of the guarantee.

**Article 27** If there is serious deterioration in the state of operation of the guaranteed party or occurrence of major events such as company dissolution or division, the Board is responsible for adopting effective measures to minimize losses. If a debt under an external guarantee is due, the Company shall urge the guaranteed party to discharge its repayment obligation as scheduled. Upon fulfillment of the guarantee obligations for the debtor, the Company shall take effective measures to recover its debts from the debtor.

**Article 28** If the guaranteed debts need to be extended after maturity and continue to be guaranteed by the company, they shall be regarded as new external guarantees and re-perform the examination and approval procedures for guarantees.

**Article 29** If the company needs to fulfill the guarantee liability, it must report to the board of directors for approval, and after fulfilling the guarantee liability to creditors, the company shall immediately initiate effective measures such as counter-guarantee recovery.

**Article 30** Where a creditor transfers his creditor's right to a third party, the company shall refuse to assume the guarantee liability for the additional obligation unless otherwise agreed in the contract.

**Article 31** As a general guarantor, the company shall not assume guarantee liability to the debtor before the main contract dispute has not been trialed or arbitrated and the debtor's property has been enforced according to law and cannot perform the debt.

**Article 32** Subsequent to the acceptance of the debtor's bankruptcy application by the People's Court but no creditor has declared its claims, the relevant responsible person shall propose to the Company to participate in the distribution of insolvent assets and exercise its right of recourse in advance.

**Article 33** If the guarantor in the guarantee contract is not less than two people and the guarantor agrees with the creditor to bear the liability according to the share, the company shall refuse to bear the guarantee liability beyond the share of the company.

**Article 34** When the company performs the guarantee obligation for the debtor, the responsible unit shall take effective measures to recover from the debtor and disclose the recovery in a timely manner.

**Article 35** The external guarantees of the company's subsidiaries shall be implemented in accordance with the provisions of this policy.

The company shall regularly review the external guarantees of the subsidiary company, and if the external guarantees may damage the interests of the company, the company shall correct it.

#### CHAPTER VII LEGAL LIABILITY

**Article 36** Any director, general manager or other senior management member of the Company who entered into a guarantee contract beyond their authority without prior consent and without abiding by the provisions hereof shall be held accountable.

**Article 37** Any handling department officers or other responsible persons who breach the provisions of laws or these policies, neglect the risks and provide guarantees without authorization causing losses to the Company, shall assume liability for compensation.

#### CHAPTER VIII SUPPLEMENTARY PROVISIONS

**Article 38** Matters not covered by these policies shall be executed in accordance with relevant provisions of laws, regulations and normative documents of the PRC and the place(s) where shares of the Company are listed, and the Articles of Association.

**Article 39** Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Articles of Association.

**Article 40** These policies shall be construed by the Board of the Company.

**Article 41** Subject to approval at a general meeting of the Company, these policies shall come into effect on the date on which the shares of the Company are traded on the SSE STAR Market.

*Note:* If there is any inconsistency between the English and Chinese versions of the Administrative Policies for External Guarantees, the Chinese version shall prevail.

**CHAPTER I GENERAL PROVISIONS**

**Article 1** In order to strengthen the internal control of the external investment activities of CanSino Biologics Inc. (康希諾生物股份公司) (the “Company”), standardize external investment activities, take precaution against external investment risks, ensure the security of external investment and increase the returns on external investment, these policies have been formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange, the Articles of Association of the Company (the “Articles of Association”) and the the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

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

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

**CHAPTER II INVESTMENT DECISION-MAKING**

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

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

- (1) total amount of assets (book value or assessed value, whichever is higher) involved in the transactions is not less than 10% of the latest audited total assets of the Company;
- (2) the consideration is not less than 10% of the market capitalization of the Company;

- (3) the net asset of the transaction target (such as equity interest) in the most recent accounting year is not less than 10% of the market capitalization of the Company;
- (4) the operating revenue of the most recent accounting year generated by the transaction target (such as equity interest) of the transaction is not less than 10% of the audited operating revenue of the Company in the most recent accounting year, and exceeds RMB10 million;
- (5) profits arising from the transaction is not less than 10% of the audited net profit of the Company in the last accounting year, and exceeds RMB1 million;
- (6) the net profit in the most recent accounting year generated by the transaction target (such as equity interest) of the transaction is not less than 10% of the audited net profit of the Company in the most recent accounting year, and exceeds RMB1 million.

The net profit index in the above criteria can be exempted from application before the Company realizes profits.

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

- (1) total amount of assets (book value or assessed value, whichever is higher) involved in the transaction is not less than 50% of the latest audited total assets of the Company;
- (2) the consideration is not less than 50% of the market capitalization of the Company;
- (3) the net asset of the transaction target (such as equity interest) is not less than 50% of the market capitalization of the Company;
- (4) the operating revenue in the most recent accounting year generated by the transaction target (such as equity interest) of the transaction is not less than 50% of the audited operating revenue of the Company in the most recent accounting year, and exceeds RMB50 million;
- (5) profits arising from the transaction is not less than 50% of the audited net profit of the Company in the most recent accounting year, and exceeds RMB5 million;
- (6) the net profit in the most recent accounting year generated by the transaction target (such as equity interest) of the transaction is not less than 50% of the audited net profit of the Company in the most recent accounting year, and exceeds RMB5 million.

The net profit index in the above criteria can be exempted from application before the Company realizes profits.

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

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

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

**Article 8** Articles 6 and 7 shall apply to transactions of the same type related to a transaction target of external investment of the Company within 12 consecutive months on an accumulative basis.

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

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

The abovementioned audit report and evaluation report shall be issued by securities service institutions with qualifications for practicing securities and futures-related businesses.

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

**Article 11** External investments not reaching the standards under Article 6 shall be subject to approval by the general manager.

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

**CHAPTER III IMPLEMENTATION AND CONTROL**

**Article 13** In determining external investment projects, the Company shall listen to a variety of opinion and suggestions from the experts in the evaluation team and relevant departments and personnel, and focus on the key indicators of decision-making on external investments, such as cash flow, the time value of currency and investment risks. Upon fully taking into consideration of the project investment risks and expected returns on investment, and balancing the advantages and disadvantages in all aspects, the most optimal investment plan shall be selected.

**Article 14** Upon passing a resolution on the implementation plan of an external investment project, the Company's general meeting and the Board shall determine, among others, the timing, amount, method and responsible personnel of capital contribution. Changes to the implementation plan of an external investment project shall be subject to the consideration and approval by the general meeting and the Board of the Company.

**Article 15** Upon obtaining the approval for external investment, the authorized department or personnel shall be responsible for the specific implementation of the external investment plans, enter into contracts and agreements with the investee and conduct the transfer of property. Prior to entering into the investment contract or agreement, the Company shall not make investment payments or conduct the transfer of investment assets; upon the completion of an investment, the Company shall obtain the investment certificates or other valid credentials issued by the investee.

**Article 16** Upon the implementation of its external investment project, the Company shall send representatives to the investee company such as shareholders' representative, director, supervisor, financial administrator or other senior management members, in order to perform follow-up management to the implementation progress, capital input, operation and revenues of the investment projects, and keep a firm grasp on the financial condition and business circumstances of the investee company. Upon identifying an abnormal condition, the representative shall report to the chairman of the Board or the general manager on a timely basis and take measures accordingly.

**Article 17** The financial department of the Company shall be responsible for enhancing control over external investment income. Interests, dividends and other gains from external investments shall all be included in the Company's financial accounting system. Concealed accounts are strictly prohibited.

**Article 18** The Company's department responsible for external investment management shall enhance the management of external investment archives and ensure the security and integrity of various documents such as resolutions, contracts, agreements and external investment equity certificates.

**CHAPTER IV DISPOSAL OF INVESTMENT**

**Article 19** The Company shall strengthen control over disposal of assets of external investment projects; the procedures and extent of authority for approving the disposal procedures such as withdrawal, transfer and write off upon approval shall be the same as those for approving an external investment.

**Article 20** Upon the termination of an external investment project of the Company, the assets, liabilities and debts of the investee shall undergo full inventory inspection according to relevant national regulations on enterprise liquidation, during which attention shall be paid to behaviors such as illegal withdrawing and transfer of funds, unauthorized share of assets or unauthorized share of assets in disguised form and indiscriminate issuance of bonuses and allowances. Subsequent to the end of inspection, attention shall be paid to whether all assets and liabilities have been recovered in time and undergone accounting procedures.

**Article 21** When writing off external investment after verification, the Company shall obtain legal instruments and documentary evidence unrecoverable due to the investee going bankrupt or other reasons.

**CHAPTER V FOLLOW-UP AND SUPERVISION**

**Article 22** Subsequent to the implementation of an external investment project of the Company, the department of the Company responsible for external investment management shall track and evaluate the investment results. Within three years from the implementation of the project, the Company's department responsible for external investment management shall provide written reports at least on an annual basis to the Board on the progress of the project, including but not limited to whether the investment direction is correct, the investment amount is in place, it matches the budget, there are any changes in the shareholding, there are any changes in the investment environment policies and there are any major differences from the statement in the feasibility report. It shall provide opinion on disposal to the Board of the Company based on identified issues or operational anomalies.

**Article 23** The board of supervisors of the Company exercises the right of supervision and inspection over external investment activities.

**Article 24** The scope of supervision and inspection performed by the board of supervisors over external investment activities shall primarily include:

- (1) the setting of relevant positions and personnel relevant to the investment business, focusing on whether there is any individual assuming not less than two incompatible functions.

- (2) the implementation of the investment authorization approval system, focusing on whether the authorization procedure for external investment business is sound and whether there is any ultra vires approval.
- (3) the legality of the investment plan, focusing on whether there is any illegal external investment.
- (4) the safekeeping of relevant legal documents including the authorization documents, contracts and agreements of the investment activities.
- (5) the verification of investment projects, focusing on whether the original certificates are true, legal, accurate and intact, whether the accounting items are accurate and whether accounting is accurate and integral.
- (6) the use of investment funds, focusing on whether the funds are used as planned and as budgeted, and whether there is any extravagance and waste, embezzlement and diversion of funds.
- (7) the safekeeping of investment assets, focusing on whether there is inconsistent accounting.
- (8) disposal of investment, focusing on whether the approval procedure of the disposal of investment is accurate, and whether the process is true and legal.

## CHAPTER VI SUPPLEMENTARY PROVISIONS

**Article 25** Matters not covered by these management policies shall be inconsistent with the laws and regulations thereafter issued or the Articles of Association, provisions of such laws and regulations as well as the Articles of Association shall prevail.

**Article 26** Unless otherwise specified, the terms used in these policies shall have the same meanings as those defined in the Articles of Association.

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

**Article 28** Subject to the approval at a general meeting of the Company, these policies shall come into effect on the date on which the shares of the Company are traded on the SSE STAR Market.

*Note:* If there is any inconsistency between the English and Chinese versions of these administrative policies, the Chinese version shall prevail.

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## APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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### CHAPTER I GENERAL PROVISIONS

**Article 1** In order to further improve the governance structure of CanSino Biologics Inc. (康希諾生物股份公司) (the “Company”) and facilitate the standardized operations of the Company and facilitate the performance of duties for independent non-executive directors, these rules have been formulated pursuant to the relevant laws, regulations and normative documents such as the Company Law of the People’s Republic of China (the “Company Law”), the Opinions on Further Promotion of Standardized Operations of Overseas Listed Companies and Deepening of Reform, the Guiding Opinions on Establishing the System of Independent Directors in Listed Companies (the “Guiding Opinions”), the Rules Governing the Listing of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (the “SSE STAR Market Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) as well as the relevant regulations of the Company (the “Articles of Association”) while taking into account the actual circumstances of the Company.

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

### CHAPTER II QUALIFICATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

- (1) to satisfy the requirements for independent non-executive directors in respect of character, integrity, independence and experience under the laws and administrative regulations of the places where the Company’s shares are listed, the SSE STAR Market Listing Rules, the Hong Kong Listing Rules and other relevant provisions, to possess the qualifications to hold office as a director a listed company;
- (2) to possess the independence as required by laws, administrative regulations and departmental rules, the SSE STAR Market Listing Rules, the Hong Kong Listing Rules, the Guiding Opinions, the Articles of Association and Article 5 herein;

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
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- (3) to have the basic knowledge of the operations of a listed company, to be familiar with relevant laws, administrative regulations, competent departmental rules and regulations;
- (4) other conditions as required by the SSE STAR Market Listing Rules, the Hong Kong Listing Rules, and the Articles of Association.

**Article 4** The members of the board of directors of the Company (the “Board”) shall comprise of no less than one third of and no less than three independent non-executive directors, of which at least one independent non-executive director must possess the appropriate professional qualifications or accounting or related financial management expertise.

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

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

**CHAPTER III INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Article 5** An independent non-executive director shall be independent, and shall satisfy the independence requirements in respect of independent non-executive directors under the SSE STAR Market Listing Rules, the Hong Kong Listing Rules, and requirements of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). Unless otherwise required herein, none of the following persons shall be nominated as an independent non-executive director of the Company:

- (1) persons directly or indirectly holding more than 1% of the issued shares of the Company;
- (2) such person having received an interest in any security of the Company as a gift, or by means of other financial assistance, from related parties of the Company (including the connected persons as defined under the Hong Kong Listing Rules, hereinafter) or the Company itself. However, subject to section (I), such person will still be considered independent if such person receives shares or interests in securities from the Company or its subsidiary (but not from related parties), as part of his director’s fee, or pursuant to share option schemes established in accordance with the Hong Kong Listing Rules;

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- (3) such person is or was a director, partner or principal of a professional adviser which currently provides or has within one year immediately prior to the date of the proposed appointment provided services, or is or was an employee of such professional adviser who is or has been involved in providing such services during the same period, to:
- (i) the Company, its controlling shareholders, or any of their respective subsidiaries or connected parties; or
  - (ii) any person who was a controlling shareholder or, where there was no controlling shareholder, the chief executive or a director (other than an independent non-executive director), of the Company within one year immediately prior to the date of his proposed appointment as independent non-executive director or any of their close associates.
- (4) currently, or within one year immediately prior to the date of the person's proposed appointment, such person has a material interest in any principal business activity of or is involved in any material business dealings with the Company, its controlling shareholders or their respective subsidiaries or with any related parties of the Company;
- (5) such person is on the Board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;
- (6) such person is or was related with a director, chief executive or a substantial shareholder of the Company within two years immediately prior to the date of his proposed appointment as independent non-executive director, including:
- (i) any person cohabiting as a spouse with, and any child, step-child, parent, step-parent, brother, sister, step-brother and step-sister of, a director, the chief executive or a substantial shareholder of the Company;
  - (ii) the following relatives of such director, chief executive or substantial shareholder: a father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, uncle, aunt, cousin, brother-in-law, sister-in-law, nephew and niece. In the above circumstances, the Company shall provide the Hong Kong Stock Exchange with all relevant information to enable the Hong Kong Stock Exchange to make a determination on the independence of the director.
- (7) such person is, or has at any time during the two years immediately prior to the date of his proposed appointment been, an executive or director (other than an independent non-executive director) of the Company, its controlling shareholders or any of their respective subsidiaries or any of their core related persons;

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
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- (8) such person is financially dependent on the Company, its controlling shareholders or any of their respective subsidiaries or core related persons of the Company;
- (9) other persons as identified by the Hong Kong Stock Exchange, the CSRC and the Shanghai Stock Exchange.

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

**Article 6** Independent non-executive directors shall inform the Company and the Hong Kong Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence and must provide an annual confirmation of their independence to the Company. The Company must confirm in its annual reports whether it has received such confirmation and whether it still considers the independent non-executive directors to be independent.

**CHAPTER IV NOMINATION, ELECTION AND CHANGE OF INDEPENDENT  
NON-EXECUTIVE DIRECTORS**

**Article 7** The Company’s Board, board of supervisors or shareholders individually or in aggregate holding 1% or more of the issued shares with voting powers of the Company may nominate candidates for the office of independent non-executive directors to be elected at a general meeting.

**Article 8** The following procedures shall be observed before electing independent non-executive directors:

- (1) the nominator of candidates for an independent non-executive director shall obtain consent from the nominee prior to his nomination. The nominator shall have full knowledge of the nominee’s occupation, educational background, professional title, detailed working experience and all other posts he concurrently holds, and shall be responsible for providing the Company with written materials of such information. A candidate shall undertake to the Company in writing that he accepts the nomination, and undertake that his publicly disclosed information is true and complete and guarantee to fulfill his duties as a directors after being elected.
- (2) The nominator of an independent non-executive director shall give his opinion on the nominee’s qualifications and independence as an independent non-executive director. The nominee shall make a public statement that he has no relationship with the Company that may affect his independent and objective judgment.

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
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- (3) Where the nomination of independent non-executive directors occurs prior to the convening of a meeting of the Board or the board of supervisors, written materials of nominees as mentioned in sections (I) and (II) of this article shall be announced together with the resolutions of the Board or the board of supervisors or notice of general meeting.
  
- (4) Where shareholders with right to nomination nominate an independent non-executive director to the Company according to law, the written notice of the intention to nominate an independent non-executive director and of the nominee indicating his willingness to accept the nomination together with written materials and undertakings mentioned in sections (I) and (II) of this article shall be delivered to the Company no less than 7 days (commence from the date when the notice of convening a meeting for such election is given by the Company) prior to convening of the general meeting.

**Article 9** The term of office of an independent non-executive director shall be three years, which is the same as the term of office of other directors of the Company, and shall be eligible for re-election upon expiry of the term, provided that the term of office shall not be longer than six years.

**Article 10** An independent non-executive director shall attend meetings of the Board. If an independent non-executive director fails to attend in person two meetings of the Board consecutively, the Board shall propose to the general meeting for his dismissal.

**Article 11** Except for circumstances under which relevant laws and regulations or the listing rules of the place where the Company's shares are listed provides that a person may not hold office as director, an independent non-executive director shall not be dismissed without proper reason before expiry of his term. Any dismissal prior to expiry of the term shall be disclosed by the Company as a special disclosure. If an independent non-executive director so dismissed considers the reason for dismissal as improper, he may make a public statement to that effect.

**Article 12** An independent non-executive director may tender his resignation before the expiry of his term. When an independent non-executive director resigns, he shall submit a written resignation report to the Board in which he shall provide information on any circumstances related to his resignation or any circumstances to which he believes the attention of the Company's shareholders and creditors must be drawn.

If the resignation of an independent non-executive director causes the number of independent non-executive directors of the Board to fall below the minimum required by regulatory authorities, stock exchanges and the Articles of Association, the Company shall immediately report to the regulatory authorities or the stock exchanges in accordance with relevant requirements. The Board shall convene a general meeting to elect an alternate independent non-executive director within three months after the resignation of such

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
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independent non-executive director. If the resignation of an independent non-executive director causes the number of members of the Board to fall below the quorum required by laws, before the commencement of the term of the alternate independent non-executive director, such independent non-executive director shall continue to perform his duties according to laws, administrative regulations and relevant regulatory rules of the places where the Company's shares are listed and the Articles of Association. Except for the above circumstances, the resignation of independent non-executive director shall be effective when his resignation report is delivered to the Board.

**Article 13** If an independent non-executive director does not satisfy the requirements for independence or if other circumstances renders him unsuitable for performing the duties of an independent non-executive director or any other reasons arise, causing the number of independent non-executive directors of the Company to fail to reach the required number of persons required by the Hong Kong Listing Rules, the Company shall immediately inform the Hong Kong Stock Exchange, and publish an announcement in accordance with the Hong Kong Listing Rules to announce relevant details and reasons. The Company shall convene a general meeting to elect a sufficient number of independent non-executive directors as soon as possible within three months from its failure to satisfy relevant requirements.

**CHAPTER V DUTIES AND POWERS OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Article 14** Independent non-executive directors shall focus on matters closely related to the interests of minority shareholders, such as related transactions, external guarantees, use of raised funds, merger and acquisition, major investment and financing activities, executive remuneration and profit distribution.

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

- (1) major related transactions (as defined under the standards issued by regulatory bodies of the places where the shares of the Company are listed from time to time) shall be approved by independent non-executive directors prior to being submitted to the Board for discussion; Before making judgments, independent non-executive directors may engage intermediaries to prepare independent financial advisory reports as the basis of their judgment;
- (2) propose to the Board for appointing or dismissing accounting firms;
- (3) propose to the Board for convening an extraordinary general meeting of the shareholders;

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
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- (4) propose for convening a meeting of the Board;
- (5) independently engage external audit institutions and consulting institutions;
- (6) subject to applicable laws, regulations and/or requirements of the listing rules of the places where the shares of the Company are listed, publicly solicit voting powers from shareholders before the general meeting.

Independent non-executive directors shall obtain the consent of not less than half of all independent non-executive directors prior to exercising the above duties and powers.

Expenses incurred from engaging intermediaries and other expenses required for exercising the duties and powers by independent non-executive directors shall be borne by the Company.

If the above-mentioned proposals have not been adopted or the above-mentioned duties and powers cannot be properly exercised, the Company shall disclose the relevant circumstances according to relevant regulations.

The criteria for determining a “major related transaction” shall be interpreted by reference to the relevant rules and regulations of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

**Article 15** Apart from performing the above-mentioned duties and powers, subject to the laws, regulations and listing rules of the PRC and the places where the shares of the Company are listed, an independent non-executive director may also express his independent opinion to the Board or at a general meeting in respect of the following matters:

- (1) nomination, appointment and dismissal of a director;
- (2) engagement or dismissal of any senior management member;
- (3) remuneration of directors and senior management member of the Company;
- (4) existing or new significant (as defined under standards issued by regulatory bodies of places where the shares of the Company are listed from time to time) loans or other financial dealings entered into by the Company’s shareholders, de facto controllers and their related parties with the Company and whether the Company has adopted effective measures to recover the outstanding amount(s);
- (5) matters considered by independent non-executive directors as potentially detrimental to the interests of minority shareholders;

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
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- (6) when the Company implements major purchases, disposals or replacement of assets;
- (7) other matters stipulated by laws, administrative regulations, the SSE STAR Market Listing Rules, the Hong Kong Listing Rules, the Articles of Association, and laws and regulations of the places where the Company's shares are listed.

**Article 16** An independent non-executive director shall express the following specific opinions in respect of the matters set out in Article 15 herein except for items (VI) and (VII): agree, have reservations with reasons stated, disagree with reasons stated, or cannot express any opinions with the obstacles stated. If the matters stated in Article 15 herein are matters which shall be disclosed according to the Hong Kong Listing Rules, the Company shall make an announcement on the opinions of the independent non-executive directors. If the independent non-executive directors hold different opinions and cannot reach a consensus, the Board shall disclose the different opinions of the independent non-executive directors respectively.

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

- (1) belong to the ordinary and usual course of business of the Company;
- (2) were conducted on normal commercial terms or better; and
- (3) were conducted according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

**CHAPTER VI OBLIGATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Article 17** An independent non-executive director owes fiduciary and due diligence duties to the Company and all shareholders. An independent non-executive director shall perform his duty earnestly, safeguard the overall interests of the Company, and protect the lawful interests of minority shareholders in accordance with relevant laws, regulations, the SSE STAR Market Listing Rules, the Hong Kong Listing Rules, the Articles of Association and these rules.

**Article 18** An independent non-executive director shall carry out his duties independently, without being subject to influence from the substantial shareholders and de facto controllers of the Company, or other units or individuals that are interested in the Company.

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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**Article 19** An independent non-executive director shall be allowed to serve concurrently as independent non-executive director for a maximum of five listed companies, and shall ensure that he has sufficient time and energy to effectively fulfill his duties as an independent non-executive director.

**Article 20** Independent non-executive directors shall attend meetings of the Board as scheduled, understand the condition of the production and operational activities of the Company in a timely manner and take initiative to investigate in and obtain information and materials necessary for making decisions.

**Article 21** Independent non-executive directors shall submit an annual debriefing report at the annual general meeting of the Company, describing in detail the performance of their duties.

**Article 22** Independent non-executive directors shall perform their duties effectively in the process of preparation and disclosure of the Company's annual report.

**Article 23** Each independent non-executive director shall confirm any securities of the Company that he owns after the end of the Company's fiscal year.

**Article 24** Upon the resignation or expiry of the term of any independent non-executive director, his obligations towards the Company and its shareholders may not be released prior to the effective date of his resignation report or within a reasonable period after the effective date of his resignation report, and within a reasonable period after the expiry of his term of office. His confidentiality obligation regarding the protection of the trade secrets of the Company continues to be applicable until such information becomes public. The continuity of other obligations of the independent non-executive directors shall be negotiated on an arms-length basis.

**Article 25** Independent non-executive directors shall abide by the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Hong Kong Listing Rules.

**CHAPTER VII ENSURING INDEPENDENT NON-EXECUTIVE DIRECTORS'  
PERFORMANCE OF DUTIES**

**Article 26** The Company shall provide independent non-executive directors with office premises and necessary office facilities.

**Article 27** The office of the Board of the Company shall be responsible for the coordination between relevant functional departments upon request of independent non-executive directors and providing independent non-executive directors with true and adequate background information so that they can give a reasonable basis for their independent judgments and opinions.

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
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**Article 28** The Company shall ensure that each independent non-executive director shall have the same right to information as other directors.

The office of the Board shall arrange for public announcements on the stock exchanges where the Company's shares are listed in a timely manner if any independent opinion, proposal and written explanation issued by independent non-executive directors shall be announced.

Subsequent to the issuance of the notice of a meeting of the Board and prior to of the date of the meeting, the office of the Board shall be responsible for or shall organize the communication and liaison with independent non-executive directors to collect their opinions and suggestions on the relevant resolutions, and inform the proposer of such opinions and suggestions in timely manner such that the proposer may optimize the relevant resolutions proposed.

**Article 29** If independent non-executive directors need to engage intermediaries for professional opinions in considering matters of major related transactions or specific issues, the Company may provide independent non-executive directors with a list of intermediaries to choose from.

**Article 30** The Company shall give independent non-executive directors adequate remuneration. Standards for such remuneration shall be formulated by the Board, approved at a general meeting, and disclosed in accordance with relevant regulations. Aside from the above remuneration, independent non-executive directors shall not obtain other additional and undisclosed benefits from the Company, its substantial shareholders or any organization or individual that has an interest in the Company.

**CHAPTER VIII SUPPLEMENTARY PROVISIONS**

**Article 31** Relevant terms and definitions herein shall have the same meanings with those in the Articles of Association or the SSE STAR Market Listing Rules and the Hong Kong Listing Rules. Unless otherwise expressly specified in relevant national laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, the term "Independent Non-Executive Director" herein shall have the same meaning as the term "Independent Director".

**Article 32** Matters not covered by these management policies shall be inconsistent with the laws and regulations thereafter issued or the Articles of Association, provisions of such laws and regulations as well as the Articles of Association shall prevail.

**Article 33** Unless otherwise specified, terms and definition in this Policy shall have the same meaning as those in the Articles of Association.

**Article 34** These rules shall be amended and construed by the Board.

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**APPENDIX XII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
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**Article 35** Subject to the approval at a general meeting of the Company, these rules shall come into effect from the date on which the shares of the Company are traded on the SSE STAR Market.

*Note:* If there is any inconsistency between the English and Chinese versions of these terms of reference, the Chinese version shall prevail.

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# NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

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## CanSino Biologics Inc. 康希諾生物股份公司

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 6185)

### NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 2019 first extraordinary general meeting (the “EGM”) of CanSino Biologics Inc. (the “Company”) will be held at Conference Room, Level 11, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing on Friday, November 29, 2019 at 9:00 a.m. for the following purposes:

#### SPECIAL RESOLUTIONS

1. To consider and approve the fulfillment by the Company of the requirements for initial public offering of A Shares and listing on the SSE STAR Market.
2. To consider and approve the proposed Issue of A Shares as follows (each and every items as a separate resolution):
  - (i) Class of new Shares to be issued: Ordinary Shares (A Shares)
  - (ii) Nominal value of new Shares to be issued: RMB1.00 each
  - (iii) Issue size: The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing shareholders. The Company proposes to issue not more than 24,800,000 new A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter according to the authorization (if granted at the EGM and the Class Meetings), the conditions required by the laws and regulations of the PRC and the regulatory authorities, and the market condition then. If there is any ex-right event (such as bonus issue and conversion of capital reserve to share capital) prior to the Issue of A Shares, the number of A Shares to be issued will be adjusted accordingly.
  - (iv) Method and schedule of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities. The Company will proceed with the Issue within one year since the CSRC approves the Issue.

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## NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

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- (v) Target subscribers: Qualified price consultation participants subject to the laws, regulations and regulatory documents of the PRC, and natural persons, legal persons and institutional investors who maintain A Shares securities account with the Shanghai Stock Exchange (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
- (vi) Pricing methodology: The issue price for the A Shares will be determined through a combination of off-line placement to professional institutional investors and offering by way of on-line subscription by public investors based on market value, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
- (vii) Issuance expenses: The expenses in relation to the Issue of A Shares including underwriting fee, sponsor(s)' fee, auditor's fee, legal advisors' fee, issuing fee, etc. will be borne by the Company.
- (viii) Method of underwriting: The Issue of A Shares will be underwritten by the sponsor(s) and underwriter(s) by way of standby commitment.
- (ix) Subscription by the Company's senior management and core employees: The Company's senior management and core employees may subscribe for the A Shares through specific asset management plan and participate in the strategic placing. The number of A Shares allotted to the specific asset management plan shall not exceed 10% of the total number of shares to be issued under the Issue of A Shares, and the relevant senior management and/or core employees shall be subject to a lock-up period for not less than 12 months. Such participation requires the approval of the Board of Directors and the general meeting (if required) and other relevant authorities and shall be fully disclosed in the prospectus to be issued in relation to the listing on the SSE STAR Market.
- (x) Place of listing: All A Shares will be listed and traded on the SSE STAR Market.
- (xi) Validity period of the resolutions: The resolutions will be valid for a period of 12 months from the date of approval at the general meeting and the class meetings.

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## NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

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3. To consider and approve the investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis.

The proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects after deducting the issuance expenses:

No.	Project name	Proposed investment amount from proceeds raised (RMB)
1	Construction of the phase II production facilities	550,000,000
2	Working capital	250,000,000
3	R&D of vaccines	150,000,000
4	Construction of the vaccine traceability, cold chain logistics and information systems	50,000,000
	<b>Total</b>	<b>1,000,000,000</b>

*Note:* Final names of the above projects shall be based upon names approved by or filed with (if required) the government authorities.

After the proceeds raised from the Issue of A Shares are in place, the Company will invest the proceeds into the above projects according to the actual needs and priorities of the projects. If the net proceeds actually raised (after deducting the issuance expenses) are less than the total amount of proceeds to be invested, the shortfall shall be covered by the Company with its own funds or self-raised funds. If the proceeds raised from this issuance exceeds the capital requirements of the projects, the surplus amount will be mainly used for (i) R&D of vaccines; (ii) working capital, and/or (iii) other purposes relating to the Company's principal business, after taking into account the Company's actual needs and upon approval by the Board.

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds or self-raised funds according to the needs of the projects, and after the proceeds raised are in place, the Company can replace the initial investment funds according to the requirements and procedures of the relevant laws, regulations and regulatory documents.

Within the scope of the finally determined investment projects to be funded by proceeds raised from Issue of A Shares, the Board of Directors may, according to the actual needs of the project, make appropriate adjustments to the sequence and amount of the proceeds to be invested in the above projects.

4. To consider and approve the authorization to the Board of Directors to fully handle matters in connection with the proposed Issue of A Shares and the listing on the SSE STAR Market.

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## NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

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The authorization proposed to be granted to the Board shall include without limitation:

- (i) The performance of all procedures relating to the Company's issuance and listing, including but not limited to, submission of an application to the Shanghai Stock Exchange for the public issuance of shares and listing on the SSE STAR Market, and submission of an application for registration to the CSRC after approval and consent have been granted by the Shanghai Stock Exchange, and provision of response to the securities regulatory institutions in respect of feedback opinions on matters relating to this issuance and listing.
- (ii) The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as timing of issuance, target subscribers, commencement and closing dates of issuance, issue price or pricing methodology, the specific number of shares to be issued, method of issuance, strategic placement, specific projects to be funded by the proceeds raised and the progress and amount of investment, in accordance with national laws, regulations and regulatory documents, the relevant requirements and policies of securities regulatory authorities, and the specific conditions including the securities market conditions and the resolutions of the EGM and the Class Meetings.
- (iii) If the PRC and securities regulatory authorities issue new requirements and policies on initial public offering of shares, the Board of Directors be authorized to make corresponding adjustments to this issuance proposal according to the new requirements and policies and continue to handle the matters relating to this issuance.
- (iv) The preparation, review, amendment and signing of all legal documents and material contracts relating to this issuance and listing, including but not limited to the prospectus for the Issue of A Shares and listing on the SSE STAR Market, strategic placement agreements and other relevant documents.
- (v) The completion of all government approval procedures involved in this issuance and listing, the payment of all issuance expenses relating to share issuance, listing and sponsorship, and the completion of other necessary procedures and tasks required by this issuance and listing.
- (vi) Authorizing the Board of Directors to supplement and amend the relevant clauses of the Articles (draft) according to the result of share issuance and to complete the relevant procedures for the approval, registration and filing of such changes with the competent authority of commerce and the competent Administration for Industry and Commerce.

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## NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

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- (vii) The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company according to the requirements and suggestions of the CSRC, Shanghai Stock Exchange and the relevant securities regulatory authorities or according to the actual conditions of this issuance.
- (viii) Within the scope of the resolutions passed by the Shareholders at the EGM and the Class Meetings, necessary and appropriate adjustments will be made to the relevant matters in the implementation process of the investment projects funded by the proceeds raised, including but not limited to: the organization and implementation of project construction with self-owned or self-raised funds according to the actual progress of the projects before the proceeds of this issuance and listing are in place; the confirmation of a special deposit account for the proceeds raised; the signing of a tripartite supervision agreement for the proceeds raised; the implementation of the use of proceeds after completion of this issuance and listing; if the proceeds raised are insufficient, the Company should solve the problem through self-owned or self-raised funds; the signing of material contracts involved in the implementation process of the investment projects funded by the proceeds raised; and making decisions on the investment proposals for various projects within the scope of the total investment amount for investment projects funded by the proceeds raised which has been considered and approved by the Shareholders.
- (ix) After completion of this issuance, handling the matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of shares.
- (x) The publication of, among other things, the prospectus and listing announcement on designated newspapers and websites according to the requirements of the CSRC, the Shanghai Stock Exchange and the relevant securities regulatory authorities, and making an application for listing to the designated stock exchange and providing complete information of the application.
- (xi) The engagement of intermediaries, including the sponsor/lead underwriter, legal advisers and auditor for this issuance and listing of the Company, determination of service fees for the intermediaries through consultation, and signing of engagement agreements.
- (xii) In case of the occurrence of force majeure events or other circumstances where implementation of this issuance plan would become difficult, or although implementation would be possible, it would bring extremely adverse impact on the Company, then decisions to suspend or terminate this issuance plan may be made at discretion.

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## NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

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(xiii) For the purpose of this issuance and listing, communication with the relevant regulatory institutions or organizations, such as CSRC, Shanghai Stock Exchange, the Securities and Futures Commission, the Stock Exchange and China Securities Depository and Clearing Co., Ltd., on behalf of the Company will be carried out.

(xiv) To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

The above authorization, if approved, shall be valid for a period of 24 months from the date of approval at the general meeting and the class meetings.

5. To consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares.

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares. Details are as follows:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit before the Issue of A Shares and listing on the SSE STAR Market, then it is proposed that the new and existing Shareholders shall share in proportion to their respective shareholding after the Issue of A Shares and listing on the SSE STAR Market.

If the Company has unrecovered losses prior to the Issue of A Shares and listing on the SSE STAR Market, it is proposed that the new and existing Shareholders of the Company after this issuance and listing shall bear the losses according to the proportion of their shareholdings after the Issue of A Shares and listing on the SSE STAR Market.

6. To consider and approve the Company's three-year dividend distribution plan for Shareholders after initial public offering of A Shares and listing on the SSE STAR Market.
7. To consider and approve the Company's share price stabilization plan and restraining measures within three years after the initial public offering of A Shares and listing on the SSE STAR Market.
8. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the SSE STAR Market, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and combining the review for listing on the SSE STAR Market in practice and the actual situation of the Company.

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## NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

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9. To consider and approve the impact of dilution on immediate return by the initial public offering of A Shares and adoption of recovery measures.
10. To consider and approve the proposed amendments to the Articles in respect of the Issue of A share.

### ORDINARY RESOLUTIONS

11. To consider and approve the proposed amendments to the Company's internal management policies, namely, the "Rules of Procedures for the Meeting of Shareholders", the "Rules of Procedures for the Board of Directors", the "Rules of Procedures for the Board of Supervisors", "Management Policies for Raised Funds", "Management Policies for Related Transactions", the "Administrative Policies for External Guarantees", the "Administrative Policies for External Investment", the "Terms of Reference for the Independent Non-Executive Directors",
12. To consider and approve the engagement of professional intermediaries, including the sponsor/lead underwriter, legal adviser and auditor for the Proposed Issue of A Shares and listing, and to authorize the Board of Directors to determine the relevant remuneration of the aforementioned intermediaries, including but not limited to CITIC Securities Co., Ltd., China International Capital Corporation Limited, Tian Yuan Law Firm and PricewaterhouseCoopers Zhong Tian LLP.
13. To consider and approve the uncovered deficit of the Company amounting to one-third of the total share capital.

As at December 31, 2017, the accumulated loss of the Company was RMB73,000,408.99 and the share capital of the Company was RMB156,444,274.00. As at December 31, 2018, the accumulated loss of the Company was RMB211,272,129.57 and the share capital of the Company was RMB160,950,899.00. According to the Company Law of the PRC and the Articles of Association, under the circumstance that the accumulated loss of the Company amounts to one-third of the total share capital of the Company, the Company shall convene general meetings for consideration.

For and on behalf of the Board  
**CanSino Biologics Inc.**  
**Xuefeng YU**  
*Chairman*

Hong Kong, October 14, 2019

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## NOTICE OF THE 2019 FIRST EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at [www.cansinotech.com](http://www.cansinotech.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the EGM.
2. Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's headquarters and registered office in the PRC (for holders of domestic shares and unlisted foreign shares) or the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), at least 24 hours before the EGM (i.e. before November 28, 2019) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of holders of H shares who are entitled to attend the EGM, the H share register of members of the Company will be closed from October 29, 2019 to November 29, 2019, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of the shares shall ensure all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on October 28, 2019 for registration.
5. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. Shareholders intending to attend the EGM in person or by their proxies should return the reply slip for attending the EGM by personal delivery or by post to the Company's headquarters and registered office in the PRC (for holders of domestic shares and unlisted foreign shares) or the Company's H share registrar, Computershare Hong Kong Investor Services Limited (for holders of H shares) on or before November 8, 2019.
7. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
8. A shareholder or his/her proxy should produce proof of identity when attending the EGM.

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# NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

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## CanSino Biologics Inc.

## 康希諾生物股份公司

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

**(Stock code: 6185)**

### NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the 2019 first class meeting of H Shareholders (the “**Class Meeting of H Shareholders**”) of CanSino Biologics Inc. (the “**Company**”) will be held at Conference Room, Level 11, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing on Friday, November 29, 2019 immediate after the conclusion of the EGM for the following purposes:

#### SPECIAL RESOLUTIONS

1. To consider and approve the fulfillment by the Company of the requirements for initial public offering of A Shares and listing on the SSE STAR Market.
2. To consider and approve the proposed Issue of A Shares as follows (each and every items as a separate resolution):
  - (i) Class of new Shares to be issued: Ordinary Shares (A Shares)
  - (ii) Nominal value of new Shares to be issued: RMB1.00 each
  - (iii) Issue size: The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing shareholders. The Company proposes to issue not more than 24,800,000 new A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter according to the authorization (if granted at the EGM and the Class Meetings), the conditions required by the laws and regulations of the PRC and the regulatory authorities, and the market condition then. If there is any ex-right event (such as bonus issue and conversion of capital reserve to share capital) prior to the Issue of A Shares, the number of A Shares to be issued will be adjusted accordingly.
  - (iv) Method and schedule of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities. The Company will proceed with the Issue within one year since the CSRC approves the Issue.

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## NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

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- (v) Target subscribers: Qualified price consultation participants subject to the laws, regulations and regulatory documents of the PRC, and natural persons, legal persons and institutional investors who maintain A Shares securities account with the Shanghai Stock Exchange (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
- (vi) Pricing methodology: The issue price for the A Shares will be determined through a combination of off-line placement to professional institutional investors and offering by way of on-line subscription by public investors based on market value, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
- (vii) Issuance expenses: The expenses in relation to the Issue of A Shares including underwriting fee, sponsor(s)' fee, auditor's fee, legal advisors' fee, issuing fee, etc. will be borne by the Company.
- (viii) Method of underwriting: The Issue of A Shares will be underwritten by the sponsor(s) and underwriter(s) by way of standby commitment.
- (ix) Subscription by the Company's senior management and core employees: The Company's senior management and core employees may subscribe for the A Shares through specific asset management plan and participate in the strategic placing. The number of A Shares allotted to the specific asset management plan shall not exceed 10% of the total number of shares to be issued under the Issue of A Shares, and the relevant senior management and/or core employees shall be subject to a lock-up period for not less than 12 months. Such participation requires the approval of the Board of Directors and the general meeting (if required) and other relevant authorities and shall be fully disclosed in the prospectus to be issued in relation to the listing on the SSE STAR Market.
- (x) Place of listing: All A Shares will be listed and traded on the SSE STAR Market.
- (xi) Validity period of the resolutions: The resolutions will be valid for a period of 12 months from the date of approval at the general meeting and the class meetings.

## NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

3. To consider and approve the investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis.

The proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects after deducting the issuance expenses:

No.	Project name	Proposed investment amount from proceeds raised (RMB)
1	Construction of the phase II production facilities	550,000,000
2	Working capital	250,000,000
3	R&D of vaccines	150,000,000
4	Construction of the vaccine traceability, cold chain logistics and information systems	50,000,000
	<b>Total</b>	<b>1,000,000,000</b>

*Note:* Final names of the above projects shall be based upon names approved by or filed with (if required) the government authorities.

After the proceeds raised from the Issue of A Shares are in place, the Company will invest the proceeds into the above projects according to the actual needs and priorities of the projects. If the net proceeds actually raised (after deducting the issuance expenses) are less than the total amount of proceeds to be invested, the shortfall shall be covered by the Company with its own funds or self-raised funds. If the proceeds raised from this issuance exceeds the capital requirements of the projects, the surplus amount will be mainly used for (i) R&D of vaccines; (ii) working capital, and/or (iii) other purposes relating to the Company's principal business, after taking into account the Company's actual needs and upon approval by the Board.

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds or self-raised funds according to the needs of the projects, and after the proceeds raised are in place, the Company can replace the initial investment funds according to the requirements and procedures of the relevant laws, regulations and regulatory documents.

Within the scope of the finally determined investment projects to be funded by proceeds raised from Issue of A Shares, the Board of Directors may, according to the actual needs of the project, make appropriate adjustments to the sequence and amount of the proceeds to be invested in the above projects.

4. To consider and approve the authorization to the Board of Directors to fully handle matters in connection with the proposed Issue of A Shares and the listing on the SSE STAR Market.

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## NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

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The authorization proposed to be granted to the Board shall include without limitation:

- (i) The performance of all procedures relating to the Company's issuance and listing, including but not limited to, submission of an application to the Shanghai Stock Exchange for the public issuance of shares and listing on the SSE STAR Market, and submission of an application for registration to the CSRC after approval and consent have been granted by the Shanghai Stock Exchange, and provision of response to the securities regulatory institutions in respect of feedback opinions on matters relating to this issuance and listing.
- (ii) The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as timing of issuance, target subscribers, commencement and closing dates of issuance, issue price or pricing methodology, the specific number of shares to be issued, method of issuance, strategic placement, specific projects to be funded by the proceeds raised and the progress and amount of investment, in accordance with national laws, regulations and regulatory documents, the relevant requirements and policies of securities regulatory authorities, and the specific conditions including the securities market conditions and the resolutions of the EGM and the Class Meetings.
- (iii) If the PRC and securities regulatory authorities issue new requirements and policies on initial public offering of shares, the Board of Directors be authorized to make corresponding adjustments to this issuance proposal according to the new requirements and policies and continue to handle the matters relating to this issuance.
- (iv) The preparation, review, amendment and signing of all legal documents and material contracts relating to this issuance and listing, including but not limited to the prospectus for the Issue of A Shares and listing on the SSE STAR Market, strategic placement agreements and other relevant documents.
- (v) The completion of all government approval procedures involved in this issuance and listing, the payment of all issuance expenses relating to share issuance, listing and sponsorship, and the completion of other necessary procedures and tasks required by this issuance and listing.
- (vi) Authorizing the Board of Directors to supplement and amend the relevant clauses of the Articles (draft) according to the result of share issuance and to complete the relevant procedures for the approval, registration and filing of such changes with the competent authority of commerce and the competent Administration for Industry and Commerce.

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## NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

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- (vii) The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company according to the requirements and suggestions of the CSRC, Shanghai Stock Exchange and the relevant securities regulatory authorities or according to the actual conditions of this issuance.
- (viii) Within the scope of the resolutions passed by the Shareholders at the EGM and the Class Meetings, necessary and appropriate adjustments will be made to the relevant matters in the implementation process of the investment projects funded by the proceeds raised, including but not limited to: the organization and implementation of project construction with self-owned or self-raised funds according to the actual progress of the projects before the proceeds of this issuance and listing are in place; the confirmation of a special deposit account for the proceeds raised; the signing of a tripartite supervision agreement for the proceeds raised; the implementation of the use of proceeds after completion of this issuance and listing; if the proceeds raised are insufficient, the Company should solve the problem through self-owned or self-raised funds; the signing of material contracts involved in the implementation process of the investment projects funded by the proceeds raised; and making decisions on the investment proposals for various projects within the scope of the total investment amount for investment projects funded by the proceeds raised which has been considered and approved by the Shareholders.
- (ix) After completion of this issuance, handling the matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of shares.
- (x) The publication of, among other things, the prospectus and listing announcement on designated newspapers and websites according to the requirements of the CSRC, the Shanghai Stock Exchange and the relevant securities regulatory authorities, and making an application for listing to the designated stock exchange and providing complete information of the application.
- (xi) The engagement of intermediaries, including the sponsor/lead underwriter, legal advisers and auditor for this issuance and listing of the Company, determination of service fees for the intermediaries through consultation, and signing of engagement agreements.

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## NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

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- (xii) In case of the occurrence of force majeure events or other circumstances where implementation of this issuance plan would become difficult, or although implementation would be possible, it would bring extremely adverse impact on the Company, then decisions to suspend or terminate this issuance plan may be made at discretion.
- (xiii) For the purpose of this issuance and listing, communication with the relevant regulatory institutions or organizations, such as CSRC, Shanghai Stock Exchange, the Securities and Futures Commission, the Stock Exchange and China Securities Depository and Clearing Co., Ltd., on behalf of the Company will be carried out.
- (xiv) To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

The above authorization, if approved, shall be valid for a period of 24 months from the date of approval at the general meeting and the class meetings.

5. To consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares.

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares. Details are as follows:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit before the Issue of A Shares and listing on the SSE STAR Market, then it is proposed that the new and existing Shareholders shall share in proportion to their respective shareholding after the Issue of A Shares and listing on the SSE STAR Market.

If the Company has unrecovered losses prior to the Issue of A Shares and listing on the SSE STAR Market, it is proposed that the new and existing Shareholders of the Company after this issuance and listing shall bear the losses according to the proportion of their shareholdings after the Issue of A Shares and listing on the SSE STAR Market.

6. To consider and approve the Company's three-year dividend distribution plan for Shareholders after initial public offering of A Shares and listing on the SSE STAR Market.
7. To consider and approve the Company's share price stabilization plan and restraining measures within three years after the initial public offering of A Shares and listing on the SSE STAR Market.

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## NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

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8. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the SSE STAR Market, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and combining the review for listing on the SSE STAR Market in practice and the actual situation of the Company.
  
9. To consider and approve the impact of dilution on immediate return by the initial public offering of A Shares and adoption of recovery measures.

For and on behalf of the Board  
**CanSino Biologics Inc.**  
**Xuefeng YU**  
*Chairman*

Hong Kong, October 14, 2019

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## NOTICE OF THE 2019 FIRST CLASS MEETING OF H SHAREHOLDERS

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*Notes:*

1. All resolutions at the Class Meeting of H Shareholders will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at [www.cansinotech.com](http://www.cansinotech.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the Class Meeting of H Shareholders.
2. Any shareholder entitled to attend and vote at the Class Meeting of H Shareholders convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), at least 24 hours before the Class Meeting of H Shareholders (i.e. before November 28, 2019) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the Class Meeting of H Shareholders or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of holders of H shares who are entitled to attend the Class Meeting of H Shareholders, the H share register of members of the Company will be closed from October 29, 2019 to November 29, 2019, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Class Meeting of H Shareholders, unregistered holders of the shares shall ensure all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on October 28, 2019 for registration.
5. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. Shareholders intending to attend the Class Meeting of H Shareholders in person or by their proxies should return the reply slip by personal delivery or by post to the Company's H share registrar, Computershare Hong Kong Investor Services Limited (for holders of H shares) on or before November 8, 2019.
7. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
8. A shareholder or his/her proxy should produce proof of identity when attending the Class Meeting of H Shareholders.

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**NOTICE OF THE 2019 FIRST CLASS MEETING OF DOMESTIC  
SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS**

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**CanSino Biologics Inc.**  
**康希諾生物股份公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock code: 6185)**

**NOTICE OF THE 2019 FIRST CLASS MEETING OF DOMESTIC  
SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the 2019 first class meeting of domestic shareholders and unlisted foreign shareholders (the “**Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders**”) of CanSino Biologics Inc. (the “**Company**”) will be held at Conference Room, Level 11, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing on Friday, November 29, 2019 immediate after the conclusion of the Class Meeting of H Shareholders for the following purposes:

**SPECIAL RESOLUTIONS**

1. To consider and approve the fulfillment by the Company of the requirements for initial public offering of A Shares and listing on the SSE STAR Market.
2. To consider and approve the proposed Issue of A Shares as follows (each and every items as a separate resolution):
  - (i) Class of new Shares to be issued: Ordinary Shares (A Shares)
  - (ii) Nominal value of new Shares to be issued: RMB1.00 each
  - (iii) Issue size: The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing shareholders. The Company proposes to issue not more than 24,800,000 new A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter according to the authorization (if granted at the EGM and the Class Meetings), the conditions required by the laws and regulations of the PRC and the regulatory authorities, and the market condition then. If there is any ex-right event (such as bonus issue and conversion of capital reserve to share capital) prior to the Issue of A Shares, the number of A Shares to be issued will be adjusted accordingly.

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## NOTICE OF THE 2019 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS

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- (iv) Method and schedule of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities. The Company will proceed with the Issue within one year since the CSRC approves the Issue.
- (v) Target subscribers: Qualified price consultation participants subject to the laws, regulations and regulatory documents of the PRC, and natural persons, legal persons and institutional investors who maintain A Shares securities account with the Shanghai Stock Exchange (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
- (vi) Pricing methodology: The issue price for the A Shares will be determined through a combination of off-line placement to professional institutional investors and offering by way of on-line subscription by public investors based on market value, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
- (vii) Issuance expenses: The expenses in relation to the Issue of A Shares including underwriting fee, sponsor(s)' fee, auditor's fee, legal advisors' fee, issuing fee, etc. will be borne by the Company.
- (viii) Method of underwriting: The Issue of A Shares will be underwritten by the sponsor(s) and underwriter(s) by way of standby commitment.
- (ix) Subscription by the Company's senior management and core employees: The Company's senior management and core employees may subscribe for the A Shares through specific asset management plan and participate in the strategic placing. The number of A Shares allotted to the specific asset management plan shall not exceed 10% of the total number of shares to be issued under the Issue of A Shares, and the relevant senior management and/or core employees shall be subject to a lock-up period for not less than 12 months. Such participation requires the approval of the Board of Directors and the general meeting (if required) and other relevant authorities and shall be fully disclosed in the prospectus to be issued in relation to the listing on the SSE STAR Market.
- (x) Place of listing: All A Shares will be listed and traded on the SSE STAR Market.
- (xi) Validity period of the resolutions: The resolutions will be valid for a period of 12 months from the date of approval at the general meeting and the class meetings.

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3. To consider and approve the investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis.

The proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects after deducting the issuance expenses:

No.	Project name	<b>Proposed investment amount from proceeds raised (RMB)</b>
1	Construction of the phase II production facilities	550,000,000
2	Working capital	250,000,000
3	R&D of vaccines	150,000,000
4	Construction of the vaccine traceability, cold chain logistics and information systems	50,000,000
	<b>Total</b>	<b>1,000,000,000</b>

*Note:* Final names of the above projects shall be based upon names approved by or filed with (if required) the government authorities.

After the proceeds raised from the Issue of A Shares are in place, the Company will invest the proceeds into the above projects according to the actual needs and priorities of the projects. If the net proceeds actually raised (after deducting the issuance expenses) are less than the total amount of proceeds to be invested, the shortfall shall be covered by the Company with its own funds or self-raised funds. If the proceeds raised from this issuance exceeds the capital requirements of the projects, the surplus amount will be mainly used for (i) R&D of vaccines; (ii) working capital, and/or (iii) other purposes relating to the Company's principal business, after taking into account the Company's actual needs and upon approval by the Board.

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds or self-raised funds according to the needs of the projects, and after the proceeds raised are in place, the Company can replace the initial investment funds according to the requirements and procedures of the relevant laws, regulations and regulatory documents.

Within the scope of the finally determined investment projects to be funded by proceeds raised from Issue of A Shares, the Board of Directors may, according to the actual needs of the project, make appropriate adjustments to the sequence and amount of the proceeds to be invested in the above projects.

4. To consider and approve the authorization to the Board of Directors to fully handle matters in connection with the proposed Issue of A Shares and the listing on the SSE STAR Market.

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The authorization proposed to be granted to the Board shall include without limitation:

- (i) The performance of all procedures relating to the Company's issuance and listing, including but not limited to, submission of an application to the Shanghai Stock Exchange for the public issuance of shares and listing on the SSE STAR Market, and submission of an application for registration to the CSRC after approval and consent have been granted by the Shanghai Stock Exchange, and provision of response to the securities regulatory institutions in respect of feedback opinions on matters relating to this issuance and listing.
- (ii) The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as timing of issuance, target subscribers, commencement and closing dates of issuance, issue price or pricing methodology, the specific number of shares to be issued, method of issuance, strategic placement, specific projects to be funded by the proceeds raised and the progress and amount of investment, in accordance with national laws, regulations and regulatory documents, the relevant requirements and policies of securities regulatory authorities, and the specific conditions including the securities market conditions and the resolutions of the EGM and the Class Meetings.
- (iii) If the PRC and securities regulatory authorities issue new requirements and policies on initial public offering of shares, the Board of Directors be authorized to make corresponding adjustments to this issuance proposal according to the new requirements and policies and continue to handle the matters relating to this issuance.
- (iv) The preparation, review, amendment and signing of all legal documents and material contracts relating to this issuance and listing, including but not limited to the prospectus for the Issue of A Shares and listing on the SSE STAR Market, strategic placement agreements and other relevant documents.
- (v) The completion of all government approval procedures involved in this issuance and listing, the payment of all issuance expenses relating to share issuance, listing and sponsorship, and the completion of other necessary procedures and tasks required by this issuance and listing.
- (vi) Authorizing the Board of Directors to supplement and amend the relevant clauses of the Articles (draft) according to the result of share issuance and to complete the relevant procedures for the approval, registration and filing of such changes with the competent authority of commerce and the competent Administration for Industry and Commerce.

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- (vii) The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company according to the requirements and suggestions of the CSRC, Shanghai Stock Exchange and the relevant securities regulatory authorities or according to the actual conditions of this issuance.
- (viii) Within the scope of the resolutions passed by the Shareholders at the EGM and the Class Meetings, necessary and appropriate adjustments will be made to the relevant matters in the implementation process of the investment projects funded by the proceeds raised, including but not limited to: the organization and implementation of project construction with self-owned or self-raised funds according to the actual progress of the projects before the proceeds of this issuance and listing are in place; the confirmation of a special deposit account for the proceeds raised; the signing of a tripartite supervision agreement for the proceeds raised; the implementation of the use of proceeds after completion of this issuance and listing; if the proceeds raised are insufficient, the Company should solve the problem through self-owned or self-raised funds; the signing of material contracts involved in the implementation process of the investment projects funded by the proceeds raised; and making decisions on the investment proposals for various projects within the scope of the total investment amount for investment projects funded by the proceeds raised which has been considered and approved by the Shareholders.
- (ix) After completion of this issuance, handling the matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of shares.
- (x) The publication of, among other things, the prospectus and listing announcement on designated newspapers and websites according to the requirements of the CSRC, the Shanghai Stock Exchange and the relevant securities regulatory authorities, and making an application for listing to the designated stock exchange and providing complete information of the application.
- (xi) The engagement of intermediaries, including the sponsor/lead underwriter, legal advisers and auditor for this issuance and listing of the Company, determination of service fees for the intermediaries through consultation, and signing of engagement agreements.

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- (xii) In case of the occurrence of force majeure events or other circumstances where implementation of this issuance plan would become difficult, or although implementation would be possible, it would bring extremely adverse impact on the Company, then decisions to suspend or terminate this issuance plan may be made at discretion.
- (xiii) For the purpose of this issuance and listing, communication with the relevant regulatory institutions or organizations, such as CSRC, Shanghai Stock Exchange, the Securities and Futures Commission, the Stock Exchange and China Securities Depository and Clearing Co., Ltd., on behalf of the Company will be carried out.
- (xiv) To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

The above authorization, if approved, shall be valid for a period of 24 months from the date of approval at the general meeting and the class meetings.

5. To consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares.

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares. Details are as follows:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit before the Issue of A Shares and listing on the SSE STAR Market, then it is proposed that the new and existing Shareholders shall share in proportion to their respective shareholding after the Issue of A Shares and listing on the SSE STAR Market.

If the Company has unrecovered losses prior to the Issue of A Shares and listing on the SSE STAR Market, it is proposed that the new and existing Shareholders of the Company after this issuance and listing shall bear the losses according to the proportion of their shareholdings after the Issue of A Shares and listing on the SSE STAR Market.

6. To consider and approve the Company's three-year dividend distribution plan for Shareholders after initial public offering of A Shares and listing on the SSE STAR Market.
7. To consider and approve the Company's share price stabilization plan and restraining measures within three years after the initial public offering of A Shares and listing on the SSE STAR Market.

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8. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the SSE STAR Market, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and combining the review for listing on the SSE STAR Market in practice and the actual situation of the Company.
  
9. To consider and approve the impact of dilution on immediate return by the initial public offering of A Shares and adoption of recovery measures.

For and on behalf of the Board  
**CanSino Biologics Inc.**  
**Xuefeng YU**  
*Chairman*

Hong Kong, October 14, 2019

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## **NOTICE OF THE 2019 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS**

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*Notes:*

1. All resolutions at the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at [www.cansinotech.com](http://www.cansinotech.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders.
2. Any shareholder entitled to attend and vote at the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's headquarters and registered office in the PRC (for holders of domestic shares and unlisted foreign shares), at least 24 hours before the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders (i.e. before November 28, 2019) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders or any adjourned meeting thereof should he/she so wish.
4. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
5. Shareholders intending to attend the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders in person or by their proxies should return the reply slip by personal delivery or by post to the Company's headquarters and registered office in the PRC (for holders of domestic shares and unlisted foreign shares) on or before November 8, 2019.
6. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. A shareholder or his/her proxy should produce proof of identity when attending the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders.