

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.

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.

- (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.

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
	Total	1,000,000,000

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.

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.

- (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.

(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.

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

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 and Hong Kong Exchanges and Clearing Limited at 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.

As at the date of this notice, the Board comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO, Dr. Tao ZHU and Dr. Dongxu QIU as executive Directors, Mr. Qiang XU, Mr. Liang LIN, Ms. Nisa Bernice Wing-Yu LEUNG and Mr. Zhi XIAO as non-executive Directors, and Mr. Shiu Kwan Danny WAI, Ms. Zhu XIN, Dr. Luis BARRETO and Dr. Pierre Armand MORGON as independent non-executive Directors.