
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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Shanghai Haohai Biological Technology Co., Ltd.*
上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

- (1) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2017**
(2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2017
(3) FINANCIAL REPORTS FOR 2017
(4) PROFIT DISTRIBUTION PROPOSAL FOR 2017
**(5) ENGAGEMENT OF DOMESTIC AUDITOR AND INTERNATIONAL
AUDITOR OF THE COMPANY FOR 2018**
(6) PROPOSED ADMENDMENTS TO THE ARTICLES OF ASSOCIATION
(7) GENERAL MANDATE TO ISSUE SHARES
AND
(8) NOTICE OF 2017 ANNUAL GENERAL MEETING

Notice convening the AGM to be held at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC on Monday, June 11, 2018 at 10:00 a.m. is set out on pages 52 to 56 of this circular.

A reply slip and a form of proxy for use at the AGM are enclosed and are also published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.3healthcare.com). Whether or not you intend to attend the AGM, you are requested to complete and return (i) the reply slip in accordance with the instructions printed thereon no later than Wednesday, May 23, 2018; and (ii) the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

** for identification purpose only*

April 24, 2018

CONTENTS

		<i>page</i>
DEFINITIONS	.....	1
LETTER FROM THE BOARD	.....	3
APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2017	.....	10
APPENDIX II WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2017	.....	12
APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION	.....	14
NOTICE OF 2017 ANNUAL GENERAL MEETING	.....	52

DEFINITIONS

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

“AGM” or “Annual General Meeting”	the 2017 annual general meeting of the Company to be held at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC at 10:00 a.m. on Monday, June 11, 2018 or any adjournment thereof for the purpose of considering and, if thought fit, approving the resolutions contained in the notice of the 2017 annual general meeting which is set out on pages 52 to 56 of this circular
“Articles of Association”	the articles of association of the Company currently in force
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司), a joint stock company established in the PRC with limited liability and its H shares are listed on the Main Board of the Stock Exchange (Stock Code: 6826)
“Company Law”	the Company Law of the PRC promulgated and adopted by the Standing Committee of the Eighth National People’s Congress of the PRC on December 29, 1993 which became effective from July 1, 1994 (as amended, supplemented or otherwise modified from time to time) and the latest amendment of the Company Law took effect on March 1, 2014
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded in any stock exchange
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Independent Non-executive Director(s)”	the independent non-executive Director(s) of the Company

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with GEM of the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this circular only, excludes Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Reporting Period”	the 12-month period from January 1, 2017 to December 31, 2017
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and H Shares
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company

LETTER FROM THE BOARD



Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

Executive Directors:

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

Non-executive Directors:

Ms. You Jie
Mr. Gan Renbao

Independent non-executive Directors:

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

Registered office:

No. 5 Dongjing Road
Songjiang Industrial Zone
Shanghai, PRC

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

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

Principal place of business in Hong Kong:

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

April 24, 2018

To the Shareholders

Dear Sir/Madam,

- (1) WORK REPORT OF BOARD OF DIRECTORS FOR 2017
- (2) WORK REPORT OF SUPERVISORY COMMITTEE FOR 2017
- (3) FINANCIAL REPORTS FOR 2017
- (4) PROFIT DISTRIBUTION PROPOSAL FOR 2017
- (5) ENGAGEMENT OF DOMESTIC AUDITOR AND INTERNATIONAL
AUDITOR OF THE COMPANY FOR 2018
- (6) PROPOSED ADMENDMENTS TO THE ARTICLES OF ASSOCIATION
- (7) GENERAL MANDATE TO ISSUE SHARES
AND
- (8) NOTICE OF 2017 ANNUAL GENERAL MEETING

* for identification purpose only

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM (set out on pages 52 to 56 of this circular) and information reasonably necessary to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the AGM.

At the AGM, ordinary resolutions will be proposed to approve, among others, (i) the work report of the Board for 2017 (the “2017 Work Report of the Board”); (ii) the work report of the Supervisory Committee for 2017 (the “2017 Work Report of the Supervisory Committee”); (iii) the financial reports of the Company for 2017 (the “2017 Financial Reports”); (iv) the profit distribution proposal of the Company for 2017 (the “2017 Profit Distribution Proposal”); and (v) engagement of domestic auditor and international auditor of the Company for 2018 and the grant of authorization to the Board to determine their respective remunerations. Special resolutions will be also proposed at the AGM to approve (i) the proposed amendments to the Articles of Association; and (ii) the general mandate to issue Shares.

ORDINARY RESOLUTIONS:

1. 2017 Work Report of the Board

An ordinary resolution will be proposed at the AGM to approve the 2017 Work Report of the Board. Details of the 2017 Work Report of the Board are set out in Appendix I of this circular.

The 2017 Work Report of the Board was considered and approved by the Board on March 26, 2018 and will be proposed at the AGM for consideration and approval by the Shareholders.

2. 2017 Work Report of the Supervisory Committee

An ordinary resolution will be proposed at the AGM to approve the 2017 Work Report of the Supervisory Committee. Details of the 2017 Work Report of the Supervisory Committee are set out in Appendix II of this circular.

The 2017 Work Report of the Supervisory Committee was considered and approved by the Supervisory Committee on March 26, 2018 and will be proposed at the AGM for consideration and approval by the Shareholders.

3. 2017 Financial Reports

An ordinary resolution will be proposed at the AGM to approve the 2017 Financial Reports. Details of the 2017 Financial Reports are set out in the annual report of the Company for the year ended December 31, 2017 despatched on April 24, 2018.

LETTER FROM THE BOARD

The 2017 Financial Reports were considered and approved by the Board on March 26, 2018 and will be proposed at the AGM for consideration and approval by the Shareholders.

4. 2017 Profit Distribution Proposal

The Board proposed to pay a final dividend of RMB80,022,650 (representing RMB0.5 per Share) (inclusive of tax) for the year ended December 31, 2017 to the Shareholders and an ordinary resolution will be proposed at the AGM to consider and approve such profit distribution proposal. The final dividends will be denominated and declared in RMB. Dividends on Domestic Shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars.

The 2017 Profit Distribution Proposal was considered and approved by the Board on March 26, 2018 and will be proposed at the AGM for consideration and approval by the Shareholders.

5. Engagement of domestic auditor and international auditor of the Company for 2018

The Board proposed that Ernst & Young Hua Ming LLP be appointed as the domestic auditors for the Company in 2018, responsible for providing relevant domestic auditing service in accordance with China Accounting Standards for Business Enterprises, with a term of one year until the conclusion of the 2018 annual general meeting of the Company, and that the Board be authorized to fix their remuneration. The Board also proposed that Ernst & Young be appointed as the international auditors for the Company in 2018, responsible for providing relevant international auditing and reviewing service in accordance with the International Financial Reporting Standards, with a term of one year until the conclusion of the 2018 annual general meeting of the Company, and that the Board be authorized to fix their remuneration. The proposal on the engagement of domestic and international auditors of the Company was considered and approved by the Board on March 26, 2018 and will be proposed at the AGM for consideration and approval by the Shareholders.

SPECIAL RESOLUTIONS:

1. Resolution on proposed amendments to the Articles of Association

As required by the relevant laws, provisions and regulatory policies of the PRC and in line with the need of the Company's business development, the Board proposes to amend the relevant provisions of the Articles of Association (the "**Proposed Amendments**"). The resolutions in relation to the Proposed Amendments were considered and approved by the Board at a Board meeting on March 26, 2018. The Proposed Amendments will be put forth at the AGM for review and approval by the Shareholders by way of special resolutions. For details of the Proposed Amendments, please refer to Appendix III to this circular.

2. Resolution on general mandate to issue Shares

To provide more flexibility and convenience to the fundraisings for the Company, the proposal to issue additional Shares and to grant the Board a general mandate to issue Shares will be put forth at the AGM for review and approval by the Shareholders by way of a special resolution:

- A. To grant to the Board a general mandate ("General Mandate") to issue additional H Shares and additional Domestic Shares in the share capital of the Company ("the Additional Shares") during the Relevant Period (as defined below), including the powers to allot, issue

LETTER FROM THE BOARD

and deal with the Additional Shares and/or make offers, agreements or options which might require the issue, allotment or disposal of the Additional Shares, and to make and/or grant offers or agreements in respect of such Additional Shares, subject to the terms and conditions set out below in this resolution:

- i. the General Mandate shall not extend beyond the Relevant Period (as defined below) save that the Board may during the Relevant Period make or grant offers or agreements which might require the exercise of such powers after the end of the Relevant Period;
- ii. each of the numbers of the additional H Shares and/or additional Domestic Shares approved to be allotted or agreed conditionally or unconditionally to be allotted by the Board shall not exceed: (a) 20% of the total number of H Shares of the Company in issue as at the date of the passing of this resolution; and (b) 20% of the total number of Domestic Shares of the Company in issue as at the date of the passing of this resolution, respectively, otherwise than pursuant to any scrip dividend scheme or similar arrangement providing for the allotment of such Shares in lieu of the whole or part of a dividend on such Shares in accordance with the Articles of Association;
- iii. the Board shall only exercise its power under the General Mandate in accordance with the relevant laws and regulations of the PRC and the Listing Rules and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained; and
- iv. for the purpose of this resolution:

“H Shares” means the overseas-listed foreign shares in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars, and which are listed on the Stock Exchange;

“Domestic Shares” means the domestic shares in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed and credited as fully paid up in Renminbi; and

“Relevant Period” means the period from the passing of this resolution until the earlier of:

- a. the conclusion of the 2018 annual general meeting of the Company ; or
- b. the date on which the authority conferred by this resolution is revoked or varied by a special resolution in a general meeting of the Company.

LETTER FROM THE BOARD

- B. Subject to the Board having resolved to issue additional H Shares and/or additional Domestic Shares pursuant to this resolution, the Board be authorized to:
- i. approve, execute and do or procure to be executed and done, all documents, deeds and things as it may consider necessary in connection with the issue of the Additional Shares (including, but not limited to the time, price, quantity and place of issue, making all necessary applications to the relevant authorities, entering into an underwriting agreement or any other agreements);
 - ii. determine the use of proceeds and make all necessary filing, registration and applications with or to the relevant authorities in the PRC and/or Hong Kong (if required);
 - iii. determine the registered capital and the number of Shares pursuant to the issue or allotment of Shares pursuant to this resolution, and register with the relevant authorities in the PRC and/or Hong Kong upon an increase of registered capital and the number of Shares; and
 - iv. make amendments to the Articles of Association accordingly as it thinks fit so as to reflect relevant matters such as the registered capital and new capital structure of the Company after the issue and allotment of the Additional Shares.

AGM

The Company will hold the AGM at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC at 10:00 a.m. on Monday, June 11, 2018 for the Shareholders to consider, and if thought fit, approve the resolutions relating to, among others, (i) the 2017 Work Report of the Board; (ii) the 2017 Work Report of the Supervisory Committee; (iii) the 2017 Financial Reports; (iv) the 2017 Profit Distribution Proposal; and (v) the engagement of domestic auditor and international auditor of the Company for 2018 and the grant of authorization the Board to determine their respective remunerations. Special resolutions will be also proposed at the AGM to approve (i) the proposed amendments to the Articles of Association; and (ii) the general mandate to issue Shares. Notice of the AGM is set out on pages 52 to 56 of this circular.

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

In order to determine the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Saturday, May 12, 2018 to Monday, June 11, 2018, both days inclusive, during which period no transfer of shares will be registered. To qualify to attend and vote at the AGM, Shareholders whose transfer of Shares has not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares, or the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC for holders of Domestic Shares, for registration at or before 4:30 p.m. on Friday, May 11, 2018.

LETTER FROM THE BOARD

Enclosed herewith are the reply slip and proxy form for the AGM. Whether or not you wish to attend the AGM, please complete the enclosed reply slip and/or proxy form in accordance with the instructions printed thereon and return them to the Company's H shares registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC (in case of holders of Domestic Shares), as soon as possible and in any event on or before Wednesday, May 23, 2018 (for the reply slip) or by no later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (for the proxy form (if any)). Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish and in such event, the proxy form shall be deemed revoked.

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

The Board has recommended the payment of a final dividend of RMB0.5 per Share (inclusive of tax) for the year ended 31 December 2017, amounting to a total of RMB80,022,650, before Friday, August 10, 2018 and, if such final dividend is approved by the Shareholders at the AGM, it is expected to be paid to the Shareholders whose names appear on the register of members of the Company on Wednesday, June 27, 2018. In order to determine the entitlement of the Shareholders to the final dividend for the year ended 31 December 2017, the register of members of the Company will be closed from Thursday, June 21, 2018 to Wednesday, June 27, 2018, both days inclusive, during which period no transfer of shares will be registered. To qualify to receive the final dividend for the year 2017, Shareholders whose transfer of Shares has not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares, or the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC for holders of Domestic Shares for registration at or before 4:30 p.m. on Wednesday, June 20, 2018.

Voting by Way of Poll

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

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

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

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

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

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

** for identification purpose only*

APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2017

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2017

Dear Shareholders,

In 2017, the Board strictly followed the provisions of the Company Law, the Listing Rules, the Articles of Association and other relevant laws, regulations and systems while carrying out its duties with integrity, diligence and proactiveness. Report on the specific works of the Board is as follows:

I. Daily work of the Board

The Board conscientiously performed the duties stipulated by the Company Law and the Articles of Association, effectively implemented the resolutions passed at the general meetings of the Company and performed all the duties of the Board to safeguard the interests of the Company and Shareholders.

In 2017, the Board held 6 board meetings, 3 meetings of the audit committee, 1 meeting of the remuneration committee, 1 meeting of the nomination committee, 1 meeting of the strategy committee and 1 meeting for non-executive Directors. All Directors fulfilled their duties to the fullest extent with their expertise during the decision-making process of major matters of the Company regarding corporate governance, business development and external investment, and provided practicable and professional advice.

In 2017, the Company held the 2016 annual general meeting, 1 meeting for domestic shareholders, 1 meeting for H shareholders and 1 extraordinary general meeting. The Board strictly implemented all the decisions approved at the general meetings in accordance with the resolutions passed and authorizations granted at the general meetings, and organized and implemented various tasks assigned to the Board thereby.

II. The Corporate governance of the Company

The Board is responsible for the establishment, soundness and effective implementation of risk management and internal control systems of the Company. The Board assesses the effectiveness of risk management and internal control systems annually through the audit committee. The assessment scope covers financial, operational and compliance monitoring and risk management functions. The audit department is the work execution agency of the audit committee. The responsibility of the internal audit is to promote the effective management of the Company and to assist the Board and its audit committee in fulfilling their duties.

The Company arranged reasonable budget and provided training for the staff members of the Group who are responsible for finance, risk management and internal audit to ensure that they are well-trained and possess adequate experience.

III. Information disclosure and investor communication

The Company developed an internal system to regulate the release of insider information. The Board takes lead for the information disclosure duty of the Company, while the secretary of the Board is responsible for the specific organization and implementation of information disclosure. During the

APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2017

Reporting Period, the Board continued to strictly keep in line with the requirements of the Listing Rules, and disclosed material information such as regular reports and announcements fully and timely to make sure all Shareholders are timely, fully and accurately informed of the material information and recent operation of the Group.

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

In 2018, as China's supervision on the pharmaceutical industry will continue to strengthen and market competition will become increasingly fierce, the Group will face greater challenges brought about by a number of uncertainties. The Group will proactively expand its business scope to the deeper and broader ophthalmology market based on the existing products of industrial intraocular lens, layout and explore the rapidly developing therapeutic fields such as medical cosmetology, orthopedics and surgery. We will proactively look for suitable target companies and take the opportunity to acquire, increase capital or participate in shares to obtain an extension of growth. At the same time, the Group will also achieve endogenous growth by improving production efficiency, comprehensively promoting the construction of the Group's informatization system, advancing the upgrading of existing products and research and development of new products.

APPENDIX II WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2017

WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2017

Dear Shareholders,

In 2017, the Supervisory Committee independently and faithfully performed its duties as a supervisor to ensure the Company complied with and in line with the Company Law, the Listing Rules, the Articles of Association and other relevant laws and regulations in order to safeguard the legitimate rights and interests of the Company, Shareholders and employees.

The Supervisory Committee supervised and examined the Company's financial position, the implementation of the resolutions passed at general meetings, the major decision-making procedures of the Board, the legality of the Company's operation and management activities and the performance of directors and senior management personnel, which promoted the Company's sustainable and healthy development.

During the Reporting Period, the Supervisory Committee carried out routine work in a steady and orderly manner including holding 2 meetings of the Supervisory Committee and attending general meetings and the Board meetings in accordance with the law. The Supervisory Committee carefully reviewed the Company's audited financial reports and profit distribution plans and supervised the Company's financial position and financial management; conducted effective and rigorous supervision over whether the decisions of the Board were in compliance with the laws and regulations and the Articles of Association and whether the interests of Shareholders and the Company were safeguarded; and provided reasonable recommendations and opinions to the Board and management on the Company's operations and development plans. The Supervisory Committee is of view that:

1. During the Reporting Period, the Board was able to perform its duties in accordance with the requirements of the Company Law, the Listing Rules, the Articles of Association and other relevant laws and regulations and systems. The Directors and senior management of the Company were able to discharge their fiduciary duties and perform their responsibilities for the Company diligently.
2. During the Reporting Period, the Supervisory Committee did not find that the Directors and senior management of the Company had abused their powers, damaged the interests of the Company or infringed the rights and interests of the Shareholders and employees of the Company.
3. During the Reporting Period, the financial report truly and reasonably reflected the Company's financial position and operating results.

APPENDIX II WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2017

In the past year, the work of the Supervisory Committee has received strong support from the Shareholders, Directors and staff of the Company, for which the Supervisory Committee would like to express its gratitude.

In the coming year, the Supervisory Committee will continue to earnestly perform its duties of supervision and examination. While striving to enhance the overall competitiveness and sustainable profitability of the Company, it will also safeguard the interests of the Company and the Shareholders.

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The proposed amendments to the Articles of Association are as follows: -

No.	Existing Articles	Articles as amended by the Proposed Amendments
1	<p>Article 2</p> <p>The Company is a joint stock limited company incorporated under the Company Law, the Securities Law, the Special Regulations and other relevant laws and administrative regulations of the People’s Republic of China (the “PRC”, excluding, for the purpose of this Articles of Association and its appendices, Hong Kong, Macau and Taiwan).</p> <p>The Company was established on 1 July 2010 by way of promotion and registered at Shanghai Administration for Industry and Commerce on 2 August 2010 with a business license granted. <u>The registered number of the Company’s business license is 310227001319578.</u></p> <p>The promoters of the Company are 23 natural persons, namely, Jiang Wei (蔣偉), You Jie (游捷), Lou Guoliang (樓國梁), Hou Yongtai (侯永泰), Wu Jianying (吳劍英), Ling Xihua (凌錫華), Peng Jinhua (彭錦華), <u>Huang Ping (黃平)</u>, Liu Yuanzhong (劉遠中), Shen Rongyuan (沈榮元), Tao Weidong (陶偉棟), Wang Wenbin (王文斌), Fan Jipeng (范吉鵬), Gan Renbao (甘人寶), Wu Ming (吳明), Chen Yiyi (陳奕奕), Shi Xiaoli (時小麗), Zhao Meilan (趙美蘭), Liu Jun (劉軍), Zhu Min (朱敏), Lu Rujuan (陸如娟), Sun Xiaohuang (孫孝煌) and Wu Yazhen (吳雅貞).</p>	<p>Article 2</p> <p>The Company is a joint stock limited company incorporated under the Company Law, the Securities Law, the Special Regulations and other relevant laws and administrative regulations of the People’s Republic of China (the “PRC”, excluding, for the purpose of this Articles of Association and its appendices, Hong Kong, Macau and Taiwan).</p> <p>The Company was established on 1 July 2010 by way of promotion and registered at Shanghai Administration for Industry and Commerce on 2 August 2010 with a business license granted. <u>The unified social credit code of the Company is 91310000797066532Q.</u></p> <p>The promoters of the Company are 23 natural persons, namely, Jiang Wei (蔣偉), You Jie (游捷), Lou Guoliang (樓國梁), Hou Yongtai (侯永泰), Wu Jianying (吳劍英), Ling Xihua (凌錫華), Peng Jinhua (彭錦華), <u>Huang Ming (黃明)</u>, Liu Yuanzhong (劉遠中), Shen Rongyuan (沈榮元), Tao Weidong (陶偉棟), Wang Wenbin (王文斌), Fan Jipeng (范吉鵬), Gan Renbao (甘人寶), Wu Ming (吳明), Chen Yiyi (陳奕奕), Shi Xiaoli (時小麗), Zhao Meilan (趙美蘭), Liu Jun (劉軍), Zhu Min (朱敏), Lu Rujuan (陸如娟), Sun Xiaohuang (孫孝煌) and Wu Yazhen (吳雅貞).</p>
2	<p>Article 4</p> <p>Address of the Company: No. 5 Dongjing Road, Songjiang Industrial Zone, Shanghai</p> <p>Postal code: 201613</p> <p><u>Telephone: 021-62800674</u></p> <p><u>Fax: 02162805863</u></p>	<p>Article 4</p> <p>Address of the Company: No. 5 Dongjing Road, Songjiang Industrial Zone, Shanghai</p> <p>Postal code: 201613</p> <p><u>Telephone: 021-52293555</u></p> <p><u>Fax: 02152293558</u></p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
3	<p>Article 11</p> <p>The Company’s scope of operation shall be consistent with the scope of operation approved by the authority responsible for the Company’s registration. The scope of operation of the Company covers: technology development, technology transfer, technical consulting and technical services in respect of genetic engineering, chemical synthesis, natural medicines and diagnostic reagents; research and production of small dose injections, active pharmaceutical ingredients, bioengineering products, Class III 6822 implanted or long-term attached ophthalmologic optical devices and 6864 absorbable hemostatic and anti-adhesion materials; import and export of goods and technologies; wholesale and retail of medical optical devices, instruments and endoscopic devices, medical health materials and dressing, medical polymeric materials and products (except disposable aseptic medical devices under focused supervision) and implant materials and artificial organs in Class III and Class II (medical devices business shall be carried out in Flat 301, Block 9, No. 5 Dongjing Road only); wholesale of anhydrous ethanol (<u>leasing storage facilities</u>); and sales of chemical raw materials and products (except for hazardous chemicals) and cosmetics (Businesses subject to approvals under laws shall be carried out upon approval by relevant authorities).</p> <p>The Company may, in light of changes in domestic or overseas markets, the development of its businesses and its own capabilities, lawfully adjust its scope of operation and complete relevant formalities for such <u>adjustment</u>.</p>	<p>Article 11</p> <p>The Company’s scope of operation shall be consistent with the scope of operation approved by the authority responsible for the Company’s registration. The scope of operation of the Company covers: technology development, technology transfer, technical consulting and technical services in respect of genetic engineering, chemical synthesis, natural medicines and diagnostic reagents; research and production of small dose injections, active pharmaceutical ingredients, bioengineering products and medical devices; Class III 6822 implanted or long-term attached ophthalmologic optical devices and 6864 absorbable hemostatic and anti-adhesion materials; import and export of goods and technologies; wholesale and retail of medical optical devices, instruments and endoscopic devices, medical health materials and dressing, medical polymeric materials and products (except disposable aseptic medical devices under focused supervision) and implant materials and dressing, medical polymeric materials and products (except disposable aseptic medical devices under focused supervision) and implant materials and artificial organs in Class III and Class II (medical devices business shall be carried out in Flat 301, Block 9, No. 5 Dongjing Road only) <u>medical devices business</u>; wholesale of anhydrous ethanol (<u>without storage facilities</u>); and sales of chemical raw materials and products (except for hazardous chemicals) and cosmetics (Businesses subject to approvals under laws shall be carried out upon approval by relevant authorities).</p> <p>The Company may, in light of changes in domestic or overseas markets, the development of its businesses and its own capabilities, lawfully change its scope of operation and complete relevant formalities for such <u>change</u>.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
4	<p>Article 16</p> <p>The shares issued by the Company to investors inside the PRC for subscription in RMB shall be referred to as “domestic shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currencies shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas-listed foreign shares”. A holder of domestic shares and a holder of overseas-listed foreign shares are both holders of ordinary shares.</p> <p>The term “foreign currencies” as mentioned in the preceding paragraph shall refer to the lawful currencies freely convertible in other countries or regions (other than RMB), which are recognized by State’s foreign exchange authority and acceptable to pay for the shares to the Company.</p> <p>The overseas-listed foreign shares of the Company listed in Hong Kong shall be referred to as H shares. H shares shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.</p>	<p>Article 16</p> <p>The shares issued by the Company to investors inside the PRC for subscription in RMB shall be referred to as “domestic shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currencies shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas-listed foreign shares”. A holder of domestic shares and a holder of overseas-listed foreign shares are both holders of ordinary shares.</p> <p>The term “foreign currencies” as mentioned in the preceding paragraph shall refer to the lawful currencies freely convertible in other countries or regions (other than RMB), which are recognized by State’s foreign exchange authority and acceptable to pay for the shares to the Company.</p> <p>The overseas-listed foreign shares of the Company listed in Hong Kong shall be referred to as H shares. H shares shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>Shareholders of the domestic shares of the Company may transfer the shares held by them to overseas investors and have such shares listed and traded overseas. Upon approval by the securities regulatory authorities of the State Council, shareholders of the unlisted shares of the Company may have the shares held by them listed and traded overseas. The aforesaid shares, which are listed and traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. Their listing and trading on an overseas stock exchange do not require a voting at class shareholders' meeting.</p>	<p><u>Upon approval by the securities regulatory authorities under the State Council, shareholders of the unlisted shares of the Company may have the shares held by them listed and traded overseas. Shareholders of the domestic shares of the Company may transfer the shares held by them to overseas investors and have such shares listed and traded overseas. The domestic shares are convertible into foreign shares, and the resulting shares may be listed and traded overseas. The listing and trading of the transferred shares in overseas stock exchange(s), or the conversion of domestic shares into foreign shares for listing and trading on foreign stock exchange(s), do not require a voting at shareholders' general meeting or a voting at class shareholders' meeting. Upon approval by the securities regulatory authorities of the State Council, shareholders of the unlisted shares of the Company may have the shares held by them listed and traded overseas. The aforesaid shares, which are listed and traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. The aforesaid shares will be converted to overseas listed shares after listing and trading on foreign stock exchange(s), and shall be of the same class of shares with the existing overseas listed shares. Their listing and trading on an overseas stock exchange do not require a voting at class shareholders' meeting.</u></p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
5	<p>Article 17</p> <p>Upon approval by the authorities authorized by the State Council, a total of 120,000,000 ordinary shares were issued by the Company prior to its initial public offering of H shares, representing 100% of the issued ordinary shares of the Company which were wholly subscribed and held by promoters, of which:</p> <p>46,600,000 shares were subscribed and held by Jiang Wei (蔣偉), representing 38.83% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>28,800,000 shares were subscribed and held by You Jie (游捷), representing 24.00% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>10,000,000 shares were subscribed and held by Lou Guoliang (樓國梁), representing 8.33% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>6,000,000 shares were subscribed and held by Hou Yongtai (侯永泰), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;</p>	<p>Article 17</p> <p>Upon approval by the authorities authorized by the State Council, a total of 120,000,000 ordinary shares were issued by the Company prior to its initial public offering of H shares, representing 100% of the issued ordinary shares of the Company which were wholly subscribed and held by promoters, of which:</p> <p>46,600,000 shares were subscribed and held by Jiang Wei (蔣偉), representing 38.83% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>28,800,000 shares were subscribed and held by You Jie (游捷), representing 24.00% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>10,000,000 shares were subscribed and held by Lou Guoliang (樓國梁), representing 8.33% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>6,000,000 shares were subscribed and held by Hou Yongtai (侯永泰), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	6,000,000 shares were subscribed and held by Wu Jianying (吳劍英), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;	6,000,000 shares were subscribed and held by Wu Jianying (吳劍英), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;
	6,000,000 shares were subscribed and held by Ling Xihua (凌錫華), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;	6,000,000 shares were subscribed and held by Ling Xihua (凌錫華), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;
	3,000,000 shares were subscribed and held by Peng Jinhua (彭錦華), representing 2.50% of the total number of ordinary shares of the Company in issue upon its establishment;	3,000,000 shares were subscribed and held by Peng Jinhua (彭錦華), representing 2.50% of the total number of ordinary shares of the Company in issue upon its establishment;
	2,000,000 shares were subscribed and held by <u>Huang Ping (黃平)</u> , representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;	2,000,000 shares were subscribed and held by <u>Huang Ming (黃明)</u> , representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;
	2,000,000 shares were subscribed and held by Liu Yuanzhong (劉遠中), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;	2,000,000 shares were subscribed and held by Liu Yuanzhong (劉遠中), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;
	2,000,000 shares were subscribed and held by Shen Rongyuan (沈榮元), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;	2,000,000 shares were subscribed and held by Shen Rongyuan (沈榮元), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>2,000,000 shares were subscribed and held by Tao Weidong (陶偉棟), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>1,700,000 shares were subscribed and held by Wang Wenbin (王文斌), representing 1.42% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>500,000 shares were subscribed and held by Fan Jipeng (范吉鵬), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>500,000 shares were subscribed and held by Wu Ming (吳明), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>500,000 shares were subscribed and held by Gan Renbao (甘人寶), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>400,000 shares were subscribed and held by Zhao Meilan (趙美蘭), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;</p>	<p>2,000,000 shares were subscribed and held by Tao Weidong (陶偉棟), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>1,700,000 shares were subscribed and held by Wang Wenbin (王文斌), representing 1.42% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>500,000 shares were subscribed and held by Fan Jipeng (范吉鵬), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>500,000 shares were subscribed and held by Wu Ming (吳明), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>500,000 shares were subscribed and held by Gan Renbao (甘人寶), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;</p> <p>400,000 shares were subscribed and held by Zhao Meilan (趙美蘭), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	400,000 shares were subscribed and held by Chen Yiyi (陳奕奕), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;	400,000 shares were subscribed and held by Chen Yiyi (陳奕奕), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;
	400,000 shares were subscribed and held by Shi Xiaoli (時小麗), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;	400,000 shares were subscribed and held by Shi Xiaoli (時小麗), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;
	300,000 shares were subscribed and held by Zhu Min (朱敏), representing 0.25% of the total number of ordinary shares of the Company in issue upon its establishment;	300,000 shares were subscribed and held by Zhu Min (朱敏), representing 0.25% of the total number of ordinary shares of the Company in issue upon its establishment;
	300,000 shares were subscribed and held by Liu Jun (劉軍), representing 0.25% of the total number of ordinary shares of the Company in issue upon its establishment;	300,000 shares were subscribed and held by Liu Jun (劉軍), representing 0.25% of the total number of ordinary shares of the Company in issue upon its establishment;
	200,000 shares were subscribed and held by Sun Xiaohuang (孫孝煌), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment;	200,000 shares were subscribed and held by Sun Xiaohuang (孫孝煌), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment;
	200,000 shares were subscribed and held by Wu Yazhen (吳雅貞), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment;	200,000 shares were subscribed and held by Wu Yazhen (吳雅貞), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment;
	200,000 shares were subscribed and held by Lu Rujuan (陸如娟), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment.	200,000 shares were subscribed and held by Lu Rujuan (陸如娟), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment.

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
6	<p>Article 18</p> <p>Upon establishment of the Company, as approved by the securities regulatory authorities under the State Council and the Hong Kong Stock Exchange, <u>the Company may issue no more than 46,000,000 ordinary shares (including 6,000,000 over-allotted shares)</u>, all are H shares. The final offering size may be adjusted by the Company in light of the environment of the capital market and the financing objective of the Company.</p> <p>Upon completion of the aforesaid issue of H shares, the Company's shareholding structure is (assuming the Over-allotment Option is not exercised): a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (游捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾婧婧), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), <u>Huang Ping (黃平)</u>, Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), Lou Guoliang (樓國梁) and Lu Rujuan (陸如娟), representing <u>75%</u> of the total ordinary share capital, and <u>40,000,000</u> shares held by other holders of H shares, representing <u>25%</u> of the total ordinary share capital.</p>	<p>Article 18</p> <p>Upon establishment of the Company, as approved by the securities regulatory authorities under the State Council and the Hong Kong Stock Exchange, <u>the Company issued 40,045,300 ordinary shares through initial public offering</u>, all are H shares. The final offering size may be adjusted by the Company in light of the environment of the capital market and the financing objective of the Company.</p> <p>Upon completion of the aforesaid issue of H shares, the Company's shareholding structure is (assuming the Over-allotment Option is not exercised): a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (游捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾婧婧), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), <u>Huang Ming (黃明)</u>, Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), LouGuoliang (樓國梁) and Lu Rujuan (陸如娟), representing <u>74.979%</u> of the total ordinary share capital, and <u>40,045,300</u> shares held by other holders of H shares, representing <u>25.021%</u> of the total ordinary share capital.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>If 15% of the Over-allotment Option is fully exercised, the Company's shareholding structure is: a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (游捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾婧婧), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), Huang Ping (黃平), Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), Lou Guoliang (樓國梁) and Lu Rujuan (陸如娟), representing 72.29% of the total ordinary share capital, and 46,000,000 shares held by other holders of H shares, representing 27.71% of the total ordinary share capital.</p>	<p>If 15% of the Over-allotment Option is fully exercised, the Company's shareholding structure is: a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (游捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾婧婧), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), Huang Ping (黃平), Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), Lou Guoliang (樓國梁) and Lu Rujuan (陸如娟), representing 72.29% of the total ordinary share capital, and 46,000,000 shares held by other holders of H shares, representing 27.71% of the total ordinary share capital.</p>
7	<p>Article 21</p> <p>Prior to the issuance of H shares, the registered capital of the Company is RMB120,000,000.</p> <p>Upon completion of the issuance of H shares as mentioned above, if the over-allotment option is not exercised, the registered capital of the Company is RMB<u>160,000,000</u>; if the 15% over-allotment option is fully exercised, the registered capital of the Company is RMB166,000,000.</p> <p>The Company will complete the procedure for the change of registration in respect of changes in the registered capital with the competent administration for industry and commerce in accordance with the actual issuance situation.</p>	<p>Article 21</p> <p>Prior to the issuance of H shares, the registered capital of the Company is RMB120,000,000.</p> <p>Upon completion of the issuance of H shares as mentioned above, if the over-allotment option is not exercised, the registered capital of the Company is RMB <u>160,045,300</u>. ; if the 15% over-allotment option is fully exercised, the registered capital of the Company is RMB166,000,000.</p> <p>The Company will complete the procedure for the change of registration in respect of changes in the registered capital with the competent administration for industry and commerce in accordance with the actual issuance situation.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
8	<p>Article 28</p> <p>The Company may repurchase its own outstanding shares in accordance with laws, administrative regulations, departmental rules and regulations as well as this Articles of Association and with the approval of relevant State authorities under the following circumstances:</p> <p>(1) To cancel shares for the purpose of reducing the capital of the Company;</p> <p>(2) To merge with other companies that hold shares in the Company;</p> <p>(3) To grant shares as incentives to the staff of the Company;</p> <p>(4) To acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;</p> <p>(5) Other circumstances permitted by laws and administrative regulations.</p> <p>The Company shall not <u>purchase or sell</u> the Company's shares save and except for the aforesaid conditions.</p>	<p>Article 28</p> <p>The Company may repurchase its own outstanding shares in accordance with laws, administrative regulations, departmental rules and regulations as well as this Articles of Association and with the approval of relevant State authorities under the following circumstances:</p> <p>(1) To cancel shares for the purpose of reducing the capital of the Company;</p> <p>(2) To merge with other companies that hold shares in the Company;</p> <p>(3) To grant shares as incentives to the staff of the Company;</p> <p>(4) To acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;</p> <p>(5) Other circumstances permitted by laws and administrative regulations.</p> <p>The Company shall not <u>repurchase</u> the Company's shares save and except for the aforesaid conditions.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
9	<p>Article 42</p> <p>All fully paid-up overseas-listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation unless such transfer is in compliance with the following conditions:</p> <p>(1) Transfer documents and other documents which relates to share ownership or may affect share ownership shall be registered, and a fee determined under the Hong Kong Listing Rules shall be paid to the Company for such registration;</p> <p>(2) The instrument of transfer involves only the overseas-listed foreign shares listed in Hong Kong;</p> <p>(3) The stamp duty payable under the laws of Hong Kong on the instrument of transfer has been paid;</p> <p>(4) The relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares;</p> <p>(5) If the shares are to be transferred to joint holders, the number of shareholders jointly registered shall not exceed four (4);</p>	<p>Article 42</p> <p>All fully paid-up overseas-listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation unless such transfer is in compliance with the following conditions:</p> <p>(1) Transfer documents and other documents which relates to share ownership or may affect share ownership shall be registered, and a fee determined under the Hong Kong Listing Rules shall be paid to the Company for such registration;</p> <p>(2) The instrument of transfer involves only the overseas-listed foreign shares listed in Hong Kong;</p> <p>(3) The stamp duty payable under the laws of Hong Kong on the instrument of transfer has been paid;</p> <p>(4) The relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares;</p> <p>(5) If the shares are to be transferred to joint holders, the number of shareholders jointly registered shall not exceed four (4);</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>(6) The Company has not created any lien over the relevant shares;</p> <p>(7) No share shall be transferred to a minor or an individual with unsound mind or individual of legal incapacity.</p> <p>If the Board refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months from the date of submission of the application for transfer.</p> <p>All transfers of overseas-listed foreign shares shall be effected by a written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer specified by The Stock Exchange of Hong Kong Limited from time to time). The written instrument of transfer may be signed by hand. Where the transferor or transferee is a recognized clearing house (“recognized clearing house”) as defined by the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or its nominee, it may be signed in a machine-imprinted format.</p> <p>All instruments of transfer shall be maintained at the legal address of the Company or any places specified by the Board from time to time.</p>	<p>(6) The Company has not created any lien over the relevant shares.</p> <p>(7) No share shall be transferred to a minor or an individual with unsound mind or individual of legal incapacity.</p> <p>If the Board refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months from the date of submission of the application for transfer.</p> <p>All transfers of overseas-listed foreign shares shall be effected by a written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer specified by The Stock Exchange of Hong Kong Limited from time to time). The written instrument of transfer may be signed by hand. Where the transferor or transferee is a recognized clearing house (“recognized clearing house”) as defined by the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or its nominee, it may be signed in a machine-imprinted format.</p> <p>All instruments of transfer shall be maintained at the legal address of the Company or any places specified by the Board from time to time.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
10	<p>Article 55</p> <p>The general meeting shall exercise the following functions and powers:</p> <p>(1) Decide the operational policy and investment plan of the Company;</p> <p>(2) Elect and replace directors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant directors;</p> <p>(3) Elect and replace <u>supervisors who are shareholder representatives.</u> Make decisions on matters in relation to the remuneration of the relevant supervisors;</p> <p>(4) Examine and approve the reports of the Board;</p> <p>(5) Examine and approve the reports of the supervisory committee;</p> <p>(6) Examine and approve the annual financial budgets and final accounting of the Company;</p> <p>(7) Examine 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 and acquiring its shares;</p>	<p>Article 55</p> <p>The general meeting shall exercise the following functions and powers:</p> <p>(1) Decide the operational policy and investment plan of the Company;</p> <p>(2) Elect and replace directors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant directors;</p> <p>(3) Elect and replace <u>supervisors who are not staff representatives.</u> Make decisions on matters in relation to the remuneration of the relevant supervisors;</p> <p>(4) Examine and approve the reports of the Board;</p> <p>(5) Examine and approve the reports of the supervisory committee;</p> <p>(6) Examine and approve the annual financial budgets and final accounting of the Company;</p> <p>(7) Examine 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 and acquiring its shares;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>(9) Decide on matters such as merger, division, dissolution, liquidation and changing the form of the Company;</p> <p>(10) Decide on the issuance of bonds and other securities by the Company or listing thereof;</p> <p>(11) Adopt resolutions on the appointment, dismissal or non-reappointment of accounting firms by the Company;</p> <p>(12) Amend this Articles of Association;</p> <p>(13) Examine motions raised by the shareholders who individually or together hold 3% or more of the Company's voting shares;</p> <p>(14) Examine and approve the guarantee issues as prescribed in Article 56 of this Articles of Association;</p> <p>(15) Examine matters relating to the purchases and sales of significant assets within one year exceeding 30% of the latest audited total assets of the Company;</p> <p>(16) Consider the matters regarding connected transactions to be decided at the general meeting as stipulated by the listing rules of the place where the shares of the Company are listed;</p> <p>(17) Examine and approve changes in use of proceeds;</p>	<p>(9) Decide on matters such as merger, division, dissolution, liquidation and changing the form of the Company;</p> <p>(10) Decide on the issuance of bonds and other securities by the Company or listing thereof;</p> <p>(11) Adopt resolutions on the appointment, dismissal or non-reappointment of accounting firms by the Company;</p> <p>(12) Amend this Articles of Association;</p> <p>(13) Examine motions raised by the shareholders who individually or together hold 3% or more of the Company's voting shares;</p> <p>(14) Examine and approve the guarantee issues as prescribed in Article 56 of this Articles of Association;</p> <p>(15) Examine matters relating to the purchases and sales of significant assets within one year exceeding 30% of the latest audited total assets of the Company;</p> <p>(16) Consider the matters regarding connected transactions to be decided at the general meeting as stipulated by the listing rules of the place where the shares of the Company are listed;</p> <p>(17) Examine and approve changes in use of proceeds;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>(18)Examine share incentive plans;</p> <p>(19)Examine other matters to be decided at the general meeting as prescribed by the law, administrative regulations, departmental rules or this Articles of Association.</p> <p>Matters which, in accordance with the provisions of the laws, administrative regulations and this Articles of Association, are required to be decided at the general meeting, shall be considered at the general meeting so as to protect the decision-making power of the shareholders of the Company on such matters. Under necessary and reasonable circumstances, the general meeting may authorize the Board to determine, within the scope of authorization granted by such general meeting, specific issues relating to matters which shall be resolved but cannot be decided upon immediately at such general meeting.</p> <p>An authorization to the Board by general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the general meeting; an authorization to the Board in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the general meeting. The contents of the authorization shall be clear and specific.</p>	<p>(18)Examine share incentive plans;</p> <p>(19)Examine other matters to be decided at the general meeting as prescribed by the law, administrative regulations, departmental rules or this Articles of Association.</p> <p>Matters which, in accordance with the provisions of the laws, administrative regulations and this Articles of Association, are required to be decided at the general meeting, shall be considered at the general meeting so as to protect the decision-making power of the shareholders of the Company on such matters. Under necessary and reasonable circumstances, the general meeting may authorize the Board to determine, within the scope of authorization granted by such general meeting, specific issues relating to matters which shall be resolved but cannot be decided upon immediately at such general meeting.</p> <p>An authorization to the Board by general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the general meeting; an authorization to the Board in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the general meeting. The contents of the authorization shall be clear and specific.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
11	<p>Article 69</p> <p>Resolutions of the general meeting include ordinary resolutions and special resolutions.</p> <p>Ordinary resolution at a general meeting shall be passed by <u>more than half of the voting rights</u> held by shareholders (including their proxies) attending the general meeting.</p> <p>Special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.</p>	<p>Article 69</p> <p>Resolutions of the general meeting include ordinary resolutions and special resolutions.</p> <p>Ordinary resolution at a general meeting shall be passed by <u>exceeding half of the voting rights</u> held by shareholders (including their proxies) attending the general meeting.</p> <p>Special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.</p> <p><i>* The proposed amendments to this Article apply to English version only. Chinese version of this Article is not proposed to be changed.</i></p>
12	<p>Article 76</p> <p>The following matters shall be resolved by way of ordinary resolutions at a general meeting:</p> <p>(1) Work reports of the Board and the supervisory committee;</p> <p>(2) Profit distribution plan and loss make-up plan formulated by the Board;</p> <p>(3) Appointment or dismissal of the members of the Board and the members of the supervisory committee and their remuneration and payment methods thereof;</p>	<p>Article 76</p> <p>The following matters shall be resolved by way of ordinary resolutions at a general meeting:</p> <p>(1) Work reports of the Board and the supervisory committee;</p> <p>(2) Profit distribution plan and loss make-up plan formulated by the Board;</p> <p>(3) Appointment or dismissal of the members of the Board and the members of the supervisory committee and their remuneration and payment methods thereof;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>(4) Annual preliminary and final budgets, balance sheet, profit statement and other financial statements of the Company;</p> <p>(5) The Company’s annual report;</p> <p>(6) Matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations, the Hong Kong Listing Rules or this Articles of Association.</p>	<p>(4) Annual preliminary and final budgets, balance sheet, profit statement and other financial statements of the Company;</p> <p>(5) The Company’s annual report;</p> <p>(5) Matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations, the Hong Kong Listing Rules or this Articles of Association.</p>
13	<p>Article 79</p> <p>A general meeting shall be convened by the Board, and presided over and chaired by the chairman of the Board. If the chairman is unable to attend the meeting for reasons, the Board may designate a director to convene and take the chair of the meeting in his stead.</p> <p>If no chairman of the meeting has been designated, shareholders present shall choose one (1) person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) presents in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p>	<p>Article 79</p> <p>A general meeting shall be convened by the Board, and presided over and chaired by the chairman of the Board. If the chairman is unable to attend the meeting for reasons, the Board may designate a director to convene and take the chair of the meeting in his stead.</p> <p>If no chairman of the meeting has been designated, shareholders present shall choose one (1) person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) presents in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>If a general meeting is convened by the supervisory committee, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to or will not discharge his duties, more than half of the supervisors shall nominate a supervisor to preside over the meeting.</p> <p>If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct 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 <u>from more than half of the attendant shareholders with voting rights</u>, the shareholders may nominate one person to serve as the chairman of the meeting and continue with the meeting.</p>	<p>If a general meeting is convened by the supervisory committee, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to or will not discharge his duties, more than half of the supervisors shall nominate a supervisor to preside over the meeting.</p> <p>If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct 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 <u>from exceeding half of the attendant shareholders with voting rights</u>, the shareholders may nominate one person to serve as the chairman of the meeting and continue with the meeting.</p> <p><i>* The proposed amendments to this Article apply to English version only. Chinese version of this Article is not proposed to be changed.</i></p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
15	<p>Article 87</p> <p>The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following circumstances:</p> <p>(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, with the exception that upon receiving the approval from securities regulatory authorities of the State Council, shareholders of the Company’s domestic shares may transfer their shares to foreign investors for listing and dealing on overseas stock exchange;</p> <p>(2) A conversion of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;</p> <p>(3) A removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;</p>	<p>Article 87</p> <p>The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following circumstances:</p> <p>(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 , with the exception that upon receiving the approval from securities regulatory authorities of the State Council, shareholders of the Company’s domestic shares may transfer their shares to foreign investors for listing and dealing on overseas stock exchange;</p> <p>(2) A conversion of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;</p> <p>(3) A removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>(4) A reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;</p> <p>(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;</p> <p>(6) A removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;</p> <p>(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;</p> <p>(8) An imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;</p> <p>(9) An issuance of rights to subscribe for, or convert into, shares of such class or another class;</p> <p>(10)An increase in the rights and privileges of shares of another class;</p> <p>(11)Restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring;</p> <p>(12)Any amendment or cancellation of the provisions of this section.</p>	<p>(4) A reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;</p> <p>(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;</p> <p>(6) A removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;</p> <p>(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;</p> <p>(8) An imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;</p> <p>(9) An issuance of rights to subscribe for, or convert into, shares of such class or another class;</p> <p>(10)An increase in the rights and privileges of shares of another class;</p> <p>(11)Restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring;</p> <p>(12)Any amendment or cancellation of the provisions of this section.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
16	<p>Article 92</p> <p>In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders.</p> <p>The special procedure for voting by class shareholders shall not apply under 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 at a general meeting, either separately or concurrently once every 12 months, <u>not more than</u> 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 of the State Council the shareholders who hold the unlisted shares of the Company cause these shares held by them to be listed and traded on an overseas stock exchange.</p>	<p>Article 92</p> <p>In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders.</p> <p>The special procedure for voting by class shareholders shall not apply under 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 at a general meeting, either separately or concurrently once every 12 months, <u>not exceeding</u> 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 of the State Council the shareholders who hold the unlisted shares of the Company cause these shares held by them to be listed and traded on an overseas stock exchange.</p> <p><i>* The proposed amendments to this Article apply to English version only. Chinese version of this Article is not proposed to be changed.</i></p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
17	<p>Article 94</p> <p>Directors shall be elected by the general meeting. Every term of a director is three (3) years. Upon expiry of the term, a director shall be eligible for re-election and re-appointment.</p> <p>The written notice of the intention to propose a candidate for election as a director, and the notice of acceptance by such candidate of his willingness to be nominated shall be served to the Company no less than seven (7) days prior to the date of convening the meeting. Such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and end no later than seven (7) days prior to the convening of the general meeting. The Company will fully disclose the biographical details, reasons for election and views of candidates on nomination in the notice of general meeting.</p>	<p>Article 94</p> <p>Directors shall be elected by the general meeting. Every term of a director is three (3) years. Upon expiry of the term, a director shall be eligible for re-election and re-appointment.</p> <p>The written notice of the intention to propose a candidate for election as a director, and the notice of acceptance by such candidate of his willingness to be nominated shall be served to the Company no less than seven (7) days prior to the date of convening the meeting. Such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and end no later than seven (7) days prior to the convening of the general meeting. The Company will fully disclose the biographical details, reasons for election and views of candidates on nomination in the notice of general meeting.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>The chairman shall be elected or dismissed by more than half of all directors. Every term of the chairman is three (3) years. Upon expiry of the term, the chairman shall be eligible for re-election and re-appointment.</p> <p>Subject to the compliance with the relevant laws and administrative regulations, the general meeting may by ordinary resolution remove any director before the expiration of his term of office without prejudice to the director’s right as provided in any contracts to claim for damages arising from his removal.</p> <p>If any director fails to attend in person or entrust other directors as his representative to attend meetings of the Board for two consecutive times, such director shall be deemed to have failed to perform his duties, and the Board shall propose to replace such director at the general meeting.</p> <p>Prior to the expiry of the term of office of a director, a new director shall be elected on a timely basis at a general meeting. If the term of office of a director expires but re-election is not made forthwith, or the number of the directors fall below the minimum requirement as stipulated by this Articles of Association due to a director’s resignation, the resigning director shall continue to carry out his duties in accordance with the laws, regulations and this Articles of Association before the elected director takes office.</p>	<p>The chairman shall be elected or dismissed by exceeding half of all directors*. Every term of the chairman is three (3) years. Upon expiry of the term, the chairman shall be eligible for re-election and re-appointment.</p> <p>Subject to the compliance with the relevant laws and administrative regulations, the general meeting may by ordinary resolution remove any director before the expiration of his term of office without prejudice to the director’s right as provided in any contracts to claim for damages arising from his removal.</p> <p>If any director fails to attend in person or entrust other directors as his representative to attend meetings of the Board for two consecutive times, such director shall be deemed to have failed to perform his duties, and the Board shall propose to replace such director at the general meeting.</p> <p>Prior to the expiry of the term of office of a director, a new director shall be elected on a timely basis at a general meeting. If the term of office of a director expires but re-election is not made forthwith, or the number of the directors fall below the minimum requirement as stipulated by this Articles of Association due to a director’s resignation, the resigning director shall continue to carry out his duties in accordance with the laws, regulations and this Articles of Association before the elected director takes office.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>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 will disclose the relevant information within two days.</p> <p>Save for the circumstances in relation to the number of directors is less than the minimum requirement as required by law due to a director’s resignation as referred to in this articles, the director’s resignation takes effect upon delivery of his resignation report to the Board. If the number of the directors of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation. Such newly elected director or any person appointed as an additional director to the Board, shall have a term of office commencing from the date on which he is elected <u>until the next annual general meeting</u>, and shall then be eligible for re-election at the meeting.</p> <p>Subject to the compliance with the relevant laws, regulations and regulatory rules of the place where the Company’s shares are listed, if the Board appoints a new director to fill up any casual vacancy or increase the members of the Board, the term of office of such newly elected director shall expire at the next general meeting and he is eligible for re-election.</p>	<p>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 will disclose the relevant information within two days.</p> <p>Save for the circumstances in relation to the number of directors is less than the minimum requirement as required by law due to a director’s resignation as referred to in this articles, the director’s resignation takes effect upon delivery of his resignation report to the Board. If the number of the directors of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation. Such newly elected director or any person appointed as an additional director to the Board, shall have a term of office commencing from the date on which he is elected <u>until the expiry of the term of the current session of the Board</u>, and shall then be eligible for re-election at the meeting.</p> <p>Subject to the compliance with the relevant laws, regulations and regulatory rules of the place where the Company’s shares are listed, if the Board appoints a new director to fill up any casual vacancy or increase the members of the Board, the term of office of such newly elected director shall expire at the next general meeting and he is eligible for re-election.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>An executive director may also act as a general manager, vice general manager or other senior management (except for supervisor) of the Company.</p> <p>Independent non-executive directors of the Company shall have the requisite professional knowledge and experience, and shall be able to represent the benefits of all shareholders. At least one independent non-executive director shall ordinarily reside in Hong Kong.</p> <p>Independent non-executive directors shall have the sufficient time and requisite knowledge and capabilities to perform their duties. The Company shall be responsible to provide necessary information to the independent non-executive directors for performing their duties. Of which, independent non-executive directors may directly report to the general meeting, the China Securities Regulatory Commission and other relevant authorities. Save as stipulated otherwise in this section, the requirement of a director's qualification and duties under Chapter 14 of this Articles of Association is applicable to independent non-executive directors. The term of independent non-executive directors of the Company shall not exceed 9 years on a consecutive basis. If continued renewal of term is required, it shall be tabled by the Board by way of separate resolution at general meetings for consideration and review and an explanation for renewal of term shall also be given.</p> <p>A director is not required to hold any shares in the Company.</p>	<p>An executive director may also act as a general manager, vice general manager or other senior management (except for supervisor) of the Company.</p> <p>Independent non-executive directors of the Company shall have the requisite professional knowledge and experience, and shall be able to represent the benefits of all shareholders. At least one independent non-executive director shall ordinarily reside in Hong Kong.</p> <p>Independent non-executive directors shall have the sufficient time and requisite knowledge and capabilities to perform their duties. The Company shall be responsible to provide necessary information to the independent non-executive directors for performing their duties. Of which, independent non-executive directors may directly report to the general meeting, the China Securities Regulatory Commission and other relevant authorities. Save as stipulated otherwise in this section, the requirement of a director's qualification and duties under Chapter 14 of this Articles of Association is applicable to independent non-executive directors. The term of independent non-executive directors of the Company shall not exceed 9 years on a consecutive basis. If continued renewal of term is required, it shall be tabled by the Board by way of separate resolution at general meetings for consideration and review and an explanation for renewal of term shall also be given.</p> <p>A director is not required to hold any shares in the Company.</p> <p><i>* The proposed amendments to this Article apply to English version only. Chinese version of this Article is not proposed to be changed.</i></p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
18	<p>Article 95</p> <p>The Board is accountable to the general meetings, and shall exercise 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 programs as well as its financing programs other than those to be approved by the general meetings in accordance with this Articles of Association;</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>Article 95</p> <p>The Board is accountable to the general meetings, and shall exercise 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 programs as well as its financing programs other than those to be approved by the general meetings in accordance with this Articles of Association;</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>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<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 the Company’s substantial acquisitions and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(8) Within the scope authorized by the general meeting, to decide, among others, the Company’s external investment, purchase and sale of assets, provision of security on the Company’s assets, wealth management entrustment, connected transactions;</p> <p>(9) To decide on establishment of internal management organizations of the Company;</p> <p>(10) To appoint or dismiss general manager and secretary to the Board, to appoint or dismiss senior management including vice general manager(s) and the person in charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations and rewards and punishments;</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 the Company’s substantial acquisitions and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(8) Within the scope authorized by the general meeting, to decide, among others, the Company’s external investment, purchase and sale of assets, provision of security on the Company’s assets, wealth management entrustment, connected transactions;</p> <p>(9) To decide on establishment of internal management organizations of the Company;</p> <p>(10) To appoint or dismiss general manager and secretary to the Board, to appoint or dismiss senior management including vice general manager(s) and the person in charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations and rewards and punishments;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>(11)To formulate the basic management system of the Company;</p> <p>(12)To formulate proposals to amend this Articles of Association;</p> <p>(13)To manage information disclosure of the Company;</p> <p>(14)To propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;</p> <p>(15)To listen to work reports submitted by the general manager of the Company either on regular or ad hoc basis and review his work;</p> <p>(16)To review any major transactions, very significant disposals, very significant acquisitions and reverse takeover of the Company under the Hong Kong Listing Rules and submit to the shareholders for approval;</p> <p>(17)To review any disclosable transactions other than major transactions, very significant disposals, very significant acquisitions and reverse takeover of the Company under the Hong Kong Listing Rules;</p>	<p>(11)To formulate the basic management system of the Company;</p> <p>(12)To formulate proposals to amend this Articles of Association;</p> <p>(13)To manage information disclosure of the Company;</p> <p>(14)To propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;</p> <p>(15)To listen to work reports submitted by the general manager of the Company either on regular or ad hoc basis and review his work;</p> <p>(16)To review any notifiable transactions and connected transactions which are required to be approved by the general meeting under the Hong Kong Listing Rules;</p> <p>(17)To review any disclosable transactions other than major transactions, very significant disposals, very significant acquisitions and reverse takeover of the Company under the Hong Kong Listing Rules;</p> <p>(17)To approve <u>notifiable transactions and connected transactions</u> which are not required to be approved by the general meeting or announced under the Hong Kong Listing Rules;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>(18)To approve connected transactions which are not required to be approved by the general meeting or announced under the Hong Kong Listing Rules;</p> <p>(19)To review connected transactions which are required to be approved by the general meeting under the Hong Kong Listing Rules;</p> <p>(20)Other powers and duties authorized by the laws, administrative regulations, department rules, the Hong Kong Listing Rules, the general meeting or this Articles of Association.</p> <p>Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.</p>	<p><u>(18)To decide on other major affairs of the Company, save and except for matters to be approved by the general meetings as required by the Company Law and this Articles of Association;</u></p> <p>(19)To review connected transactions which are required to be approved by the general meeting under the Hong Kong Listing Rules;</p> <p>(19)Other powers and duties authorized by the laws, administrative regulations, department rules, the Hong Kong Listing Rules, the general meeting or this Articles of Association.</p> <p>Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
19	<p>Article 100</p> <p>Notice of a meeting of the Board shall contain at least the following information:</p> <p>(1) The time and venue of the meeting;</p> <p>(2) The method by which the meeting is held;</p> <p>(3) The matters to be discussed (the motions);</p> <p>(4) The convener and the chairman of the meeting, the person who proposes the extraordinary meeting of the Board and his written proposal;</p> <p>(5) The contact person and the contact information;</p> <p>(6) The issue date of the notice.</p> <p>Verbal notice shall at least include the information of the aforesaid item (1) and (2) and the explanations on holding the extraordinary meeting of the Board under urgent circumstance.</p>	<p>Article 100</p> <p>Notice of a meeting of the Board shall contain at least the following information:</p> <p>(1) The time and venue of the meeting;</p> <p>(2) The method by which the meeting is held;</p> <p>(3) The matters to be discussed (the motions);</p> <p>(4) The convener and the chairman of the meeting, the person who proposes the extraordinary meeting of the Board and his written proposal;</p> <p>(4) The contact person and the contact information;</p> <p>(5) The issue date of the notice.</p> <p>Verbal notice shall at least include the information of the aforesaid item (1) and (2) and the explanations on holding the extraordinary meeting of the Board under urgent circumstance.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
20	<p>Article 101</p> <p>The meetings of the Board shall be held only if more than half of the directors are present.</p> <p>Each director shall have one vote. <u>A simple majority of the votes</u> of all directors is required for passing of a Board resolution.</p> <p>Where the number of votes cast for and against a resolution is equal, the chairman shall have a casting vote.</p>	<p>Article 101</p> <p>The meetings of the Board shall be held only if more than half of the directors are present.</p> <p>Each director shall have one vote. <u>Exceeding half of the votes</u> of all directors is required for passing of a Board resolution.</p> <p>Where the number of votes cast for and against a resolution is equal, the chairman shall have a casting vote.</p> <p><i>* The proposed amendments to this Article apply to English version only. Chinese version of this Article is not proposed to be changed.</i></p>
21	<p>Article 117</p> <p>The supervisory committee shall comprise staff representative supervisors, <u>external supervisors</u> and shareholders' representative supervisors. Staff representative supervisors shall not be less than one-third of the number of supervisors, external supervisors (supervisors who have not held any position in the Company) shall be more than half of the number of supervisors and there shall be more than two (2) independent supervisors (supervisors who are independent from the shareholders of the Company and have not held any position in the Company).</p> <p><u>External supervisors and shareholders' representative supervisors</u> shall be elected and removed by general meetings, while staff representative supervisors shall be elected and removed by the staff of the Company democratically.</p>	<p>Article 117</p> <p>The supervisory committee shall comprise staff representative supervisors, <u>independent supervisors (supervisors who are independent from the shareholders of the Company and have not held any position in the Company)</u> and shareholders' representative supervisors. Staff representative supervisors shall not be less than one-third of the number of supervisors, external supervisors (supervisors, <u>including shareholders' representative supervisors</u>, who have not held any position in the Company) shall be more than half of the number of supervisors and there shall be more than two (2) independent supervisors (supervisors who are independent from the shareholders of the Company and have not held any position in the Company).</p> <p><u>Supervisors who are not staff representatives</u> shall be elected and removed by general meetings, while staff representative supervisors shall be elected and removed by the staff of the Company democratically.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
22	<p>Article 153</p> <p>The Company may distribute dividends in the following forms:</p> <p>(1) Cash;</p> <p>(2) Shares.</p> <p>Dividends and other amounts payable by the Company to holders of domestic shares shall be denominated and declared in RMB. Dividends and other amounts payable by the Company to holders of foreign shares shall be denominated and declared in RMB. The exchange rate shall <u>be the average closing rate</u> for the relevant foreign currency against the RMB announced by the People’s Bank of China five (5) working days prior to the date of the declaration of the dividend or other distributions. Payment in foreign currency to holders of foreign shares shall be made in accordance with the relevant foreign exchange control regulations of the PRC. The dividend distribution of the Company shall be implemented by the Board according to the authorization delegated by the general meeting through an ordinary resolution.</p>	<p>Article 153</p> <p>The Company may distribute dividends in the following forms:</p> <p>(1) Cash;</p> <p>(2) Shares.</p> <p>Dividends and other amounts payable by the Company to holders of domestic shares shall be denominated and declared in RMB. Dividends and other amounts payable by the Company to holders of foreign shares shall be denominated and declared in RMB. The exchange rate shall <u>be the average central parity rate</u> for the relevant foreign currency against the RMB announced by the People’s Bank of China five (5) working days prior to the date of the declaration of the dividend or other distributions. Payment in foreign currency to holders of foreign shares shall be made in accordance with the relevant foreign exchange control regulations of the PRC. The dividend distribution of the Company shall be implemented by the Board according to the authorization delegated by the general meeting through an ordinary resolution.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
23	<p>Article 154</p> <p>Any amount paid up in advance of calls on any of the Company’s shares may carry interest, but shall not entitle the holder of such share(s) to participate in respect thereof in a dividend subsequently declared.</p> <p>Subject to the relevant laws and regulations, the Company may forfeit unclaimed dividends only after the expiry of the applicable term of validity commencing from the date of declaration of dividends.</p> <p>The Company has the power to cease sending dividend warrants by post to a holder of overseas-listed foreign shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.</p> <p>In case of issuing bearer warrants to holders, no new warrant shall be issued to replace the destroyed or lost warrant unless the Company is reasonably convinced that the original warrant has been destroyed or lost.</p>	<p>Article 154</p> <p>Any amount paid up in advance of calls on any of the Company’s shares may carry interest, but shall not entitle the holder of such share(s) to participate in respect thereof in a dividend subsequently declared.</p> <p>Subject to the relevant laws and regulations, the Company may forfeit unclaimed dividends only after the expiry of the applicable term of validity commencing from the date of declaration of dividends.</p> <p>The Company has the power to cease sending dividend warrants by post to a holder of overseas-listed foreign shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.</p> <p>In case of issuing bearer warrants to holders, no new warrant shall be issued to replace the destroyed or lost warrant unless the Company is reasonably convinced that the original warrant has been destroyed or lost.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
	<p>The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a shareholder of overseas-listed foreign shares who is untraceable subject to the following conditions:</p> <p>(1) The Company has distributed dividends at least three times in respect of such shares within 12 years, but none of such dividends was claimed;</p> <p>(2) The Company has, after the expiration of a period of 12 years, made an circular on one or more newspapers in the place in which the Company’s shares are listed, stating its intention to sell such shares, and notify the securities regulatory authority of the place in which the Company’s shares are listed of such intention.</p> <p>The Board may, for the interests of the Company, invest the dividend which is unclaimed for one year after the date on which the dividend is declared by the Company or apply such dividend for other purposes. Subject to relevant laws and regulations of the PRC, the Company may exercise power to confiscate the dividends which nobody has claimed only after the expiry of the relevant applicable limitation period.</p>	<p>The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a shareholder of overseas-listed foreign shares who is untraceable subject to the following conditions:</p> <p>(1) The Company has distributed dividends at least three times in respect of such shares within 12 years, but none of such dividends was claimed;</p> <p>(2) The Company has, after the expiration of a period of 12 years, made an circular on one or more newspapers in the place in which the Company’s shares are listed, stating its intention to sell such shares, and notify the securities regulatory authority of the place in which the Company’s shares are listed of such intention.</p> <p>The Board may, for the interests of the Company, invest the dividend which is unclaimed for one year after the date on which the dividend is declared by the Company or apply such dividend for other purposes. Subject to relevant laws and regulations of the PRC, the Company may exercise power to confiscate the dividends which nobody has claimed only after the expiry of the relevant applicable limitation period.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
24	<p>Article 168</p> <p>The Company shall be dissolved and liquidated according to the law under any of the following circumstances:</p> <p>(1) The general meeting decides to dissolve it;</p> <p>(2) It needs to be dissolved due to merger or division of the Company;</p> <p>(3) The Company is declared bankrupt according to the law for being unable to pay its due debts;</p> <p>(4) <u>The Company has been ordered to close down for violation of the laws or administrative regulations;</u></p> <p>(5) If the Company gets into serious trouble in operations and management and continual operation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the people’s court to dissolve the Company.</p>	<p>Article 168</p> <p>The Company shall be dissolved and liquidated according to the law under any of the following circumstances:</p> <p>(1) The general meeting decides to dissolve it;</p> <p>(2) It needs to be dissolved due to merger or division of the Company;</p> <p>(3) The Company is declared bankrupt according to the law for being unable to pay its due debts;</p> <p>(4) <u>The Company’s business licence is revoked or it is ordered to close down or it is deregistered according to laws;</u></p> <p>(5) If the Company gets into serious trouble in operations and management and continual operation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the people’s court to dissolve the Company.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Existing Articles	Articles as amended by the Proposed Amendments
25	<p>Article 172</p> <p>The liquidation committee exercises the following functions during the process of liquidation:</p> <p>(1) Liquidating the properties of the Company, and preparing balance sheets and asset checklists;</p> <p>(2) Informing creditors by notice or public circular;</p> <p>(3) Disposing and liquidating the businesses of the Company that have not been completed;</p> <p>(4) Clearing off the outstanding taxes;</p> <p>(5) Clearing off credits and debts;</p> <p>(6) Disposing the residual properties after such debt clearing;</p> <p>(7) Participating in the civil litigation on behalf of the Company.</p>	<p>Article 172</p> <p>The liquidation committee exercises the following functions during the process of liquidation:</p> <p>(1) Liquidating the properties of the Company, and preparing balance sheets and asset checklists;</p> <p>(2) Informing creditors by notice or public circular;</p> <p>(3) Disposing and liquidating the businesses of the Company that have not been completed;</p> <p>(4) Clearing off the outstanding taxes <u>and taxes incurred during the liquidation process</u>;</p> <p>(5) Clearing off credits and debts;</p> <p>(6) Disposing the residual properties after such debt clearing;</p> <p>(7) Participating in the civil litigation on behalf of the Company.</p>

The Proposed Amendments are prepared in Chinese and their English version is translation only. In case of any differences between the Chinese version of the Proposed Amendments and its English translation, the Chinese version shall prevail.

NOTICE OF 2017 ANNUAL GENERAL MEETING



Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

NOTICE IS HEREBY GIVEN that the 2017 annual general meeting (the “**AGM**”) of Shanghai Haohai Biological Technology Co., Ltd.* (the “**Company**”) will be held at 10:00 a.m., on Monday, June 11, 2018 at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC for the shareholders of the Company (the “**Shareholders**”) to consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

1. To approve the work report of the board of directors of the Company (the “**Board**”) for 2017.
2. To approve the work report of the supervisory committee of the Company for 2017.
3. To approve the financial reports of the Company for 2017.
4. To approve the profit distribution proposal of the Company for 2017.
5. To approve the appointments of Ernst & Young Hua Ming LLP and Ernst & Young as the Company’s domestic and international auditors, respectively, until the close of the annual general meeting of the Company for 2018, and to authorise the Board to fix their respective remuneration.

SPECIAL RESOLUTIONS

6. (1) To approve the proposed amendments to the Articles of Association of the Company (the “**Proposed Amendments**”) as set out in Appendix III to the circular of the Company dated April 24, 2018, and to grant the Board the authorization set out below:
 - i. to adjust or amend the Proposed Amendments according to the laws and regulations and the requirements of the relevant competent authorities;
 - ii. to make all necessary registration, filing and/or application relating to the Proposed Amendments with or to the relevant authorities in the PRC and/or Hong Kong, and sign, execute, amend and/or complete all necessary documents to be submitted to the authorities; and
 - iii. to do all such other acts as the Board considers necessary or desirable to give effect to the Proposed Amendments.
- (2) To agree to the Board delegating the authorization mentioned in (1) above to other persons.

NOTICE OF 2017 ANNUAL GENERAL MEETING

7. To approve the grant of a general mandate (“**General Mandate**”) to the Board to issue additional H Shares and additional Domestic Shares in the share capital of the Company (“**Additional Shares**”) during the Relevant Period (as defined below), including the powers to allot, issue and/or deal with Additional Shares and/or make offers, agreements or options which might require the issue, allotment or disposal of Additional Shares, subject to the terms and conditions set out below in this resolution:

- (1) the General Mandate shall not extend beyond the Relevant Period (as defined below) save that the Board may during the Relevant Period make or grant offers or agreements which might require the exercise of such powers after the end of the Relevant Period;
- (2) each of the numbers of the additional H Shares and/or additional Domestic Shares approved to be allotted or agreed conditionally or unconditionally to be allotted by the Board shall not exceed: (a) 20% of the total number of H Shares in issue as at the date of the passing of this resolution; (b) 20% of the total number of Domestic Shares of the Company in issue as at the date of the passing of this resolution, respectively, otherwise than pursuant to any scrip dividend scheme or similar arrangement providing for the allotment of such Shares in lieu of the whole or part of a dividend on such Shares in accordance with the Articles of Association;
- (3) the Board shall only exercise its power under the General Mandate in accordance with the relevant laws and regulations of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and only if approvals from the China Securities Regulatory Commission, the Stock Exchange and/or other relevant PRC government authorities are obtained; and
- (4) For the purposes of this resolution:

“H Shares” means the overseas-listed foreign shares in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars, and which are listed on the Stock Exchange;

“Domestic Shares” means the domestic shares in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and credited as fully paid up in Renminbi; and

“Relevant Period” means the period from the passing of this resolution until the earlier of:

- (a) the conclusion of the 2018 annual general meeting of the Company; or
- (b) the date on which the authority conferred by this resolution is revoked or varied by a special resolution at a general meeting of the Company.

NOTICE OF 2017 ANNUAL GENERAL MEETING

and, subject to the Board having resolved to issue additional H Shares and/or additional Domestic Shares pursuant to this resolution, the Board be authorized to:

- i. approve, execute and do or procure to be executed and done, all documents, deeds and things as it may consider necessary in connection with the issue of the Additional Shares (including, but not limited to the time, price, quantity and place of issue, making all necessary applications to the relevant authorities, entering into an underwriting agreement or any other agreements);
- ii. determine the use of proceeds and make all necessary filing, registration and applications with or to the relevant authorities in the PRC and/or Hong Kong (if required);
- iii. determine the registered capital and the number of shares pursuant to the issue or allotment of shares pursuant to this resolution, and register with the relevant authorities in the PRC and/or Hong Kong upon an increase of registered capital and the number of shares; and
- iv. make amendments to the Articles of Association of the Company accordingly as it thinks fit so as to reflect relevant matters such as the registered capital and new capital structure of the Company after the issue or allotment of the Additional Shares.

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

Shanghai, PRC, April 24, 2018

NOTICE OF 2017 ANNUAL GENERAL MEETING

Notes:

1. Eligibility for attending and voting at the AGM and date of registration of members

In order to determine the entitlement of the Shareholders to attend the AGM, the register of members of H Shares of the Company will be closed from Saturday, May 12, 2018 to Monday, June 11, 2018 (both days inclusive), during which period no transfer of Shares will be registered.

To qualify to attend and vote at the AGM, the Shareholders whose transfer of Shares have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares or the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC for holders of Domestic Shares, for registration at or before 4:30 p.m. on Friday, May 11, 2018.

Shareholders whose names appear on the register of members of the Company on June 11, 2018 will be entitled to attend and vote at the AGM or any adjournment thereof.

2. Proxy

- (1) Each shareholder entitled to attend and vote at the AGM may appoint one or more proxies in writing to attend and vote at the AGM on his behalf. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorization must be notarised.
- (3) To be valid, for holders of H Shares, the form of proxy and notarised power of attorney or other document of authorization (if any) must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (if any) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy will not preclude shareholders from attending and vote at the meeting should they wish to do so and in such event, the proxy form shall be deemed revoked.
- (4) To be valid, for holders of Domestic Shares, the form of proxy and notarised power of attorney or other document of authorization (if any) must be delivered to the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC not less than 24 hours before the time appointed for the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy will not preclude shareholders from attending and vote at the meeting should they wish to do so and in such event, the proxy form shall be deemed revoked.
- (5) Any voting at the AGM shall be taken by poll.

NOTICE OF 2017 ANNUAL GENERAL MEETING

3. Registration procedures for attending the AGM

- (1) A Shareholder or his proxy should present proof of identity when attending the AGM. If a Shareholder is a legal person, its legal representative or other person authorized by the Board or other governing body of such Shareholder may attend the AGM by providing a copy of the resolution of the Board or other governing body of such Shareholder appointing such person to attend the meeting.
- (2) Shareholders intending to attend the AGM in person or by their proxies should complete and return the reply slip for attending the AGM to (a) the headquarters of the Company at 23/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, PRC (for holders of Domestic Shares); or (b) Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) on or before Wednesday, May 23, 2018.
- (3) A Shareholder may return the reply slip in person, by post or by facsimile to the headquarters of the Company (for holders of Domestic Shares) or the office of Computershare Hong Kong Investor Services Limited (for holders of H Shares).
- (4) Shareholders or proxies attending the AGM should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. Abstention from voting will not be regarded by the Company as having voting rights for the purpose of vote counts.

4. Voting method at the AGM

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the AGM will demand a poll in relation to all the proposed resolutions at the AGM.

5. Miscellaneous

- (1) The AGM is expected to take no more than half a day. Shareholders who attend the AGM shall bear their own travelling and accommodation expenses.
- (2) The address of the Company's H Share Registrar is:
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
- (3) The address and contact details of the headquarters of the Company is:
23/F, WenGuang Plaza,
No. 1386 Hongqiao Road, Changning District
Shanghai, PRC
Telephone: (86) 021-52293555
Facsimile: (86) 021-52293558

* *for identification purpose only*