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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Shanghai Henlius Biotech, Inc., you should at once hand this circular, the form(s) of proxy and reply slip(s) to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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**Shanghai Henlius Biotech, Inc.**

**上海復宏漢霖生物技術股份有限公司**

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

**(Stock Code: 2696)**

**(1) PROPOSED A SHARE OFFERING AND LISTING**  
**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**(3) OTHER RESOLUTIONS**

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The Notice of the EGM and the notices of the Class Meetings to be held at Multifunctional Hall, 3rd Floor, Renaissance Shanghai Caohejing Hotel, 397 Tianlin Road, Xuhui, Shanghai, China on Friday, 12 June 2020 are set out in this circular.

Whether or not you intend to attend the said meetings, you are reminded to complete and sign the reply slips and the forms of proxy enclosed, in accordance with the instructions printed thereon and return them to the Company's Board secretary office (for holders of domestic shares or unlisted foreign shares), at 9th Floor, Innov Tower (Capitaland Building), Section A, 1801 Hongmei Road, Shanghai, or the Company's share registrar in Hong Kong (for holders of H shares), Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the relevant meetings (i.e. not later than 3:30 p.m. on Thursday, 11 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and the Class Meetings should you so wish.

This circular together with the reply slips and forms of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.henlius.com>).

References to time and dates in this circular are to Hong Kong time and dates.

27 April 2020

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## DEFINITIONS

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

“A Share(s)”	RMB ordinary share(s) proposed to be issued by the Company pursuant to the A Share Offering
“A Share Offering”	the Company’s proposed initial public offering of A Shares, which are proposed to be listed on the SSE STAR Market
“A Share Offering and Listing”	the Company’s proposed initial public offering of A Shares, and listing of such Shares on the SSE STAR Market
“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time
“Board of Directors” or “Board”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“Board Meeting”	the meeting of the Board of Directors held on 30 March 2020 to approve, among other things, the proposed A Share Offering and Listing and other resolutions relating to the A Share Offering and Listing
“Class Meetings”	the Class Meeting of Domestic Shareholders and the Class Meeting of H Shareholders
“Class Meeting of Domestic Shareholders”	the 2020 first class meeting of Domestic Shareholders to be held at Multifunctional Hall, 3rd Floor, Renaissance Shanghai Caohejing Hotel, 397 Tianlin Road, Xuhui, Shanghai, China on Friday, 12 June 2020 immediately after the conclusion of the EGM (or any adjournment thereof)
“Class Meeting of H Shareholders”	the 2020 first class meeting of H Shareholders to be held at Multifunctional Hall, 3rd Floor, Renaissance Shanghai Caohejing Hotel, 397 Tianlin Road, Xuhui, Shanghai, China on Friday, 12 June 2020 immediately after the conclusion of the Class Meeting of Domestic Shareholders (or any adjournment thereof)

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## DEFINITIONS

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“Company”	Shanghai Henlius Biotech, Inc., a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange as of the date of this circular
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Decision-making Rules for the Connected/Related Transaction”	The Decision-making Rules for the Connected/Related Transaction for the Connected/Related Transactions of Shanghai Henlius Biotech, Inc.
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) with nominal value of RMB1.00 each in the issued share capital of the Company which are subscribed for and credited as paid up in RMB
“EGM”	the 2020 second extraordinary general meeting of the Company to be held at Multifunctional Hall, 3rd Floor, Renaissance Shanghai Caohejing Hotel, 397 Tianlin Road, Xuhui, Shanghai, China at 3:30 p.m. on Friday, 12 June 2020, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 284 to 287 of this circular, or any adjournment thereof
“Fosun Pharma”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC, the H shares and A shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“H Shares”	overseas-listed foreign shares in the issued share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange

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## DEFINITIONS

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“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	20 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Rules for the External Guarantee”	The Management Rules for the External Guarantee of Shanghai Henlius Biotech, Inc.
“Management Rules for the Raised Funds”	The Management Rules for the Raised Funds of Shanghai Henlius Biotech, Inc.
“Management Rules for the Transaction and External Investments and Financing”	The Management Rules for the Transaction and External Investment and Financing of Shanghai Henlius Biotech, Inc.
“Notices of the Class Meetings”	the notice of the Class Meeting of H Shareholders and the notice of the Class Meeting of Domestic Shareholders both dated 27 April 2020, a copy of which is set out on pages 288 to 290 and pages 291 to 293 of this circular, respectively
“Notice of the EGM”	the notice of the EGM dated 27 April 2020, a copy of which is set out on pages 284 to 287 of this circular
“PRC”	The People’s Republic of China, for the purpose of this circular, excluding the regions of Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus issued by the Company on 12 September 2019 in connection with the listing of the H Shares on the Hong Kong Stock Exchange
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“Rules of Independent Non-Executive Directors”	The Rules of Independent Non-Executive Directors of Shanghai Henlius Biotech, Inc.
“Rules of Procedures for the Board of Directors”	The Rules of Procedures for the Board of Directors of Shanghai Henlius Biotech, Inc.
“Rules of Procedures for the Board of Supervisors”	The Rules of Procedures for the Board of Supervisors of Shanghai Henlius Biotech, Inc.
“Rules of Procedures for the General Meeting”	The Rules of Procedures for the General Meeting of Shanghai Henlius Biotech, Inc.
“Share(s)”	the Domestic Share(s), the unlisted foreign Share(s) and/or the H Share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“SSE STAR Market”	the Science and Technology Innovation Board of Shanghai Stock Exchange
“SSE STAR Market Implementation Measures”	Implementation Measures for the Issue and Underwriting of Securities on the SSE STAR Market of the Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷實施辦法》)
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent.

*\* For identification purpose only*

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## LETTER FROM THE BOARD

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### Shanghai Henlius Biotech, Inc.

### 上海復宏漢霖生物技術股份有限公司

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

(Stock Code: 2696)

*Executive Director:*

Dr. Scott Shi-Kau LIU

*Non-executive Directors:*

Mr. Qiyu CHEN (Chairman)

Mr. Yifang WU

Ms. Xiaohui GUAN

Dr. Aimin HUI

Mr. Zihou YAN

*Independent non-executive Directors:*

Mr. Tak Young SO

Dr. Lik Yuen CHAN

Dr. Guoping ZHAO

Dr. Ruilin SONG

*Registered Office in*

*Mainland China:*

Rooms 303-304, Building 7  
No. 1999, Zhangheng Road  
China (Shanghai) Pilot Free  
Trade Zone  
PRC

*Principal Place of Business in*

*Hong Kong:*

Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

27 April 2020

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED A SHARE OFFERING AND LISTING**  
**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**(3) OTHER RESOLUTIONS**

#### **I. INTRODUCTION**

The purpose of this circular is to give you notices of the EGM and the Class Meetings, and to provide you with information regarding certain ordinary resolutions and/or special resolutions to be proposed at the above meetings and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the meetings:

- (1) the resolutions in relation to the proposed A Share Offering and Listing;



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## LETTER FROM THE BOARD

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- (2) the resolution in relation to the authorisation to the Board to deal with matters relating to the A Share Offering and Listing;
- (3) the resolution in relation to the plan for use of proceeds raised from the A Share Offering;
- (4) the resolution in relation to the accumulated profit distribution and the plan for undertaking unrecovered losses prior to the A Share Offering;
- (5) the resolution in relation to the share price stabilisation plan within three years after the A Share Offering and Listing;
- (6) the resolution in relation to the three-year dividend distribution plan after the A Share Offering;
- (7) the resolution in relation to the undertakings on the matters in connection with the A Share Offering and Listing;
- (8) the resolution in relation to the dilution of immediate return by the A Share Offering and recovery measures;
- (9) the resolution in relation to the amendments to the Articles and Rules of Procedures for the General Meeting relating to PRC regulatory updates;
- (10) the resolution in relation to the amendments to the Articles and relevant rules of procedures relating to the A Share Offering and Listing;
- (11) the resolution in relation to the amendments to the Rules of Independent Non-Executive Directors;
- (12) the resolution in relation to the amendments to the Decision-making Rules for the Connected/Related Transaction;
- (13) the resolution in relation to the amendments to the Management Rules for the Raised Funds;
- (14) the resolution in relation to the amendments to the Management Rules for the External Guarantee;
- (15) the resolution in relation to the Management Rules for the Transaction and External Investments and Financing; and
- (16) the resolution in relation to the special report on the use of proceeds raised in previous offering.

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## LETTER FROM THE BOARD

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The resolutions in paragraphs (1) to (6) and (8) are special resolutions subject to approval by the Shareholders at the EGM and the Class Meetings, respectively. Furthermore, the proposed A Share Offering and Listing is subject to the approvals by the general meeting of Fosun Pharma, the CSRC and/or the Shanghai Stock Exchange. The resolution in paragraph (7) is an ordinary resolution subject to the approval by the Shareholders at the EGM and the Class Meetings, respectively.

The resolutions in paragraphs (9) and (10) are special resolutions subject to the approval by the Shareholders at the EGM. The resolutions in paragraphs (11) and (16) are ordinary resolutions subject to the approval by the Shareholders at the EGM.

In order to enable you to have a better understanding of the resolutions to be proposed at the EGM and the Class Meetings and to make an informed decision thereof, we have provided in this circular detailed background information, including the relevant information and explanation, to the resolutions to be proposed at the EGM and the Class Meetings.

## II. DETAILS OF THE RESOLUTIONS

### A. Proposed A Share Offering and Listing

The Company proposed to apply to the relevant regulatory authorities in the PRC for the allotment and issue of A Shares and proposed to apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the SSE STAR Market.

The A Share Offering and Listing will be subject to, among other things, the approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings, the approval by the general meeting of Fosun Pharma as well as the approvals by the CSRC and the Shanghai Stock Exchange.

If the A Share Offering and Listing as set out in resolutions 8(1) to (11) of the Notice of the EGM and resolutions 2(1) to (11) of the Notices of the Class Meetings is not approved by the Shareholders, the A Share Offering will not proceed, and the ancillary matters as set out in resolutions 1 to 7, 9 to 14, and 16 of the Notice of EGM and resolutions 1, and 3 to 8 of the Notices of the Class Meetings will not proceed. Please refer to the Notice of the EGM and the Notices of the Class Meetings as set out on pages 284 to 293 to this circular.

#### *Details of the A Share Offering and Listing*

##### *i. The public offering of Shares fulfilling requirements*

The Company has fulfilled the requirements under relevant PRC laws, regulations and regulatory documents in respect of the A Share Offering and Listing on the SSE STAR Market.

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## LETTER FROM THE BOARD

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ii. *Class of Shares*

The class of shares proposed under the A Share Offering and Listing is RMB ordinary shares (A Shares) to be listed on the SSE STAR Market.

iii. *Nominal value*

The nominal value of the A Shares to be listed is RMB1.00 per A Share.

iv. *Offering size*

The Company has proposed to issue A Shares representing not less than 10% of the total share capital of the Company upon completion of the A Share Offering and Listing and not more than 20% of the total share capital upon completion of the A Share Offering and Listing. The final number of A Shares to be issued will be subject to the number of A Shares to be registered with the CSRC.

The Company may grant the lead underwriter of the A Share Offering an over-allotment option pursuant to which the Company may be required to issue additional A Shares representing not more than 15% of the initial size of the A Share Offering.

The A Share Offering will only involve the issue of new A Shares by the Company, and will not involve any offering of Shares by the existing Shareholders.

Please refer to “III. OTHER INFORMATION IN RELATION TO THE PROPOSED A SHARE OFFERING AND LISTING – B. Effects of the A Share Offering and Listing on the Shareholding Structure of the Company” below for effects on shareholding structure.

v. *Target subscribers*

The target subscribers of the A Shares will be qualified participants in the price consultation process, strategic investors and other qualified investors, which are in compliance with the relevant PRC laws and regulations and the conditions stipulated by the regulatory authorities. If the securities regulatory authorities such as the CSRC and the Shanghai Stock Exchange have other requirements, such requirements shall be followed.

Under the PRC laws, regulations and rules relevant to the A Share Offering, connected persons of the Company may subscribe for A Shares in the following manners:

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

In light of the Company’s maximum number of A Shares proposed to be issued as more than 100 million shares, under the SSE STAR Market Implementation Measures, generally not more than 30% of the total number of A shares to be issued may be placed to strategic investors. The Company’s connected persons may participate as a strategic investor (as defined under the relevant PRC laws and/or regulations) by using its own funds to subscribe for A Shares if he/she/it fulfills the criteria of a strategic investor. A strategic investor shall not participate in off-line placement and will be subject to a lock-up period of not less than 12 months from the listing date of the A Shares on the SSE STAR Market.

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## LETTER FROM THE BOARD

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*(b) Participation in the on-line subscription*

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

The maximum percentage of A Shares that can be subscribed by each investor (including connected persons) through each on-line subscription would not exceed 0.1% of the initial on-line offering size and the maximum number of A Shares that can be subscribed shall not exceed 99.9995 million shares according to the SSE STAR Market Implementation Measures.

*(c) Participation through specific asset management plan*

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

*No participation in the off-line placement*

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

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## LETTER FROM THE BOARD

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### *Maximum number of shares that may be subscribed by connected persons of the Company*

Under the relevant PRC laws and regulations, provided that after the subscription of A Shares by connected persons of the Company, the Company fulfils the public float requirement under the Rules Governing for Securities on the SSE STAR Market which provides that Shares held by the public (excluding Shareholders holding more than 10% of the Shares of the Company and their parties acting in concert and the Company's Directors, Supervisors and senior management and their respective connected persons) shall not be less than 10% of the total share capital of the Company for a consecutive period of 20 trading days, there is no restriction on the maximum number of shares that can be subscribed, in aggregate by connected persons of the Company in the A Share Offering.

If any of the target subscribers is a connected person of the Company, the Company will comply with the relevant requirements under the Listing Rules, including the requirements under Chapter 14A of the Listing Rules such as the reporting, announcement and independent shareholders' approval requirements.

As of the Latest Practicable Date, none of the connected person(s) of the Company has indicated to the Company that he/she/it intends to participate in the subscription of the A Shares in such way which requires the Company to comply with the relevant requirements under the Listing Rules.

### *vi. Offer price and pricing methodology*

In determining the offer price of the A Shares to be offered pursuant to the A Share Offering, full consideration will be given to the interests of the existing Shareholders as a whole, the principle of marketisation, and the status of China's securities market at the time of the A Share Offering. The offer price will be determined through price consultation with qualified investors in compliance with the relevant PRC laws and regulations by the Company and the lead underwriter or through any other methods approved by the CSRC or the Shanghai Stock Exchange.

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

As at 27 March 2020 (being the trading date prior to the date of the announcement of the Company in relation to the proposed A Share Offering and Listing), the closing price of the Company's H Share as quoted on the Hong Kong Stock Exchange is HK\$36.25 per H Share. As at the Latest Practicable Date, the closing price of the Company's H Share as quoted on the Hong Kong Stock Exchange is HK\$40.00 per H Share.

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## LETTER FROM THE BOARD

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*vii. Method of offering*

The A Share Offering will be conducted through a combination of placings to strategic investors, placings offline to participants of the price consultation process, and offering to qualified investors by way of online subscription at a fixed price, or through any other methods of offering which are approved by the CSRC or the Shanghai Stock Exchange.

*viii. Place of listing*

The A Shares are proposed to be listed on the SSE STAR Market.

*ix. Time of listing*

The Company will choose an appropriate timing for the A Share Offering and Listing upon the approval by the Shanghai Stock Exchange and the registration with CSRC. The specific date of A Share Offering and Listing shall be determined by the Board of Directors or its authorized persons as authorized by the General Meeting upon the approval by the Shanghai Stock Exchange and the registration with CSRC.

*x. Engagement of professional agents*

The Company has proposed to engage professional agents, including the underwriting sponsor, legal adviser and auditor for the proposed A Share Offering and Listing, including but not limited to China International Capital Corporation Limited, CM Law Firm and Ernst & Young Hua Ming CPAs (special general partnership).

*xi. Validity period of the resolutions*

The resolutions in relation to the A Share Offering and Listing will be valid for a term of 12 months from the date it is considered and approved at the General Meeting and Class Meetings.

**B. Authorisation to the Board to Deal with Matters relating to the A Share Offering and Listing**

A special resolution will be proposed at the EGM and the Class Meetings to authorise the Board of Directors to fully handle the relevant matters in connection with the A Share Offering and Listing.

In order to ensure the smooth progress of the relevant matters relating to the A Share Offering and Listing, a proposal will be submitted to the Shareholders at the EGM and Class Meetings to authorise the Board of Directors to deal with relevant matters in connection with the A Share Offering and Listing.

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## LETTER FROM THE BOARD

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The authorization proposed to be granted to the Board of Directors shall include, without limitation, the following:

- i. Implementing the specific proposals for the A Share Offering and Listing in accordance with the relevant PRC laws, regulations and regulatory documents and the resolutions of the General Meeting and Class Meetings.
- ii. Handling the reporting matters related to the A Share Offering and Listing, including, but not limited to, dealing with the relevant government agencies, regulatory agencies, the Shanghai Stock Exchange, securities registration and settlement agencies for the approval, registration, filing, permit, registration and consents, and to pass, sign, execute, modify, and complete all agreements, contracts and other relevant legal documents related to the A Share Offering and Listing.
- iii. Dealing with all matters related to the A Share Offering and Listing with full discretion, including, but not limited to, specific matters such as timing of the offering, the specific number of shares to be issued, method of offering, target subscribers, pricing methodology, offer price, placing method, over-allotment placement and strategic placement, in accordance with the relevant requirements and policies of regulatory authorities, and the securities market conditions and within the scope of the resolutions of the General Meeting and Class Meetings.
- iv. (a) Drafting and/or amending the Articles (draft), rules of procedures and other internal management policies in connection with the A Share Offering during the A Share Offering and Listing in accordance with the requirements and suggestions of the government agencies and regulatory authorities; and (b) amending and approving the Articles (draft), rules of procedures and other internal management policies in accordance with the result of the A Share Offering, and dealing with the relevant procedures for the approval, registration and/or filing (if necessary) of such changes with the relevant authorities including the competent authority of commerce and the competent administration for industry and commerce.
- v. For Articles (draft), rules of procedures and other internal management policies which have been considered and approved by the General Meeting and Class Meetings and effective from the date of the A Share Offering and Listing, if CSRC, the Shanghai Stock Exchange and other regulatory authorities have put forward suggestions or advice, or when there is a conflict between such policies and the regulatory documents issued by the CSRC, the Shanghai Stock Exchange and other regulatory authorities, making appropriate amendments to the aforesaid Articles (draft), rules of procedures and other internal management policies in combination with those suggestions or advice.
- vi. Adjusting the plans for the A Share Offering and Listing, including, but not limited to, specific matters such as timing of the offering, the specific number of shares to be issued, method of offering, target subscribers, pricing methodology, offer price,



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## LETTER FROM THE BOARD

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placing method, over-allotment placement and strategic placement, in accordance with the implementation plan for the A Share Offering and Listing, the market conditions, the policy change and the advice by the regulatory departments, the sponsor and the underwriters.

- vii. Within the scope of the resolutions passed by the Shareholders at the General Meeting and Class Meetings, making the necessary and appropriate adjustments to the relevant matters in the implementation process of the investment projects funded by the proceeds raised, including, but not limited to, the adjustment of the specific projects in which the raised funds are invested and the amount of funds required for these projects; the organisation and implementation of project construction with self-owned or self-raised funds according to the actual progress of the project before the proceeds of the A Share Offering and Listing are in place; and the replacement of the self-owned funds and bank borrowings previously invested in the projects after the proceeds of the A Share Offering and Listing are in place. According to the actual situation and the opinions of the relevant government authorities and the underwriting sponsor, making adjustments to the relevant matters in the implementation process of the projects, including, but not limited to, the adjustment on matters including the amount of proceeds to be used for each project, the implementation entity, the implementation progress and the implementation methods within the scope of the confirmed investment projects funded by the proceeds raised; the confirmation of the deposit account for the proceeds raised; the signing of a tripartite supervision agreement for the proceeds raised; the implementation of the use of proceeds after completion of the A Share Offering and Listing; and the signing of material contracts involved in the implementation process of the investment projects funded by the proceeds raised.
- viii. After completion of the A Share Offering and Listing, handling the matters of, including but not limited to registration and filing of such changes with the competent authority of commerce and the competent administration for industry and commerce.
- ix. After completion of the A Share Offering and Listing, handling the matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including, but not limited, to the depository, registration, circulation and lock-up of the shares.
- x. Publishing, among other things, the prospectus and its summary and listing announcement in designated newspapers and on websites in accordance with the requirements of the CSRC, the Shanghai Stock Exchange and the relevant securities regulatory authorities, and making an application for listing to the designated stock exchange and providing complete information of the application.
- xi. Engaging agents, including the underwriting sponsor, legal adviser and auditor for the A Share Offering and Listing, determining the service fees for the intermediaries through consultation, and signing of engagement agreements.



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## LETTER FROM THE BOARD

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- xii. In case of occurrence of force majeure events or other circumstances where implementation of the A Share Offering and Listing would become difficult, or although implementation would be possible, it would bring material adverse impact on the Company, making decisions to suspend or terminate A Share Offering and Listing at discretion.
- xiii. For the purpose of A Share Offering and Listing, communicating with the relevant regulatory institutions or organizations, such as the CSRC, the Shanghai Stock Exchange and other regulatory departments, on behalf of the Company.
- xiv. To the extent permitted by the relevant laws, regulations and regulatory documents, handling other matters which are considered to be necessary, desirable and appropriate for A Share Offering and Listing.

The above authorization, if approved, shall be valid for a period of 12 months from the date of approval at the General Meeting and the Class Meetings.

Subject to the approvals at the EGM and the Class Meetings, and the requirements under the relevant laws, regulations, regulatory documents and the Articles, the Board of Directors proposed that the above authorization be delegated to the chairman of the Board of Directors and any person authorized by the chairman.

### C. The Plan for Use of Proceeds Raised from the A Share Offering

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the plan for use of proceeds raised from the A Share Offering.

The proceeds raised by the Company from the A Share Offering will be used for the following projects after deducting the offering expenses:

No.	Project Name	Proposed investment amount from proceeds raised <sup>(Note 4)</sup> (RMB'000)
1.	Biosimilar drugs and innovative drugs R&D project <sup>(Note 1)</sup>	2,400,000
2.	Biotech industrialization site project <sup>(Note 2)</sup>	700,000
3.	Replenishment of working capital <sup>(Note 3)</sup>	900,000
	<b>Total</b>	<b>4,000,000</b>

Notes:

- (1) The Company intends to use the proceeds raised from the A Shares Offering to continuously and efficiently promote the R&D of products under development. In addition to the commercialised HLX01 (漢利康) and the products expected to be commercialised in the near future (HLX02, HLX03, HLX04 and HLX01 for

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## LETTER FROM THE BOARD

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rheumatoid arthritis), the Company currently has extensive product pipelines, and various products are still under clinical research or pre-clinical research stage. The Company will continue to adhere to the current product development strategy and progressing the R&D of its biosimilars, innovative monoclonal antibodies and tumour combination therapy. The Company currently also has a number of products under clinical trial stages. Proceeds raised from A Shares Offering will be used for clinical trials of various products, such as HLX11, HLX12, HLX14, HLX22, HLX10, HLX10+HLX04, HLX10+HLX07, HLX55 and HLX56, according to the Company's product planning. The Company will also deploy part of the proceeds in other early products which are still under pre-clinical stage.

- (2) In order to improve production capacity, the Company has planned for the construction of "Henlius Biotech Biopharmaceutical Industrialization Base II" (the "Construction Project") in Songjiang District, Shanghai. The investment in the Construction Project will be partly financed by the proceeds raised from the A Share Offering. As required under the relevant PRC laws and regulations, the Company and Fosun Pharma, the controlling shareholder of the Company, both have convened board meetings and agreed the investment by the Company in the Construction Project for not more than RMB1,720 million. The design, construction and operation of the Construction Project are subject to the approval/filing of the competent government departments (including, but not limited to, the Development and Reform Commission, Environmental Protection Administration, etc.).
- (3) At present, the Company has only commercialised one product and generates limited operating income as compared to its demand for working capital considering the business of the Company. The Company expects that the additional proceeds to be raised and used as working capital will be used for daily operating expenses, repayment of bank loans of the Company, etc.
- (4) The Company estimated the total proceeds to be raised taking into consideration the need for funds for the Company's products under research and development and daily operations within a certain period in the future. If the actual proceeds raised from the A Shares Offering exceed the project capital requirements, the excess proceeds will be used to supplement the Company's working capital related to the principal business. If the actual net proceeds after deducting listing expenses is lower than the total proceeds to be invested, the shortfall will be resolved by the Company's self-raised funds.
- (5) The specific purpose of the proceeds raised from the A Shares Offering is still in the preliminary planning stage, and will be further calculated and disclosed in the prospectus of the Company's listing on the SSE STAR Market in the future. In addition, the scope of projects shall be subject to approval or filing requirement of relevant government authorities.

Within the scope of the above investment projects to be funded by proceeds raised, the Company may, according to the actual needs of the project, make appropriate adjustments to the sequence and amount of the proceeds to be invested in the above projects. Before the proceeds raised from the A Share Offering have been received by the Company, the Company may make an initial investment with its self-owned or self-raised funds according to the needs of the projects, and after the proceeds raised have been received by the Company, the Company can replace the initial investment funds according to the requirements and procedures of the relevant laws, regulations and regulatory documents.

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## LETTER FROM THE BOARD

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### **D. Accumulated Profit Distribution and the Plan for Undertaking Uncovered Losses prior to the A Share Offering**

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

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit before the A Share Offering and Listing, it is proposed that the new and existing Shareholders shall share in proportion to their respective shareholding after the completion of the A Share Offering and Listing.

If the Company has unrecovered losses prior to the A Share Offering and Listing, it is proposed that the new and existing Shareholders of the Company after the A Share Offering and Listing shall bear the losses according to the proportion of their shareholdings after the completion of A Share Offering and Listing.

### **E. The Company's Three-Year Dividend Distribution Plan for Shareholders After Listing**

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the "Three-Year Dividend Distribution Plan for Shareholders after the A Share Offering and Listing". Full text of the plan is set out in Appendix I to this circular.

### **F. The Company's Share Price Stabilization Plan and Restraint Measures Within Three Years After the Company's A Share Offering and Listing on The SSE STAR Market**

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

### **G. Undertakings on the Matters in connection with the A Share Offering and Listing**

An ordinary resolution will be proposed at the EGM and the Class Meetings to consider and approve the undertakings on the matters in connection with the A Share Offering and Listing on the SSE STAR Market. Full text of the undertakings is set out in Appendix III to this circular.

### **H. The impact of dilution on immediate return by the Company's A Share Offering and adoption of recovery measures**

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

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## LETTER FROM THE BOARD

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

### **I. Proposed Amendments to the Articles and Rules of Procedures for General Meeting relating to PRC Regulatory Updates**

A special resolution will be proposed at the EGM to consider and approve the proposed amendments to the Articles and Rules of Procedures for General Meeting relating to the PRC regulatory updates.

On 17 October 2019, the State Council of the People's Republic of China issued the Approval on Matters including Adjustments to Notice Period for Convening the General Meeting Applicable to Companies Listed Overseas (Circular of the State Council [2019] No. 97) (《關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》(國函[2019]97號)), joint stock companies registered in the PRC and listed overseas shall follow relevant requirements as set out in the Company Law of the PRC in respect of the notice period for convening the general meeting, the rights of shareholders to propose resolutions and the convening procedures, rather than the requirements as set out in Articles 20 to 22 of the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》). In order to reflect the PRC regulatory updates as set out above, the Board resolved to amend the existing Articles and Rules of Procedures for General Meeting.

Full text of the proposed amendments to the Articles and Rules of Procedure for the General Meeting relating to the PRC regulatory updates, which were prepared in the Chinese language, is set out in Appendix V and VI to this circular. In the event of any discrepancy between the English translation and the Chinese version of the proposed amendments to the Articles, the Chinese version shall prevail.

If approved, the revised Articles and Rules of Procedures for General Meeting relating to the PRC regulatory updates will take effect upon the approval by the EGM.

### **J. Proposed Amendments to the Articles and relevant rules of procedures relating to the A Share Offering and Listing**

A special resolution will be proposed at the EGM to consider and approve the proposed amendments to the Articles and relevant rules of procedures relating to A Share Offering and Listing.

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## LETTER FROM THE BOARD

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

Full text of the proposed amendments to the Articles and relevant rules of procedures relating to the A Share Offering and Listing, which were prepared in the Chinese language, is set out in Appendix VII to Appendix X to this circular. In the event of any discrepancy between the English translation and the Chinese version of the proposed amendments to the Articles of Association, the Chinese version shall prevail.

If approved, the revised Articles and relevant rules of procedures relating to the A Share Offering and Listing will take effect upon completion of the A Share Offering and Listing.

Shareholders should note that two special resolutions to amend the Articles and relevant rules of procedures will be proposed at the EGM, namely, resolution in paragraph (9) in respect of PRC regulatory updates, and resolution in paragraph (10) in respect of A Share Offering and Listing. The amendment under resolution in paragraph (9) will not be subject to the A Share Offering and Listing.

### **K. Proposed Amendments to Certain Internal Management Policies of the Company relating to the A Share Offering and Listing**

The Company intends to revise the “Rules of Independent Non-Executive Directors”, “Management Rules for the Raised Funds”, “Decision-making Rules for the Connected/Related Transaction”, the “Management Rules for the External Guarantee” and the “Management Rules for the Transaction and External Investments and Financing”. The above internal management policies will come into effect on the date of completion of the A Share Offering and Listing. Until then, the current rules of procedures will continue to apply.

The Board of Directors agreed to propose to the Shareholders at the EGM to authorize the Board of Directors and its authorized persons to adjust and amend the above rules of procedures which will become effective from the date of completion of the A Share Offering and Listing in accordance with the provisions of the relevant laws, regulations and regulatory documents, and the requirements and suggestions from the relevant domestic and overseas government authorities and regulatory institutions, and taking into consideration the actual situation of this proposed issue of A Shares and listing.

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## LETTER FROM THE BOARD

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Ordinary resolutions will be proposed at the EGM to consider and approve the amendments to each of the “Rules of Independent Non-Executive Directors”, “Management Rules for the Raised Funds”, “Decision-making Rules for the Connected/Related Transaction”, the “Management Rules for the External Guarantee” and the “Management Rules for the Transaction and External Investments and Financing”. Please refer to the resolutions in paragraphs (11) to (15) in the section of “I – INTRODUCTION”. Full texts of these internal management policies are set out in Appendices XI to XV to this circular, respectively.

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

### **L. Special Report on the Use of Proceeds Raised in Previous Offering**

The Company has prepared the “Special Report on the Use of Proceeds Raised in Previous Offering by Shanghai Henlius Biotech, Inc.”, based on the requirements of the Rules for Report on the Use of Proceeds Raised in Previous Offering (Zheng Jian Fa Xing Zi [2007] No. 500) published by the CSRC, full text of which is set out in Appendix XVI to this circular.

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

### **III. OTHER INFORMATION IN RELATION TO THE PROPOSED A SHARE OFFERING AND LISTING**

#### **A. Reasons for the A Share Offering and Listing on the SSE STAR Market**

The Directors consider that the A Share Offering and Listing will further optimize the Company’s corporate governance structure and improve the liquidity of Shares held by the Shareholders; at the same time, it will further expand the Company’s financing channels, promote the development of the Company’s principal businesses such as biopharmaceutical research and development and industrialization and improve the competitiveness of the Company, thereby achieving sustainable and stable development.

The Directors consider that the A Share Offering and Listing meets the interests of the Company and all the Shareholders.

#### **B. Effects of the A Share Offering and Listing on Shareholding Structure of the Company**

Assuming that the maximum issue of 156,254,770 new A Shares (including the A Shares that are to be issued pursuant to the over-allotment option), the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the A Share

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## LETTER FROM THE BOARD

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Offering and Listing (assuming the full exercise of the over-allotment option) is as follow (assuming there is no other change in the share capital of the Company from the Latest Practicable Date up to and including the date of completion of the A Share Offering and Listing):

	<b>As at the Latest Practicable Date</b>	<b>Immediately after the completion of the A Share Offering</b>
<b>Domestic Shares</b>	364,189,618	–
<b>A Shares to be listed on the SSE STAR Market<sup>(Note 1)</sup></b>		
(i) <i>New A Shares proposed to be issued</i>	–	156,254,770
(ii) <i>A Shares to be converted from existing Domestic Shares</i>	–	364,189,618
(iii) <i>A Shares to be converted from existing Unlisted Foreign Shares</i>	–	15,876,694
	364,189,618	536,321,082
<b>Sub-total</b>	364,189,618	536,321,082
<b>Unlisted Foreign Shares</b>	15,876,694	–
<b>H Shares</b>	163,428,541	163,428,541
 <b>Total</b>	543,494,853	699,749,623

*Note:*

- (1) After the A Share Offering and Listing, the existing Domestic Shares and Unlisted Foreign Shares will be converted into A Shares and be listed and traded on the SSE STAR Market.

At the time of the listing of the H Shares on the Hong Kong Stock Exchange, the Hong Kong Stock Exchange has granted the Company a waiver that the minimum public float of the Company should be the higher of: (a) 18.1%; (b) such percentage of H Shares to be held by the public immediately after completion of the Global Offering (assuming the over-allotment option is not exercised); or (c) such percentage of H Shares to be held by the public after the exercise of the over-allotment option, provided that (i) the Company will have an expected market capitalization at the time of listing of over HK\$10 billion; (ii) appropriate disclosure of the lower prescribed percentage of public float be made in the Prospectus together with a confirmation of sufficiency of public float in its successive annual reports after the listing; (iii) there will be an open market in the H Shares, and the number of H Shares and the extent of their distribution would enable the market to operate properly; and (iv) the Company will implement appropriate measures and mechanism to ensure continual maintenance of the minimum percentage of public float.



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## LETTER FROM THE BOARD

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Following the Global Offering (including full exercise of the over-allotment option), to the best of knowledge of the Company having made all reasonable enquiries, as of the Latest Practicable Date, the Company maintained a minimum public float of H Shares of approximately 18.77%.

Assuming a maximum of 156,254,770 A Shares are issued and the maximum extent of A shares available for subscription by connected persons of the Company are allocated to connected person of the Company, the Company's public float (including H Shares and A Shares held by the public) will be approximately 38.02% following the completion of the proposed A Share Offering and Listing. The Company's public float will be approximately 47.54% after the completion of the proposed A Share Offering and Listing assuming no subscription of A Shares is made by any connected person of the Company under the A Share Offering. The public float of H Shares will be approximately 14.58%. The Company would still be able to meet the minimum requirement on public float percentage as imposed by the Hong Kong Stock Exchange at the time of the Company's listing of H Shares. The Company will closely monitor its public float percentage (including H Shares and A Shares held by the public) to make sure its compliance, at all times, with relevant requirements on public float as stipulated under the Listing Rules and will promptly notify the Hong Kong Stock Exchange of any changes in the Company's public float.

### **C. Fund raising activities in the past twelve months**

On 25 September 2019, the Company issued 64,695,400 H Shares at HK\$49.6 per H Share in connection with the global offering (the "**Global Offering**") and listing of the H Shares on the Hong Kong Stock Exchange. The total gross proceeds amounted to approximately HK\$3,209 million by way of initial public offering of the Company on the Stock Exchange.

On 22 October 2019, the over-allotment option granted in connection with the Global Offering was partially exercised and the Company issued an aggregate of 4,366,400 H Shares at HK\$49.6 per H Share. The total proceeds amounted to approximately HK\$216.6 million.

After deduction of listing expenses, the total net proceeds from the Global Offering (including the net proceeds from the partial exercise of the over-allotment option) was approximately HK\$3,147 million. As at the date of this announcement, the proceeds have been used and will continue to be used in accordance with those set out in the Prospectus. Details of the use of proceeds are set out below:



## LETTER FROM THE BOARD

Ref No.	Intended use of proceeds as set out in the Prospectus	Intended amount to be used as set out in the Prospectus (HK\$'000)	Intended amount to be used after the Global Offering (HK\$'000)	Intended amount to be used after the Global Offering (RMB'000)	Amounts utilized as of 31 December 2019 (RMB'000)	Amounts not yet utilized as of 31 December 2019 (RMB'000)
1	The ongoing clinical trials, regulatory filing and registration for HLX02	185,800	188,820	168,050	135,692	32,358
2	The ongoing clinical trials, regulatory filing and registration for HLX04 for the mCRC indication	247,700	251,760	224,066	98,066	126,000
3	The development of immuno-oncology combination therapy comprised of HLX04 and HLX10 for the treatment of advanced solid tumours	805,000	818,220	728,215	28,591	699,624
4	The ongoing clinical trials, regulatory filing and registration for our other biosimilar candidates, including HLX12, HLX11 and HLX14	464,500	472,050	420,125	158,720	261,405
5	The ongoing clinical trials, regulatory filing and registration for HLX06	6,200	6,294	5,602	0	5,602
6	The ongoing clinical trials, regulatory filing and registration for HLX07	133,100	135,321	120,436	26,899	93,537

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## LETTER FROM THE BOARD

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Ref No.	Intended use of proceeds as set out in the Prospectus	Intended amount to be used as set out in the Prospectus (HK\$'000)	Intended amount to be used after the Global Offering (HK\$'000)	Intended amount to be used after the Global Offering (RMB'000)	Amounts utilized as of 31 December 2019 (RMB'000)	Amounts not yet utilized as of 31 December 2019 (RMB'000)
7	The ongoing clinical trials, regulatory filing and registration for HLX20	6,200	6,294	5,602	791	4,811
8	The ongoing clinical trials, regulatory filing and registration for HLX10 and immuno-oncology combination therapies involving HLX10 (including HLX10+HLX07).	938,200	953,541	848,651	293,190	555,461
9	Working capital and general corporate purposes	309,600	314,700	280,083	85,187	194,896
	<b>Total</b>	3,096,300	3,147,000	2,800,830	827,136	1,973,694

Other than the fund raising activities as set out above, the Company has not conducted any fund raising activities involving the issue of equity securities within 12 months immediately prior to the Latest Practicable Date.

#### IV. EGM AND THE CLASS MEETINGS

Set out on pages 284 to 293 of this circular are the notices convening the EGM and the Class Meetings to be held at Multifunctional Hall, 3rd Floor, Renaissance Shanghai Caohejing Hotel, 397 Tianlin Road, Xuhui, Shanghai, China at 3:30 p.m. on Friday, 12 June 2020. The proxy forms and the reply slips of the EGM and the Class Meetings are enclosed herewith and also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.henlius.com>).

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## LETTER FROM THE BOARD

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

The registers of members of the Company have been closed from Thursday, 23 April 2020 to Friday, 12 June 2020, both dates inclusive, during which period no transfer of shares of the Company will be registered, in order to determine the list of Shareholders of the Company who will be entitled to attend and vote at the EGM and/or Class Meetings to be held on Friday, 12 June 2020.

### **VI. VOTING BY WAY OF POLL**

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results of the EGM and the Class Meetings will be announced by the Company in the manner prescribed under Rule 13.39(5) of the Listing Rules after the EGM and the Class Meetings.

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

### **VII. RECOMMENDATIONS**

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

### **VIII. 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.

### **IX. FURTHER INFORMATION**

Your attention is drawn to the additional information set out in the circular, and appendices to this circular.

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## LETTER FROM THE BOARD

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**There is no assurance that the A Share Offering and Listing will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. The Company will comply with the disclosure requirements under the Listing Rules and make further announcements about the details of the A Share Offering and Listing.**

Yours faithfully,  
On behalf of the Board  
**Shanghai Henlius Biotech, Inc.**  
**Qiyu CHEN**  
*Chairman*

In order to clarify the dividend distribution return of new and old Shareholders' equity after the initial public offering and listing, to enhance the transparency and operability of profit distribution decisions, and to facilitate Shareholders' supervision of the Company's operations and distribution, in accordance with the Notice on Matters in Relation to Further Implementing Cash Dividend Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》), Regulatory Guideline for Listed Companies No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號–上市公司現金分紅》), Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”) and other relevant documents, combined with the actual situation of the Company, the Board of Directors of Shanghai Henlius Biotech, Inc. (the “Company”) specially formulates a distribution plan for Shareholders within the next three years (the “Plan”).

## **I. FACTORS AND PRINCIPLES CONSIDERED BY THE COMPANY IN FORMULATING THE PLAN**

On the premise of complying with the relevant national laws and regulations and the Articles of Association, the Plan will pay full attention to the return to investors and maintain the continuity and stability of the Company's profit distribution policy. Meanwhile, it takes into account the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company. The Company shall fully consider the opinions of independent non-executive directors and public investors in the research and demonstration and decision-making process of profit distribution policies.

## **II. DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS WITHIN THE NEXT THREE YEARS OF THE COMPANY**

The Company may distribute profits in cash, shares or by a combination of cash and shares; profit distribution shall not exceed the range of cumulative distributable profits, and shall not harm the Company's ability to continue operating.

Under the premise of ensuring the Company's normal operation and long-term development, and meeting the conditions for profit distribution, the Company will actively distribute dividends in cash. Where cash dividends are available, cash dividends should be used for profit distribution. The formulation of rules and plans for dividend distribution for shareholders shall comply with the relevant provisions of the Articles of Association.

### **(I) Formulation and implementation of profit distribution plan**

#### ***1. Specific conditions for cash dividends***

Except for special circumstances, when the Company is profitable in the current year and its accumulated undistributed profit is positive, it shall preferentially distribute dividends in cash. Special circumstances include:

- (1) the Company's net operating cash flow for that year is negative;

- (2) in the next twelve months, the Company will have major investment plans or major capital expenditures (except for raised proceed investment projects).
- (3) other circumstances stipulated by the CSRC, the Shanghai Stock Exchange or the Hong Kong Stock Exchange.

## **2. *Specific conditions for share dividend distribution***

Under the premise of ensuring that the equity scale and equity structure of the Company are reasonable, based on the consideration of paying back investors and sharing the Company's value, the Company may distribute share dividends when its share valuation is within a reasonable range. The specific plan shall be considered and approved by the Company's board of directors and submitted to the General Meeting for consideration and approval.

## **(II) Minimum cash dividend proportion and differentiated cash dividend policy**

### **1. *Minimum cash dividend proportion***

The Company's annual profit distribution in cash is not less than 10% of the distributable profits realized in that year. The Company determines the specific distribution proportion according to the principle of distributable profits and the amount of capital reserve available for transfer in the consolidated statements and the statements of the parent company, whichever is lower.

### **2. *Differentiated cash dividend policy***

The Company's board of directors shall comprehensively consider factors such as the characteristics of the industry in which it is located, the development stage, its own business model, its level of profitability and whether there are significant capital expenditure arrangements and etc., distinguish between the following situations and propose a differentiated cash dividend policy in accordance with the procedures prescribed in the Articles of Association:

- (1) if the Company's development stage is mature and there are no significant capital expenditure arrangements, the cash dividend should account for a minimum of 80% of the profit distribution;
- (2) if the Company's development stage is mature and there are significant capital expenditure arrangements, the cash dividend should account for a minimum of 40% of the profit distribution;

- (3) if the Company's development stage is in a growth period and there are significant capital expenditure arrangements, the cash dividend should account for a minimum of 20% of the profit distribution;

If the Company's development stage is difficult to distinguish but there are significant capital expenditure arrangements, it may be handled in accordance with the provisions of the preceding paragraph.

Among them, major investment plan or significant cash expenditure means that the cumulative expenditure of the Company's proposed external investment, asset acquisition or equipment purchase will reach or exceed RMB50 million in the next 12 months or more than 50% of the Company's audited net assets in the latest fiscal year.

**(III) Decision-making process of specific plans and policies for shareholders' dividend distribution**

The profit distribution plan shall be reviewed and approved by the Board of Directors and the Board of Supervisors of the Company before being submitted to the general meeting for consideration. When the Board of Directors reviews the profit distribution plan, it must be voted in favour by more than half of all directors and more than half of the independent non-executive directors of the Company. When the Board of Supervisors reviews the profit distribution plan, it must be voted in favour by more than half of all supervisors.

When the general meeting reviews the profit distribution plan, it must be voted in favour by more than one-half of the voting rights held by shareholders presented.

When the Company makes adjustments to the retained undistributed profit utilization plan arrangements or principles, it shall be re-submitted for approval by the Board of Director, the Board of Supervisors and the general meeting in accordance with the above consideration procedures, and the reasons for the adjustment shall be demonstrated and explained in detail in the relevant resolutions. Independent non-executive directors shall express their independent opinions on these resolutions.

After the general meeting of the Company makes a decision on the profit distribution plan, the Company's Board of Director must complete the dividend distribution within 2 months after the general meeting.

**III. FORMULATION CYCLE AND ADJUSTMENT MECHANISM OF DISTRIBUTION PLAN FOR SHAREHOLDERS**

The Company reviews the distribution plan for shareholders once at least every three years. On the basis of summarizing the implementation of the distribution plan for shareholders in the previous three years, the Company shall fully take into account the factors listed in Article I of this Plan, as well as the opinions of shareholders (especially minority shareholders), independent non-executive directors and supervisors, and determine whether it is necessary to adjust the Company's profit distribution policy and the distribution plan for shareholders for the next three years.

In the event of force majeure such as war and natural disasters, or a major change in the Company's external operating environment and a significant impact on the Company's and operation, or a major change in the Company's own operating conditions, or the current specific distribution plan for shareholders affecting the Company's sustainable operations that is really necessary to adjust the distribution plan for shareholders, the Company should take the protection of shareholders' rights as the starting point, demonstrate and explain the adjustments in detail, reformulate the distribution plan for shareholders, perform the internal decision-making procedures in accordance with the Articles of Association, and the resolution shall be submitted by the Company's board of directors and reviewed by the general meeting, which shall be approved by more than 2/3 of the voting rights held by the shareholders presented.

**IV. EFFECTIVENESS AND IMPLEMENTATION OF THE PLAN**

The implementation and decision-making procedures of the Plan are carried out in accordance with relevant laws, regulations, regulatory documents and relevant provisions of the Articles of Association.

The Plan has been reviewed and approved by the Company's General Meetings and Class Meetings, where the Company's board of directors is responsible for the interpretation. It shall take effect from the date of the Company's initial public offering of RMB ordinary shares and listing on the SSE STAR Market.



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

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Shanghai Henlius Biotech, Inc. (the “Company”) intends to apply for an initial public offering of RMB ordinary shares (A Shares) and listing on the SSE STAR Market (the “Offering and Listing”). Regarding the A Share price after the completion of the Offering and Listing, the Company formulated a share price stabilization plan within three years after the initial public offering and listing as follows:

**I.      CONDITIONS FOR INITIATING SHARE PRICE STABILIZATION MEASURES**

If the closing prices of the Company’s shares for twenty consecutive trading days were lower than its unaudited net assets per share at the end of the previous fiscal year (if the Company’s net assets or total share capital changes due to profit distribution, capital reserve transfer, rights issue and other reasons after the end of the previous fiscal year, the amount of net assets per share shall be adjusted accordingly, the same below), except due to force majeure, the Company and related entities will initiate share price stabilization measures.

**II.     METHODS AND SEQUENCE OF SHARE PRICE STABILIZATION MEASURES**

**1.     Methods of share price stabilization measures:**

- (1) share repurchase by the Company;
- (2) increase of shareholding by the Company’s controlling shareholders;
- (3) increase of shareholding by directors (excluding independent non-executive directors) and senior management who hold positions in and receive remuneration from the Company.

When implementing the above methods, consideration should be given to:

- (1) it shall not cause the Company to fail to meet the statutory listing conditions;
- (2) it will not trigger the controlling shareholder to perform the tender offer obligation;
- (3) it shall meet the requirements of the laws, regulations and regulatory documents in force at that time.

**2.     Implementing sequence of share price stabilization measures:**

The first option is the share repurchase by the Company, but if the Company’s share repurchase will cause the Company to fail to meet the statutory listing conditions or violate relevant laws, regulations and regulatory documents, it will be postponed to the second option;

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**APPENDIX II      PLAN FOR STABILIZATION OF PRICE OF A SHARES WITHIN  
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The second option is the increase of shareholding by controlling shareholders. The second option is initiated when one of the following occurs:

- (1) the Company's inability to implement the share repurchase or the share repurchase resolution has not been approved by the general meeting, and the increase of shareholding by controlling shareholders will not cause the Company to fail to meet the statutory listing conditions or trigger the controlling shareholder's tender offer obligation;
- (2) although the Company implemented the share repurchase plan, it still failed to meet the condition that "the closing prices of the Company's shares for five consecutive trading days are not lower than the unaudited net assets per share at the end of the previous fiscal year".

The third option is the increase of shareholding by directors (excluding independent non-executive directors) and senior management who hold positions in and receive remuneration from the Company. The initiating condition are: if the Company's shares still failed to meet the condition that "the closing prices of the Company's shares for five consecutive trading days are not lower than the audited net assets per share at the end of the previous fiscal year" after the implementation of the shareholding increase plan by controlling shareholders, and the increase of shareholding by directors (excluding independent non-executive directors) and senior management who hold posts and receive remuneration in the Company will not cause the Company to fail to meet the statutory listing conditions or trigger the tender offer obligation of directors or senior management.

The Company's obligation to enforce share price stabilization measure is limited to once every natural year.

### **III. PROCEDURES FOR SHARE REPURCHASE BY THE COMPANY**

If the conditions for triggering the initiation of share price stabilization measures are achieved, the Company shall convene a board meeting to review the share repurchase plan within ten trading days from the date when the relevant conditions are achieved. And, ① the total funds used by the Company to repurchase shares shall not exceed the total proceeds in the Company's initial public offering and listing on the SSE STAR Market; ② the funds used by the Company for a single repurchase of shares shall not exceed RMB5 million; ③ the Company's single repurchase of shares shall not exceed 2% of the Company's total share capital; ④ the repurchase share price shall not be higher than the Company's unaudited net assets per share at the end of the previous fiscal year.

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**APPENDIX II      PLAN FOR STABILIZATION OF PRICE OF A SHARES WITHIN  
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The Company shall convene a general meeting to review the resolution of implementing the share repurchase within 30 trading days from the date of the aforesaid resolution of the board meeting, and the general meeting shall vote on the resolution, which must be approved by more than 2/3 of the voting rights held by the shareholders present at the meeting for implementation.

The Company shall complete the repurchase within six months from the date of the resolution of the general meeting in accordance with the repurchase price range, repurchase quantity and repurchase procedures approved by the general meeting, but the repurchase may be terminated in advance under the following circumstances:

- (1) through the implementation of share repurchase, the closing prices of the Company's shares for five consecutive trading days are not lower than the unaudited net assets per share at the end of the previous fiscal year;
- (2) continuing to repurchase shares will cause the Company to fail to meet the statutory conditions for listing.

After the completion or termination of the single share repurchase, the Company will deal with the repurchased shares in accordance with the Company Law and other laws and regulations and the Articles of Association.

#### **IV. PROCEDURES FOR INCREASE OF SHAREHOLDING BY CONTROLLING SHAREHOLDERS**

If the conditions for triggering the initiation of increase of shareholding by controlling shareholders are met, the Company's controlling shareholders shall disclose the shareholding increase plan within ten trading days from the date of achievement of the relevant conditions and complete the implementation within six months. The controlling shareholders shall comply with the requirements of laws, regulations and regulatory documents in increasing their shareholding, and the number of increased shares shall not exceed 2% of the total number of the Company's shares. The Company shall not provide any form of financial support for the controlling shareholders to implement the shareholding increase plan.

The controlling shareholders may terminate the shareholding increase plan in advance under the following circumstances:

- (1) by increasing shareholding of the Company's shares, the closing prices of the Company's shares for five consecutive trading days are not lower than the unaudited net assets per share at the end of the previous fiscal year;
- (2) continued increase of shareholding will cause the Company not meeting the statutory listing requirements;
- (3) continued increase of shareholding will trigger the controlling shareholder to perform the tender offer obligation.

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**APPENDIX II      PLAN FOR STABILIZATION OF PRICE OF A SHARES WITHIN  
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**V. PROCEDURES FOR INCREASE OF SHAREHOLDING BY DIRECTORS  
(EXCLUDING INDEPENDENT NON-EXECUTIVE DIRECTORS) AND SENIOR  
MANAGEMENT WHO HOLD POSITIONS IN AND RECEIVE REMUNERATION  
FROM THE COMPANY**

If the conditions for triggering the initiation of increase of shareholding by directors (excluding independent non-executive directors) and senior management who hold positions in and receive remuneration from the Company are achieved, the aforesaid members shall disclose the shareholding increase plan within ten trading days from the date of achievement of the relevant conditions and complete the implementation within six months. The directors (excluding independent non-executive directors) and senior management who hold positions in and receive remuneration from the Company shall comply with the requirements of laws, regulations and regulatory documents in increasing their shareholding, and in principle, the amount of increase shall not be less than 20% of the remuneration (after tax) and cash dividends of shares (if any) received from the Company in the previous fiscal year and shall not exceed the total amount of remuneration (after tax) and cash dividends of shares (if any) received from the Company in the previous year.

The directors (excluding independent non-executive directors) and senior management who hold positions in and receive remuneration from the Company may terminate the shareholding increase plan in advance under the following circumstances:

- (1) by increasing shareholding of the Company's shares, the closing prices of the Company's shares for five consecutive trading days are not lower than the unaudited net assets per share at the end of the previous fiscal year;
- (2) continued increase of shareholding will cause the Company not meeting the statutory listing requirements;
- (3) continued increase of shareholding will trigger the tender offer obligation.

**VI. BINDING MEASURES**

With regard to the implementation of share price stabilization, the Company is willing to accept the supervision of the competent authorities and assume the corresponding liabilities.

If the Company, controlling shareholders, directors (excluding independent non-executive directors) or senior management fail to perform the share price stabilization measures, the specific reasons for the failure to take the above measures to stabilize the share price will be publicly explained at the general meeting of the Company and the information disclosure media designated by the China Securities Regulatory Commission, and an apology will be made to the Company's shareholders and public investors.

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**APPENDIX II      PLAN FOR STABILIZATION OF PRICE OF A SHARES WITHIN  
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In addition to force majeure, if the controlling shareholders, directors (excluding independent non-executive directors) and senior management fail to fulfill the above commitment to increase their shareholdings, which results in losses to other investors, the Company may delay the payment of cash dividends (if any) triggered by their obligation to increase shareholdings for the current and the following years, as well as 50% of the total remuneration and allowances for the current year, until the corresponding share price stabilization measures are taken and implemented in accordance with the provisions of the above-mentioned plan.

This plan takes effect from the date on the completion of initial public offering of A Shares and listing, with a validity of three years.

**I. UNDERTAKINGS ON THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE PROSPECTUS REGARDING THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES ON THE SSE STAR MARKET**

According to the relevant requirements such as the Opinions of the China Securities Regulatory Commission on Further Promoting the Reform of New Share Offering Scheme (《中國證監會關於進一步推進新股發行體制改革的意見》), the Company has made the following undertakings for the information disclosure with regard to the initial public offering of RMB ordinary shares (A Shares) and listing on the SSE STAR Market:

- (1) The Company undertakes that there are no false records, misleading statements or material omissions in the prospectus for the A Share Offering and Listing and shall assume legal liabilities for its truthfulness, accuracy and completeness.
- (2) If there are false records, misleading statements or material omissions in the application documents, which will have a significant and substantial impact on determining whether the Company meets the offering conditions prescribed by law, and administrative penalties have been imposed by the competent authorities or relevant judgements have been made by the People's Court of the PRC, the Company will repurchase all new shares issued in the initial public offering in accordance with the law. The Company will legally repurchase all new shares at the repurchase price of the issue price of new shares plus interest on bank deposits for the same period (if the Company distributed dividends, convertible capital, rights issue and other ex-rights and ex-dividends during the period, the aforementioned prices shall be adjusted accordingly).
- (3) If there are false records, misleading statements or material omissions in the application documents, resulting in losses suffered by investors in securities trading, the Company will assume civil liability and compensate investors for losses in accordance with relevant laws and regulations.

**II. UNDERTAKINGS ON NO FRAUDULENT ISSUANCE**

Given that the Company intends to apply for an initial public offering of RMB ordinary shares (A Shares) and listing on the SSE STAR Market, the Company has made the following undertakings regarding the share repurchases for fraudulent issuance:

- (1) It is guaranteed that the Company's public offering of shares and listing on the SSE STAR Market will not result in any fraudulent issuance.
- (2) If the Company does not meet the conditions for the issuance and listing of the SSE STAR Market and fraudulently obtains issuance registration and has already been issued and listed, the Company will implement the share repurchase process within five working days after confirmation by the competent authorities such as the CSRC, and to repurchase all the new shares of the Company in this public offering.

**III. UNDERTAKINGS ON THE COMPANY'S RESTRAINING MEASURES FOR THE PURPOSE OF THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES ON THE SSE STAR MARKET**

Given that the Company intends to apply for an initial public offering of RMB ordinary shares (A Shares) and listing on SSE STAR Market, the Company will strictly comply with all the public undertakings disclosed in the prospectus involved in the A Share Offering and Listing. If the relevant undertakings are not complied with, the Company shall, in addition to being bound in accordance with the relevant undertakings, voluntarily accept the following binding measures:

- (1) Timely and fully disclose the specific reasons for the undertakings that the Company fails to comply with, is unable to comply with, or fails to comply with on schedule and apologize to investors;
- (2) Voluntarily accept the supervision of the regulatory authorities, the public and investors, propose supplementary or alternative commitments to investors to protect the interests of investors as much as possible, and implement the supplementary or alternative commitments after being reviewed and approved by the Company's general meeting;
- (3) Investors shall be compensated for a loss according to the law if the loss is caused to the investors due to the failure to comply with the public undertakings in the prospectus.
- (4) If the Shareholders, Directors and senior management members of the Company breach the undertakings, the Company will temporarily withhold their due cash dividends and/or remuneration until they deliver the illegal proceeds to the Company in full.

**IV. UNDERTAKINGS ON STABILIZING THE PRICING OF THE COMPANY'S A SHARES**

Given that the Company intends to make an initial public offering of RMB ordinary shares (A Shares) and listing on the SSE STAR Market, in order to stabilize the A Share price of the Company, the Company hereby makes the following undertakings:

- (1) If the closing price of the Company's A Shares for twenty consecutive trading days was lower than the unaudited net assets per share at the end of the previous fiscal year (if the Company's net assets or total share capital change due to profit distribution, capital reserve transfer, rights issue and other reasons after the end of the previous fiscal year, the amount of net assets per share shall be adjusted accordingly, the same below), except due to force majeure, the Company will initiate measures to stabilize the A Share price.

- (2) If all parties ultimately decide to take the repurchase of A Shares by the Company as a measure to stabilize the A Shares price, the Company shall, within ten trading days from the date of fulfillment of the relevant conditions, convene a board meeting to review the share repurchase plan, and, (i) the total funds used by the Company to repurchase A Shares shall not exceed the total proceeds in the Company's initial public offering and listing on the SSE STAR Market; (ii) the funds used by the Company for a single repurchase of A Shares shall not exceed RMB5 million; (iii) the Company's single repurchase of A Shares shall not exceed 2% of the Company's total share capital; (iv) the repurchase price of A Shares shall not be higher than the Company's unaudited net assets per share at the end of the previous fiscal year.
- (3) The Company shall convene a general meeting to review the resolution of implementing the repurchase of A Shares within 30 trading days from the date of the aforesaid resolution of the board meeting, and the general meeting shall vote on the resolution, which must be approved by more than 2/3 of the voting rights held by the shareholders present at the meeting for implementation.
- (4) The Company shall complete the repurchase within six months from the date of the resolution of the general meeting in accordance with the repurchase price range, repurchase quantity and repurchase procedures approved by the general meeting, but the repurchase may be terminated in advance under the following circumstances:
  - a. through the implementation of the A Shares repurchase, the closing prices of A Shares for five consecutive trading days are not lower than the unaudited net assets per share at the end of the previous fiscal year;
  - b. continuing to purchase A Shares will cause the Company to fail to meet the legal conditions for listing.
- (5) After the completion or termination of the single repurchase of A Shares, the Company will deal with the repurchased A Shares in accordance with the Company Law and other laws and regulations and the Articles of Association.
- (6) In addition to repurchasing shares, the Company will also use the following methods to stabilize the A Share price:
  - a. The Company will require the Company's controlling shareholders to stabilize the A Share price by increasing their A Shares shareholding, and specify the amount and period of the increase. The controlling shareholders shall comply with the requirements of laws, regulations and normative documents in increasing their A Shares shareholding, promptly perform the obligation of information disclosure, and the number of increased shares shall not exceed 2% of the total number of the Company's shares;



- b. The Company will require directors (excluding independent directors) and senior management who hold positions in and receive remuneration from the Company to stabilize the A Share price by increasing their A Shares shareholding, and specify the amount and period of the increase. The directors (excluding independent directors) and senior management who hold positions in and receive remuneration from the Company shall comply with the requirements of laws, regulations and normative documents in increasing their A Shares shareholding, promptly perform the obligation of information disclosure. In principle, the amount of increase shall not be less than 20% of the remuneration (after tax) and cash dividends of A Shares (if any) received from the Company in the previous fiscal year and shall not exceed the total amount of remuneration (after tax) and cash dividends of A Shares (if any) received from the Company in the previous year.
- (7) With regard to the performance of share price stabilization, the Company is willing to accept the supervision of the competent authorities and assume the corresponding liabilities.
- (8) This above undertakings takes effect from the date on the completion of A Share Offering and Listing, with a validity of three years.

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## **APPENDIX IV THE IMPACT OF DILUTION ON IMMEDIATE RETURN BY THE ISSUE OF A SHARES AND RECOVERY MEASURES**

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According to the Opinions of the General Office of the State Council on Further Strengthening the Protection of Medium and Small Investors' Legitimate Interests in Capital Markets (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》), Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Markets (《國務院關於進一步促進資本市場健康發展的若干意見》) and Guiding Opinions on Matters Relating to the Dilution of Immediate Returns as a Result of Initial Public Offering, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》), Shanghai Henlius Biotech, Inc. (the "Company") conducted a careful analysis of the impact of dilution of immediate return by the initial public offering of A Share ordinary shares. Given that the Company's initial public offering of A Share ordinary shares and listing diluted immediate return may have an impact on the interests of the Company's new and old shareholders, according to relevant laws and regulations, regulatory documents and relevant requirements of the CSRC, the Company analyzed the impact of dilution of immediate return by the initial public offering of A Share ordinary shares, and proposed corresponding remedial measures:

### **I. IMPACT OF THE OFFERING ON THE COMPANY'S EARNINGS PER SHARE**

The number of shares in the public offering does not exceed 20% of the total share capital after the offering, and is not less than 10% of the total share capital after the offering. The Company and the lead underwriter may adopt the option of over-allotment, and the amount of over-allotment shall not exceed 15% of the scale of the A Share offering. Upon the completion of the offering and listing, the size of the Company's share capital and net assets is expected to be significantly higher than that before the offering, as the construction of investment projects funded by the proceeds raised requires a certain cycle, and it takes a certain period of time to generate benefits. Prior to this, if the Company's net profit did not increase correspondingly, the Company's immediate and future earnings per share and return on net assets faced the risk of decline. However, in the medium and long term, the increase in capital scale brought by the proceeds will help the Company to enhance its research and development capabilities, expand its business scale and enhance its sustainable development capabilities. The Company will actively take various measures to improve the efficiency of net assets and capital to obtain good results.

**II. EXPLANATION ON THE NECESSITY AND RATIONALITY OF THE BOARD OF DIRECTORS' SELECTION ON THIS FINANCING**

The Company is currently in a period of rapid growth and needs to invest a lot of funds for business development. On one hand, the Company needs long-term, stable, and considerable size of funding sources; on the other hand, the Company also needs to obtain a reasonable and effective valuation platform and the means to realize the extension development in order to better reflect the Company's value and growth. The necessity and rationality of the Company's selection of financing through public offering of shares are mainly reflected in the following points:

1. Capital requirements that meets the Company's funding project

The A Shares offering and financing can fully meet the Company's capital requirements for the funding project, and also meet the current government's initiative to encourage corporate direct financing. The proceeds at this time are intended to be used for the Company's biosimilar and innovative drug research and development projects, biomedical industrialization base projects and to supplement working capital.

The Company's investment project funded by the proceeds raised mainly focuses on the Company's main business and future development strategic layout. It is a continuous expansion of the Company's existing business, which can further enhance the Company's pharmaceutical research and development capabilities, enrich the Company's product structure and consolidate its market advantage.

2. Obtain a stable source of funding

The A Shares offering financing will allow the Company to obtain a stable source of funds over a relatively long period. Public offering of shares can reduce the Company's financial risks, allow the Company to focus on implementing its own development strategy, and use operating income to expand the Company's operating scale and enhance its profitability. Based on its own operating conditions and development plans, the Company will actively provide shareholders with sustainable and reasonable returns through cash dividends and other methods.

3. Enter the A Share market

After the completion of the A Shares offering and financing, the Company's shares can enter the A Share market. The good liquidity and the rapid price transmission mechanism of the A Share market can help the Company's operating performance and other information to be better reflected in indicators such as share price. In addition, after the listing, the Company's internal governance will be optimized, and the degree of standardized operation will be further improved, thereby providing a good guarantee for the Company's future development.

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## **APPENDIX IV THE IMPACT OF DILUTION ON IMMEDIATE RETURN BY THE ISSUE OF A SHARES AND RECOVERY MEASURES**

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In summary, the public offering of A Shares financing is in line with the Company's current development needs and is necessary and reasonable.

### **III. SPECIFIC REMEDIAL MEASURES AND COMMITMENTS TAKEN BY THE COMPANY**

In order to reduce the risk of diluting the immediate return of the Company and enhance the return to the interests of shareholders, the Company committed to strengthen the supervision of the funding project, ensure the reasonable and legal use of the proceeds, accelerate the implementation of the funding project, and strive to achieve the expected benefits of the project as soon as possible, improve comprehensive competitiveness, consolidate industry status and other measures, so as to increase operating income and future income, and achieve sustainable development to recover return. The specific measures the Company will take are as follows:

#### **1. Guarantee the standardized and effective use of proceeds**

After the proceeds of the A Share offering are received, the Company's board of directors will open a special account and sign a tripartite regulatory agreement with the bank and the sponsor for the proceeds to ensure that the proceeds will be used exclusively. Meanwhile, the Company will strictly abide by the relevant provisions of the fund management system, and perform the fund expenditure approval procedures when investing in funding projects; the Company will clarify the relevant responsibilities of each control link, applies for, approves, and uses the proceeds in accordance with the investment plan, and conducts internal inspection and assessment of the utilization.

#### **2. Actively implement investment projects funded by the proceeds raised and improve the efficiency of the use of proceeds**

The investment projects funded by the proceeds raised have been fully demonstrated by the Company and is in line with the industry development trend and the Company's development plan. After the implementation of the projects, it will further consolidate and expand the market share of the Company's main products and enhance the Company's comprehensive competitive advantage. The Company will actively implement investment projects funded by the proceeds raised in an effort to generate revenue as soon as possible, and minimize the risk of dilution of the immediate return of shareholders on the A Share offering.

#### **3. Introduce talents and motivate employees**

The Company has a higher degree of marketization and has a stronger degree of flexibility. The Company will adopt a market-oriented business philosophy in operation, introduce talents, establish an effective incentive mechanism, and fully mobilize the enthusiasm of salespeople and management to improve sales performance.

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## APPENDIX IV THE IMPACT OF DILUTION ON IMMEDIATE RETURN BY THE ISSUE OF A SHARES AND RECOVERY MEASURES

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### 4. Continuously optimize corporate governance structure and improve operating and management efficiency

After the A Shares listing, the Company will strictly follow the requirements of laws, regulations and regulatory documents such as the Company Law, the Securities Law and the listing rules of the relevant stock exchanges, and constantly optimize the corporate governance structure to ensure that shareholders can fully exercise their rights, the Board of Directors can exercise their functions and powers in accordance with the provisions of laws, regulations and the Articles of Association, and make scientific, prompt and prudent decisions. At the same time, the Company will further improve the level of operation and management, strengthen internal control, and give play to the effectiveness of corporate management and control. The Company will promote comprehensive budget management, develop cost management, strengthen budget execution supervision and improve operating and management efficiency and control operating and management risks based on strict control of various expenses.

### 5. Improve the profit distribution system

The provisions of the Articles of Association on the profit distribution policy, especially the specific conditions, proportion, forms of distribution of cash dividends and conditions for the distribution of share dividends, are in line with the Notice on Matters in Relation to Further Implementing Cash Dividend Distribution of Listed Companies of China Securities Regulatory Commission (《中國證監會關於進一步落實上市公司現金分紅有關事項的通知》), Regulatory Guideline for Listed Companies No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號–上市公司現金分紅》). The Company has formulated the “Dividend Distribution Plan for Shareholders Within Three Years after Initial Public Offering of RMB Ordinary Shares (A Shares) and Listing”, to facilitates investors to form stable return expectations. The Company attaches great importance to the protection of shareholders’ rights and interests, and will further enhance the transparency of the Company’s cash dividends through the formulation of profit distribution plan, improve and complete the Company’s dividend decision-making and supervision mechanism, and maintain the continuity and stability of profit distribution policy, actively pay-back shareholders and guide investors to establish the concept of long-term investment and rational investment.

## IV. DIRECTORS AND SENIOR MANAGEMENT’S COMMITMENT TO THE COMPANY’S REMEDIAL MEASURES

According to the relevant regulations of the CSRC and the Shanghai Stock Exchange, the directors and senior management of the Company made the following commitments that the Company’s remedial measures of dilution of immediate return could be effectively fulfilled:

- (1) I commit not to convey benefits to other units or individuals without compensation or under unfair conditions, nor to harm the interest of the Company by other means;
- (2) I commit to restrict my duty consumption behavior;

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**APPENDIX IV      THE IMPACT OF DILUTION ON IMMEDIATE RETURN BY  
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- (3) I commit not to use the Company's assets to engage in investment and consumption activities that have nothing to do with the performance of my duty;
- (4) I commit that the compensation system established by the Board of Directors or the remuneration committee will be linked to the implementation of the Company's remedial measures;
- (5) if the Company subsequently launches an equity incentive plan, I commit that the exercise conditions of the Company's equity incentive plan to be announced are linked to the implementation of the Company's remedial measures;
- (6) I commit to fulfill the commitments mentioned above, and I am willing to bear the liabilities arising from the breach of the commitments.

After the proposal is being reviewed and approved by the Company's board of directors, it needs to be reviewed and approved by the Company's General Meetings and Class Meetings before its implementation.

Existing Articles of Association	Revised Articles of Association
<p>Article 1 The Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listing Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant provisions in order to protect the legal interest of Shanghai Henlius Biotech, Inc. (the “Company”), the Shareholders and creditors and standardize the organization and activities of the Company.</p>	<p>Article 1 The Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listing Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), <b><u>the Reply of the State Council on the Adjustment of the Notice Period for General Meetings and Other Matters Applicable to Overseas Listed Companies</u></b> and other relevant provisions in order to protect the legal interest of Shanghai Henlius Biotech, Inc. (the “Company”), the Shareholders and creditors and standardize the organization and activities of the Company.</p>
<p>Article 9 The Articles of Association has been approved by a special resolution at a general meeting of the Company and <b><u>shall</u></b> become effective <b><u>as of the date on which the overseas-listed foreign shares (H share) issued by the Company are listed on the Hong Kong Stock Exchange</u></b>; the original Articles of Association of the Company shall be invalidated automatically on the effective date of the Articles of Association.</p> <p>.....</p>	<p>Article 9 The Articles of Association has been approved by a special resolution at a general meeting of the Company <b><u>and</u></b> become effective; the original Articles of Association of the Company shall be invalidated automatically on the effective date of the Articles of Association.</p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 67 Written notice of the general meeting by the Company shall be dispatched <b>forty-five days</b> prior to the date of the meeting (excluding both the date of notice and the date of meeting) to all shareholders whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting. <b><u>Shareholders who intend to attend the general meeting shall deliver their written replies in respect thereof to the Company twenty days prior to the date of the meeting (excluding the day on which the notice is sent and the day of the meeting).</u></b></p>	<p>Article 67 Written notice of the <b><u>annual</u></b> general meeting by the Company shall be dispatched <b>twenty business days</b> prior to the date of the meeting (excluding both the date of notice and the date of meeting) to all shareholders whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting <b><u>by way of announcement. When the Company convenes an extraordinary general meeting, an announcement to notify all shareholders whose names appear on the register of shareholders shall be given fifteen days or ten business days (excluding the day on which the notice is sent and the day of the meeting) (whichever is the longer) prior to the date of the meeting.</u></b></p>
<p>Article 69 <b><u>The Company shall, based on the written replies received twenty days before the date of the general meeting from the shareholders, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one-half of the Company's total voting shares, the Company may hold the meeting. If not, the Company shall within five days notify the shareholders again by public notice, of the matters to be considered, the place and the date of the meeting. The Company may then hold the meeting after the publication of such a notice.</u></b></p> <p><b><u>Extraordinary</u></b> general meeting shall not decide matters that are not set out in the notice.</p>	<p>Article 69 General meeting cannot decide <b><u>on</u></b> matters that are not set out in the notice.</p>



Existing Articles of Association	Revised Articles of Association
<p>Article 71 The notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company’s website and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares and the holders of unlisted foreign shares may also be made by way of announcement.</p> <p>The term “announcement” referred to in the preceding paragraph shall be published in one or more national newspapers designated by securities regulatory authority under the State Council <b><u>within the interval of forty-five days to fifty days before the date of the meeting.</u></b> After the publication of such announcement, all shareholders of domestic shares and holders of unlisted foreign shares shall be deemed to have received the relevant notice of the general meeting.</p>	<p>Article 71 The notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company’s website and the website designated by the Hong Kong Stock Exchange, <b><u>etc.</u></b> If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares and the holders of unlisted foreign shares may also be made by way of announcement.</p> <p>The term “announcement” referred to in the preceding paragraph shall be published in one or more national newspapers designated by securities regulatory authority under the State Council <b><u>and securities regulatory authority of the place where the Company’s shares are listed.</u></b> After the publication of such announcement, all shareholders of domestic shares and holders of unlisted foreign shares shall be deemed to have received the relevant notice of the general meeting.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 99 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b><u>forty-five days before the date of the class meeting</u></b>, specifying the matters to be considered at such meeting and the date and place of the class meeting. <b><u>A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company twenty days before the date of the class meeting. The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class.</u></b></p> <p><b><u>If the shareholders who intend to attend such class meeting represent more than one-half of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; otherwise, the Company shall within five days give the shareholders further notice of the matters to be considered and the date and place of the class meeting by way of announcement. The Company may then hold the class meeting after such further notice has been given by way of announcement.</u></b></p>	<p>Article 99 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b><u>with reference to Article 67 of this Articles of Association concerning the time limit for notices of annual and extraordinary general meeting</u></b>, specifying the matters to be considered at such meeting and the date and place of the class meeting <b><u>by way of announcement.</u></b></p>
<p>Article 130 The CEO and president of the Company shall attend meetings of the board of directors. A CEO <b><u>or</u></b> a president who is not a director shall not have any voting rights at meetings of the board of directors</p>	<p>Article 130 The CEO and president of the Company shall attend meetings of the board of directors. A CEO <b><u>and</u></b> a president who is not a director shall not have any voting rights at meetings of the board of directors</p>

Existing Articles of Association	Revised Articles of Association
Article 205 The board of directors of the Company shall be responsible for interpretation of the Articles of Association, and become effective upon approval at the general meeting <b><u>and from the date on which the shares of the Company are listed and traded on the Hong Kong Stock Exchange.</u></b>	Article 205 The board of directors of the Company shall be responsible for interpretation of the Articles of Association, and <b><u>become effective and be implemented</u></b> from the date of approval at the general meeting.

<b>Existing Articles of the Rules of Procedures for the General Meeting</b>	<b>Revised Articles of the Rules of Procedures for the General Meeting</b>
<p>Article 1 In order to optimize the corporate governance structure of Shanghai Henlius Biotech, Inc. (the “Company”), clarify the duties and powers of general meeting, ensure that general meeting are held in a standardized manner in accordance with the law, and improve the efficiency of general meeting, ensure that the Company’s decision-making is democratic and scientific, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”) and other relevant provisions.</p>	<p>Article 1 In order to optimize the corporate governance structure of Shanghai Henlius Biotech, Inc. (the “Company”), clarify the duties and powers of general meeting, ensure that general meeting are held in a standardized manner in accordance with the law, and improve the efficiency of general meeting, ensure that the Company’s decision-making is democratic and scientific, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), <b><u>the Reply of the State Council on the Adjustment of the Notice Period for General Meetings and Other Matters Applicable to Overseas Listed Companies</u></b>, the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”) and other relevant provisions.</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 15 The Company shall, in convening general meeting, issue a written notice <b>forty-five days</b> before the meeting is convened (excluding the day on which the notice is sent and the day of the meeting) to inform all registered shareholders of the matters to be considered at the meeting as well as the date and venue of the meeting.</p> <p><b><u>Shareholders who intend to attend the general meeting shall send a written reply to the Company twenty days before the convening of the meeting (excluding the day on which the notice is sent and the day of the meeting).</u></b></p>	<p>Article 15 The Company shall, in convening <b><u>an annual</u></b> general meeting of shareholders, issue a written notice <b><u>twenty business days</u></b> before the meeting is convened (excluding the day on which the notice is sent and the day of the meeting) to inform, <b><u>by way of announcement</u></b>, all registered shareholders of the matters to be considered at the meeting as well as the date and venue of the meeting. <b><u>An extraordinary general meeting shall inform all registered shareholders by way of public announcement fifteen days or ten business days before the meeting (whichever is longer) (excluding the day on which the notice is sent and the day of the meeting).</u></b></p>
<p>Article 17 <b><u>The Company shall, based on the written replies received twenty days before the date of the general meeting from the shareholders, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one-half of the total voting shares, the Company may hold the meeting; if not, the Company shall within five days notify the shareholders by public notice, of the matters to be considered, the place and the date of the meeting. The Company may then hold the meeting after publication of such a notice.</u></b></p> <p><b><u>Extraordinary</u></b> general meeting shall not decide on any matter not specified in the notice.</p>	<p>Article 17 General meeting shall not decide on any matter not specified in the notice.</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 19 The notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company’s website and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares and the holders of unlisted foreign shares may also be made by way of announcement.</p> <p>The term “announcement” referred to in the preceding paragraph shall be published in one or more national newspapers designated by <u>securities regulatory authority under the State Council within the interval of forty-five days to fifty days before the date of the meeting.</u> After the publication of such announcement, all shareholders of domestic shares and holders of unlisted foreign shares shall be deemed to have received the relevant notice of the general meeting.</p>	<p>Article 19 The notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company’s website and the website designated by the Hong Kong Stock Exchange, <b>etc.</b> If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares and the holders of unlisted foreign shares may also be made by way of announcement.</p> <p>The term “announcement” referred to in the preceding paragraph shall be published in one or more national newspapers designated by <u>securities regulatory authority under the State Council and securities regulatory authority of the place where the Company’s shares are listed.</u> After the publication of such announcement, all shareholders of domestic shares and holders of unlisted foreign shares shall be deemed to have received the relevant notice of the general meeting.</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 51 A written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b><u>forty-five days before the date of the class meeting</u></b>, specifying the matters to be considered at such meeting and the date and place of the class meeting.</p> <p><b><u>A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company twenty days before the date of the class meeting. The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class.</u></b></p> <p><b><u>If the shareholders who intend to attend such class meeting represent more than one-half of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; otherwise, the Company shall within five days give the shareholders further notice of the matters to be considered and the date and place of the class meeting by way of announcement. The Company may then hold the class meeting after such further notice has been given by way of announcement.</u></b></p>	<p>Article 51 A written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b><u>with reference to Article 15 of the Rules concerning the time limit for notices of annual and extraordinary general meeting</u></b>, specifying the matters to be considered at such meeting and the date and place of the class meeting <b><u>by way of announcement.</u></b></p>

<b>Existing Articles of the Rules of Procedures for the General Meeting</b>	<b>Revised Articles of the Rules of Procedures for the General Meeting</b>
<p>Article 55 The Rules are the appendix to the Articles of Association, which were drafted by the board of directors of the Company and reviewed and approved by the general meeting of the Company, and the same applies to amendments. The Rules took effect from the date on which <b><u>the H shares issued by the Company were listed on the Hong Kong Stock Exchange</u></b>. From the date on which the Rules took effect, the Company's original Rules of Procedures for the General Meeting automatically became invalid.</p>	<p>Article 55 The Rules are the appendix to the Articles of Association, which were drafted by the board of directors of the Company and reviewed and approved by the general meeting of the Company, and the same applies to amendments. The Rules took effect <b><u>and be implemented</u></b> from the date <b><u>when it was approved by the general meeting</u></b>. From the date on which the Rules take effect, the Company's original Rules of Procedures for the General Meeting automatically become invalid.</p>



Existing Articles of Association	Revised Articles of Association
<p>Article 1 The Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listing Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant provisions in order to protect the legal interest of Shanghai Henlius Biotech, Inc. (the “Company”), the Shareholders and creditors and standardize the organization and activities of the Company.</p>	<p>Article 1 The Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (<b><u>the “Securities Law”</u></b>), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listing Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), <b><u>the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board, the Reply of the State Council on the Adjustment of the Notice Period for General Meetings and Other Matters Applicable to Overseas Listed Companies, the Guidelines on Articles of Association of Listed Companies</u></b> and other relevant provisions in order to protect the legal interest of Shanghai Henlius Biotech, Inc. (the “Company”), the Shareholders and creditors and standardize the organization and activities of the Company.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 2 The Company was incorporated as a joint stock limited company according to the Company Law, the Special Regulations and other PRC laws and administrative regulations.</p> <p>.....</p> <p>On 5 July 2019, the Company obtained the approval of China Securities Regulatory Commission for the initial public offering of the overseas listed foreign shares (H Shares). H Shares on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange” or “Stock Exchange”) commenced trading on 25 September 2019.</p>	<p>Article 2 The Company was incorporated as a joint stock limited company according to the Company Law, <b>the Securities Law</b>, the Special Regulations and other PRC laws and administrative regulations.</p> <p>.....</p> <p>On 5 July 2019, the Company obtained the approval of China Securities Regulatory Commission (<b>the “CSRC”</b>) for the initial public offering of the overseas listed foreign shares (H Shares). H Shares on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange” or “Stock Exchange”) commenced trading on 25 September 2019.</p> <p><b><u>Upon approval by the Shanghai Stock Exchange and registration with the CSRC on [●], the Company issued [●] RMB ordinary shares to the public. The shares were listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange on [●].</u></b></p>
<p>Article 5 The registered capital of the Company is RMB<b>543,494,853</b>.</p>	<p>Article 5 The registered capital of the Company is RMB<b>[●]</b>.</p>
<p>Article 9 The Articles of Association has been approved by a special resolution at a general meeting of the Company and shall become effective as of the date on which the <b><u>overseas-listed foreign shares (H share) issued by the Company are listed on the Hong Kong Stock Exchange</u></b>; the original Articles of Association of the Company shall be invalidated automatically on the effective date of the Articles of Association.</p> <p>.....</p>	<p>Article 9 The Articles of Association has been approved by a special resolution at a general meeting of the Company and shall become effective as of the date <b><u>of the Company’s initial public offering of A Share in the People’s Republic of China and listing and trading on Shanghai Stock Exchange</u></b>; the original Articles of Association of the Company shall be invalidated automatically on the effective date of the Articles of Association.</p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 18 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”. <u>Shares neither listed in the PRC nor in overseas held by the overseas investors shall be referred to as “unlisted foreign shares”.</u></p> <p>.....</p> <p>The foreign shares of the Company listed in <b>Hong Kong</b> 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>A holder of domestic shares and a holder of foreign shares are both holders of ordinary shares and shall have the same rights and obligations.</p> <p><u>The shares issued by the Company which are not listed in domestic and overseas stock exchanges are referred to as “unlisted shares”. Upon approval by the securities regulatory authorities under the State Council, the shareholders who held the unlisted shares of the Company may list and trade the shares they held on overseas stock exchange(s). The shares transferred or converted shall comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded in an overseas stock exchange. The listing and trading of the aforesaid shares in an overseas stock exchange are not subject to the holding of a shareholders class meeting for voting.</u></p>	<p>Article 18 The shares issued by the Company to investors <b>and other qualified investors</b> inside the PRC for subscription in RMB shall be referred to as “domestic shares”. <u>The domestic shares that are listed domestically shall be referred to as “domestically listed domestic shares”.</u> 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”.</p> <p>.....</p> <p>The <b>overseas-listed</b> foreign shares of the Company listed in <b>Hong Kong Stock Exchange</b> 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>A holder of domestic shares and a holder of foreign shares are both holders of ordinary shares and shall have the same rights and obligations.</p> <p>Ordinary shareholders of domestic shares and foreign shares of the Company shall have the same rights in any distribution made by dividends or other forms.</p> <p><u>The domestic shares issued by the Company shall be deposited in China Securities Depository and Clearing Co., Ltd. in a centralized way, and the H Shares issued by the Company are mainly deposited in the trusted companies subordinate to Hong Kong Securities Clearing Co., Ltd.</u></p>

Existing Articles of Association	Revised Articles of Association
<p>Ordinary shareholders of domestic shares and foreign shares of the Company shall have the same rights in any distribution made by dividends or other forms.</p>	
<p>Article 20 Upon completion of the initial public offering of overseas-listed foreign shares, the Company's share capital shall be 543,494,853. The shareholding structure of the Company is as follows: 364,189,618 domestic shares, 15,876,694 non-listed foreign shares and 163,428,541 overseas-listed foreign shares.</p>	<p>Article 20 Upon completion of the initial public offering of overseas-listed foreign shares, the Company's share capital shall be 543,494,853. The shareholding structure of the Company is as follows: 364,189,618 domestic shares, 15,876,694 non-listed foreign shares and 163,428,541 overseas-listed foreign shares.</p> <p><b><u>Upon completion of the initial public offering of domestically listed domestic shares, the Company's share capital shall be [●] shares. The shareholding structure of the Company is as follows: [●] domestic shares and [●] H shares.</u></b></p>
<p>Article 21 The Company's board of directors may arrange for a separate issuance of the overseas-listed foreign shares and domestic shares after the proposals for the same have been approved by the securities regulatory authorities under the State Council.</p> <p>The Company may implement its proposals to issue overseas-listed foreign shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authorities under the State Council or prescribed period stipulated by the applicable relevant regulations.</p>	<p>Article 21 The Company's board of directors may arrange for a separate issuance of the overseas-listed foreign shares and domestic shares after the proposals for the same have been approved/<b><u>registered</u></b> by the securities regulatory authorities under the State Council.</p> <p>The Company may implement its proposals to issue overseas-listed foreign shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval/<b><u>registration</u></b> by the securities regulatory authorities under the State Council or prescribed period stipulated by the applicable relevant regulations.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 23 The Company may, based on its operating and development needs and in accordance with the relevant provisions of the Articles of Association, increase its capital.</p> <p>The Company may increase its capital by the following methods:</p> <p><b><u>(1) issuing new shares to unspecified investors;</u></b></p> <p><b><u>(2) placing new shares with existing shareholders;</u></b></p> <p>(3) distributing <b><u>new shares</u></b> to existing shareholders; <b><u>or</u></b></p> <p><b><u>(4) other means permitted by laws and administrative regulations and approved by the competent administrative department.</u></b></p> <p>The Company's increase of capital <b><u>by issuing new shares</u></b> shall be carried out in accordance with the procedures specified in relevant PRC laws and administrative regulations, after having been approved in accordance with the Articles of Association.</p>	<p>Article 23 The Company may, based on its operating and development needs and in accordance with the relevant provisions of the Articles of Association, increase its capital.</p> <p>The Company may increase its capital by the following methods:</p> <p><b><u>(1) public offering of shares;</u></b></p> <p><b><u>(2) non-public offering of shares;</u></b></p> <p>(3) distributing <b><u>bonus shares</u></b> to existing shareholders;</p> <p><b><u>(4) conversion of provident fund into share capital; or</u></b></p> <p><b><u>(5) other means permitted by laws and administrative regulations and approved by the competent administrative departments including CSRC, Securities and Futures Commission of Hong Kong and Hong Kong Stock Exchange.</u></b></p> <p><b><u>The Company shall not issue preference shares that are convertible to ordinary shares.</u></b></p> <p>The Company's increase of capital shall be carried out in accordance with the procedures specified in relevant PRC laws and administrative regulations, after having been approved in accordance with the Articles of Association.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 26 Subject to the relevant laws and regulations, the Company may, repurchase its outstanding shares according to the legal procedures, following the adoption of a resolution in accordance with the procedures provided for herein, and submission to and approval by the relevant state authorities under the following circumstances:</p> <p>(1) reducing the registered capital of the Company;</p> <p>(2) merging with another company that holds shares in the Company;</p> <p>(3) using the shares in the employee stock ownership plan or as share incentive;</p> <p>(4) requested by shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company to purchase their shares;</p> <p>(5) using the shares to satisfy the conversion of corporate bonds convertible into shares issued by the <u>listed company</u>;</p> <p>(6) safeguarding corporate value and shareholders' rights as deems necessary; or</p> <p>(7) other circumstances as permitted by laws and administrative regulations.</p> <p>The Company shall not engage in the trading of its shares save for the circumstances specified above.</p>	<p>Article 26 Subject to the relevant laws and regulations, the Company may, repurchase its outstanding shares according to the legal procedures, following the adoption of a resolution in accordance with the procedures provided for herein, and submission to and approval by the relevant state authorities under the following circumstances:</p> <p>(1) reducing the registered capital of the Company;</p> <p>(2) merging with another company that holds shares in the Company;</p> <p>(3) using the shares in the employee stock ownership plan or as share incentive;</p> <p>(4) requested by shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company to purchase their shares;</p> <p>(5) using the shares to satisfy the conversion of corporate bonds convertible into shares issued by the <u>Company</u>;</p> <p>(6) safeguarding corporate value and shareholders' rights as deems necessary; or</p> <p>(7) other circumstances as permitted by laws and administrative regulations.</p> <p>The Company shall not engage in the trading of its shares save for the circumstances specified above.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 27 The Company with the approval of the relevant competent authorities may repurchase shares in one of the following ways:</p> <p>(1) making an offer to shareholders for purchase of shares proportional to shares they own;</p> <p>(2) repurchasing shares by means of public trading on the stock exchange;</p> <p>(3) repurchasing shares by means of agreements outside the stock exchange; or</p> <p>(4) other circumstances as permitted by the laws, administrative regulations, listing rules of the place where the shares of the Company are listed and relevant competent authorities.</p>	<p>Article 27 The Company with the approval of the relevant competent authorities may repurchase shares in one of the following ways:</p> <p>(1) making an offer to shareholders for purchase of shares proportional to shares they own;</p> <p>(2) repurchasing shares by means of public trading on the stock exchange;</p> <p>(3) repurchasing shares by means of agreements outside the stock exchange; or</p> <p>(4) other circumstances as permitted by the laws, administrative regulations, listing rules of the place where the shares of the Company are listed and relevant competent authorities.</p> <p><b><u>If the Company acquires its own shares in accordance with items (3), (5) and (6) of paragraph 1 of Article 26 of the Articles of Association, it shall be conducted through open centralized trading.</u></b></p>
<p>Article 29 .....</p> <p>After the Company repurchases its shares according to the laws, if cancellation is required in accordance with the law, it shall <b>deregister</b> or transfer such part of the shares within the term specified by the laws and administrative regulations, and in the case of <b>deregistration</b>, apply to the original company registration authority for registration of alteration of the registered capital.</p> <p>.....</p>	<p>Article 29 .....</p> <p>After the Company repurchases its shares according to the laws, if cancellation is required in accordance with the law, it shall <b>cancel</b> or transfer such part of the shares within the term specified by the laws and administrative regulations, and in the case of <b>cancellation</b>, apply to the original company registration authority for registration of alteration of the registered capital.</p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 30 Unless the Company is in liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:</p> <p>.....</p> <p>(IV) after the Company's registered capital has been reduced by the aggregate nominal value of the <b>deregistered</b> shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the nominal value of shares which have been repurchased shall be recorded in the Company's premium account (or capital accumulation reserve fund account).</p>	<p>Article 30 Unless the Company is in liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:</p> <p>.....</p> <p>(IV) after the Company's registered capital has been reduced by the aggregate nominal value of the <b>cancelled</b> shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the nominal value of shares which have been repurchased shall be recorded in the Company's premium account (or capital accumulation reserve fund account).</p>
<p>Article 31 Unless otherwise provided by laws, administrative regulations and listing rules of the place where the shares of the Company are listed, the Company's fully paid-up shares are not subject to any restrictions on the transfer rights and are freely transferable without any liens. Any transfer of overseas-listed foreign shares listed in Hong Kong must be registered with the Hong Kong local stock registration authority authorized by the Company.</p>	<p>Article 31 Unless otherwise provided by laws, administrative regulations and listing rules of the place where the shares of the Company are listed, the Company's fully paid-up shares are not subject to any restrictions on the transfer rights and are freely transferable without any liens. Any transfer of overseas-listed foreign shares listed in Hong Kong must be registered with the Hong Kong local stock registration authority authorized by the Company.</p> <p><b><u>The shares of the Company held by the sponsors shall not be transferred within 1 year from the date of establishment of the Company. The domestic shares issued before the Company's initial public offering of RMB ordinary shares shall not be transferred within one year from the date on which the Company's shares are listed on the stock exchange.</u></b></p>



Existing Articles of Association	Revised Articles of Association
	<p><u>The directors, supervisors and senior management of the Company shall report to the Company the corporate shares (including preferred shares) they held and the changes thereof, and the shares transferred each year during the term of office shall not exceed 25% of the total number of shares of the same class they held in the Company; the shares they held shall not be transferred within 1 year from the date of the listing of the Company's shares. The above-mentioned personnel shall not transfer the shares of the Company they held within half a year after leaving the Company. If the transfer involves H shares, it shall also comply with the relevant requirements of the Hong Kong Listing Rules.</u></p> <p><u>If the directors, supervisors, senior management of the Company and shareholders holding more than 5% of the Company's shares sell the shares or other equity securities of the Company they held within 6 months after the purchase, or repurchase within 6 months after sale, the proceeds thereon shall be owned by the Company and the board of directors of the Company will recover the proceeds. However, if a securities company holds more than 5% of the shares after purchasing the remaining shares upon public offering due to underwriting, the sale of the shares shall not be subject to a time limit of 6 months.</u></p> <p><u>If the Company's board of directors does not comply with the provisions of the preceding paragraph, the shareholders shall have the right to request the board of directors to execute within 30 days. If the Company's board of directors fails to execute within the above-mentioned time limit, the shareholders shall have the right to file a lawsuit directly with the people's court in their own name for the benefit of the Company.</u></p> <p><u>If the board of directors of the Company does not comply with this Article, the responsible directors shall bear joint and several liabilities according to the law.</u></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 34 The financial assistance referred to in this Section includes, but not limited to the following means:</p> <p>.....</p> <p>(II) guarantee (including the assumption of liability or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company's own default), release or waive of any rights;</p> <p>.....</p>	<p>Article 34 The financial assistance referred to in this Section includes, but not limited to the following means:</p> <p>.....</p> <p>(II) guarantee (including the assumption of liability or the provision of assets by the guarantor to secure the performance of obligations by the obligor), <u>advances</u>, compensation (other than compensation in respect of the Company's own default), release or waive of any rights;</p> <p>.....</p>
<p>Article 38 The Company shall <b>keep</b> a register of shareholders, which shall contain the following particulars:</p> <p>.....</p> <p>If two or more persons are registered as the joint holders of any shares, they shall be deemed to be the joint holders of relevant shares, subject to the following provisions:</p> <p>.....</p>	<p>Article 38 The Company shall <b>establish</b> a register of shareholders <u>based on the evidence provided by a securities registrar</u>, which shall contain the following particulars:</p> <p>.....</p> <p><b><u>For holders of overseas-listed foreign shares</u></b>, if two or more persons are registered as the joint holders of any shares, they shall be deemed to be the joint holders of relevant shares, subject to the following provisions:</p> <p>.....</p>
<p>Article 43 No registration of changes resulting from share transfers may be made to the register of shareholders within 30 days prior to the general meeting or 5 days prior to the reference date determined by the Company for the purpose distribution of dividends.</p>	<p>Article 43 No registration of changes resulting from share transfers may be made to the register of shareholders within 30 days prior to the general meeting or 5 days prior to the reference date determined by the Company for the purpose distribution of dividends. <b><u>Where laws and regulations and the relevant listing rules of the stock exchange stipulate the period of closure of the register of shareholders prior to a general meeting or the base date on which the Company decides to distribute dividends, such provisions shall prevail.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 44 When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve the determination of shareholdings, the Board shall decide on the date for the determination of shareholdings. Shareholders whose names appear on the register of members at the end of such date are deemed to be shareholders of the Company.</p>	<p>Article 44 When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve the determination of shareholdings, the Board <b><u>or the convener of general meeting</u></b> shall decide on the date for the determination of shareholdings. Shareholders whose names appear on the register of members at the end of such date are deemed to be shareholders of the Company.</p>
<p>Article 46 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may (if his share certificate (the “original share certificate”) is lost) apply to the Company for replacement of the share certificate in respect of such shares (the “relevant shares”).</p> <p>If a holder of the domestic shares <b><u>and a holder of the unlisted foreign shares</u></b> loses his share certificate and applies for replacement, it shall be dealt with in accordance with relevant provisions of the Company Law.</p> <p>.....</p>	<p>Article 46 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may (if his share certificate (the “original share certificate”) is lost) apply to the Company for replacement of the share certificate in respect of such shares (the “relevant shares”).</p> <p>If a holder of the domestic shares loses his share certificate and applies for replacement, it shall be dealt with in accordance with relevant provisions of the Company Law <b><u>and relevant regulations of the place where the Company’s shares are listed.</u></b></p> <p>.....</p>
<p>Article 50 The ordinary shareholders of the Company shall have the following rights:</p> <p>.....</p> <p>(v) to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>.....</p> <p>2. to inspect and copy after payment of a reasonable cost:</p> <p>.....</p>	<p>Article 50 The ordinary shareholders of the Company shall have the following rights:</p> <p>.....</p> <p>(v) to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>.....</p> <p>2. to inspect and copy after payment of a reasonable cost:</p> <p>.....</p> <p><b><u>(8) stubs of corporate bonds;</u></b></p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 54 The ordinary shareholders of the Company shall assume the following obligations:</p> <p>(i) to abide by the Articles of Association;</p> <p>(ii) to pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(iii) not to surrender the shares unless required by the laws and regulations;</p> <p><u>(iv)</u> other obligations imposed by laws, administrative regulations, rules, normative documents, the listing rules of place where the shares of the Company are listed and the Articles of Association. Shareholders will not, with the exception of the conditions agreed by the subscribers of shares at the time of subscription, be responsible for addition to any share capital thereafter.</p> <p>Shareholders will not, with the exception of the conditions agreed by the subscribers of shares at the time of subscription, be responsible for addition to any share capital thereafter.</p>	<p>Article 54 The ordinary shareholders of the Company shall assume the following obligations:</p> <p>(i) to abide by <b>laws, administrative regulations and</b> the Articles of Association;</p> <p>(ii) to pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(iii) not to surrender the shares unless required by the laws and regulations;</p> <p><b><u>(iv) not to abuse shareholder's right to harm the interests of the Company or other shareholders; not to abuse the Company's position as an independent legal person or a shareholder with limited liability to harm the interests of the creditors of the Company;</u></b></p> <p><b><u>If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to law.</u></b></p> <p><b><u>If any shareholder of the Company abuses the Company's position as an independent legal person or a shareholder with limited liability for the purpose of evading repayment of debts, thereby seriously damaging the interests of the creditors of the Company, the said shareholder shall bear joint and several liabilities for the Company's debts.</u></b></p> <p>(v) other obligations imposed by laws, administrative regulations, rules, normative documents, the listing rules of place where the shares of the Company are listed and the Articles of Association.</p> <p>Shareholders will not, with the exception of the conditions agreed by the subscribers of shares at the time of subscription, be responsible for addition to any share capital thereafter.</p>

Existing Articles of Association	Revised Articles of Association
/	<p>Article 55 <b><u>If any shareholder holding more than 5% voting shares of the Company pledges the shares he/she held, the said shareholder shall submit a written report to the Company on the date on which the said pledge is executed. If the pledge involves H shares, it shall comply with the relevant requirements of the Hong Kong Listing Rules.</u></b></p>
<p>Article 55 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the place where shares of the Company are listed, a controlling shareholder when exercising his authorities as a shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:</p> <p>.....</p>	<p>Article 56 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the place where shares of the Company are listed, a controlling shareholder when exercising his authorities as a shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:</p> <p>.....</p> <p><b><u>The controlling shareholders and de facto controllers of the Company shall not damage the interests of the Company by virtue of the connected/related relations; otherwise, they shall be liable for compensation for any loss incurred to the Company.</u></b></p> <p><b><u>The controlling shareholders and de facto controllers of the Company shall perform fiduciary duty to the Company and general public shareholders thereof. The controlling shareholders shall exercise capital contributors' rights in strict accordance with laws, shall not damage the legitimate rights and interests of the Company and general public shareholders by such means as profit distribution, asset reorganization, external investment, fund appropriation, loan and guarantee and shall not abuse their controlling status to damage the interests of the Company and public shareholders.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 56 The term “controlling shareholder” referred to in the preceding provision means a person who satisfies any one of the following conditions:</p> <p>(i) a person who, acting alone or in concert with others, has the power to elect a majority of the directors;</p> <p>(ii) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% (inclusive) or more of the voting rights in the Company;</p> <p>(iii) a person who, acting alone or in concert with others, holds 30% (inclusive) or more of the issued and outstanding shares of the Company;</p> <p>(iv) a person who, acting alone or in concert with others, has de facto control over the Company in any other way.</p>	<p>Article 57 The term “controlling shareholder” referred to in the preceding provision means a person who satisfies any one of the following conditions:</p> <p>(i) a person who, acting alone or in concert with others, has the power to elect a majority of the directors;</p> <p>(ii) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% (inclusive) or more of the voting rights in the Company;</p> <p>(iii) a person who, acting alone or in concert with others, holds 30% (inclusive) or more of the issued and outstanding shares of the Company;</p> <p>(iv) a person who, acting alone or in concert with others, has de facto control over the Company in any other way.</p> <p><b><u>The “de facto controller” mentioned in the preceding provision means a person who, although is not a shareholder of the Company, can actually control the Company’s actions through investment relations, agreements or other arrangements.</u></b></p>
<p>Article 57 The general meeting shall exercise the following powers:</p> <p>.....</p> <p>(ii) to elect and replace the directors and decide on matters relating to the remuneration of the directors;</p> <p>.....</p>	<p>Article 58 The general meeting shall exercise the following powers:</p> <p>.....</p> <p>(ii) to elect and replace the directors <b><u>who are not employees’ representatives</u></b> and decide on matters relating to the remuneration of the directors;</p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>(xiv) to examine other matters required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, to be resolved by the general meeting.</p>	<p><u>(xiv) to consider and approve the guarantees stipulated in Article 59 of the Articles of Association;</u></p> <p><u>(xv) to consider and approve the major transactions stipulated in Article 60 of the Articles of Association;</u></p> <p><u>(xvi) to consider amount of transactions to be concluded with related parties (except for the provision of guarantees) that account for more than 1% of the Company's latest audited total assets or market value, and more than RMB30 million. Except for those that can be exempted from consideration in the form of related transactions in accordance with the relevant provisions;</u></p> <p><u>(xvii) to consider connected/related transactions that need to be decided by the general meeting in accordance with the listing rules where the Company's shares are listed;</u></p> <p><u>(xviii) to consider and approve the change of use of proceeds;</u></p> <p><u>(xix) to consider the equity incentive plan;</u></p> <p><u>(xx) to consider the Company's acquisition of the Company's shares for the reasons of Article 26 (1) and (2) of the Articles of Association;</u></p> <p><u>(xxi) to examine other matters required by laws, administrative regulations, departmental regulations and the listing rules of the place where the shares of the Company are listed and the Articles of Association, to be resolved by the general meeting.</u></p> <p><u>The above functions and powers of general meetings shall not be delegated through authorization to the board of directors or any other institution or individual.</u></p>

Existing Articles of Association	Revised Articles of Association
/	<p>Article 59 <u>The following external guarantees of the Company shall be considered and approved by the general meeting:</u></p> <p><u>(i) any guarantees provided by the Company and its controlling subsidiaries after the total amount of external guarantees has reached or exceeded 50% of the latest audited net assets;</u></p> <p><u>(ii) according to the principle of accumulated amount of guarantee within 12 consecutive months, any guarantees provided by the Company after the total amount of external guarantees has reached or exceeded 30% of the latest audited total assets;</u></p> <p><u>(iii) guarantee for guarantee targets whose gearing ratio exceeds 70%;</u></p> <p><u>(iv) a single guarantee with the amount exceeding 10% of the latest audited net assets;</u></p> <p><u>(v) guarantees provided to the Company's shareholders, de facto controllers and their related parties;</u></p> <p><u>(vi) other guarantees prescribed by the stock exchange where the Company's shares are listed or the Articles of Association that need to be considered and approved by the general meeting.</u></p> <p><u>Guarantees within the scope of authority shall not only be approved by more than half of all the directors, but also subject to the consent of more than 2/3 of the directors attending the board meeting. The guarantees mentioned in preceding item (ii) considered at the general meeting of the Company shall be approved by more than 2/3 of the voting rights held by the shareholders attending at the meeting.</u></p>



Existing Articles of Association	Revised Articles of Association
	<p><u>When considering the resolution of providing guarantee to shareholders, de facto controllers and connected parties thereof, such shareholders or shareholders controlled by such actual controllers shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the shareholders' meeting to be passed.</u></p> <p><u>Where the Company provides guarantee for connected/related parties, such guarantee shall be provided based on reasonable business logic and the Company shall submit the related transaction to the general meeting for review after consideration and approval by the board of directors. In the event the Company provides guarantees for its controlling shareholder, de facto controller and their related parties, such controlling shareholder, de facto controller and their related parties shall provide counter-guarantee.</u></p> <p><u>Without prejudice to the interests of the Company, the provisions of items (i), (iii) and (iv) of the first paragraph of this Article can be waived for the guarantees provided by the Company for its wholly-owned subsidiary or the guarantees provided by the Company for its majority-owned subsidiary whose other shareholders also providing equal proportions of guarantees according to their interests, except as otherwise provided in the Articles of Association. The Company shall disclose the above guarantees in aggregated in the annual report and interim report.</u></p>

Existing Articles of Association	Revised Articles of Association
/	<p data-bbox="810 293 1359 476"><u>Article 60 The Company's transactions (excluding the provision of guarantee) meeting one of the following standards shall be submitted to the general meeting for consideration:</u></p> <p data-bbox="810 527 1359 710"><u>(i) the total asset value involved in the transaction (the higher of the book value and the assessed value as the case may be) accounts for more than 50% of the latest audited total assets of the Company;</u></p> <p data-bbox="810 761 1359 944"><u>(ii) the concluded transaction amount (including the paid transaction amount, debts and expenses assumed) accounts for more than 50% of the Company's market value;</u></p> <p data-bbox="810 995 1359 1136"><u>(iii) the net assets of the transaction subject (e.g. equity) in the latest fiscal year accounts for more than 50% of the Company's market value;</u></p> <p data-bbox="810 1187 1359 1412"><u>(iv) the related operating income of the transaction subject (e.g. equity) in the latest fiscal year accounts for more than 50% of the Company's audited operating income in the latest fiscal year and exceeds RMB50 million;</u></p> <p data-bbox="810 1464 1359 1647"><u>(v) the profit generated from the transaction accounts for more than 50% of the Company's audited net profit in the latest fiscal year and exceeds RMB5 million;</u></p> <p data-bbox="810 1698 1359 1902"><u>(vi) the related net profit of the transaction subject (e.g. equity) in the latest fiscal year accounts for more than 50% of the Company's audited net profit in the latest fiscal year and exceeds RMB5 million;</u></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>(vii) the Company’s purchase and sale of assets involves total assets or transaction amounts that exceeds 30% of the Company’s latest total audited assets in 12 consecutive months;</u></p> <p><u>(viii) transactions that are required by laws and regulations of the place where other Company’s shares are listed to be considered by the general meeting.</u></p> <p><u>The “transaction” as mentioned in this Article includes: purchase or sale of assets; foreign investment (except for the purchase of bank wealth management products); transfer or assignment of research and development projects; signing of license agreements; leasing of assets as lessor or lessee; entrusting or being entrusted management of assets and business; giving or receiving assets as a gift; restructuring of claims or debts; provision of financial assistance; and other transactions determined by the stock exchange where the Company’s shares are listed. The above-mentioned purchase or sale of assets does not include the purchase of raw materials, fuels and power, as well as the sale of products or commodities, and other related transactions related to daily operations.</u></p> <p><u>If the transaction subject referred to in the preceding paragraph and Article 58 (xvi) is a non-cash asset other than equity, an evaluation report shall be issued by a securities service agency qualified to perform securities and futures-related business.</u></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>Transactions in which the Company obtains benefits unilaterally, including receiving cash assets, obtaining debt relief, accepting guarantees and funding, are exempted from performing the review procedures of the general meeting in accordance with the provisions of this Article.</u></p> <p><u>The calculation standards for the above transactions are implemented in accordance with applicable laws and regulations and the relevant regulations of the CSRC and the Shanghai Stock Exchange. The Company may be exempted from applying the net profit indicators in the above standards before achieving profitability.</u></p> <p><u>Except for the provision of guarantees, entrusted wealth management, etc., as stipulated in the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board and the Shanghai Stock Exchange Business Rules, when the Company conducts transactions of the same category and related to the subject, it shall apply the principle of cumulative calculation for 12 consecutive months, applicable to item (xvi) of paragraph 1 under Article 58 or item (ii) of paragraph 2 under Article 140. Obligations that have been performed in accordance with item (xvi) of paragraph 1 under Article 58 or item (ii) of paragraph 2 under Article 140 shall no longer be included in the relevant cumulative calculation.</u></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 58 The Company shall not, without the prior approval of the general meeting, enter into any contract with any persons other than directors, supervisors, CEO and other senior management officers for authorization of management of all or significant part of business of the Company to such persons.</p>	<p>Article 61 <b><u>Except for special circumstances such as the Company being in crisis,</u></b> the Company shall not, without the prior approval of the general meeting, enter into any contract with any persons other than directors, supervisors, CEO and other senior management officers for authorization of management of all or significant part of business of the Company to such persons.</p>
<p>Article 60 The Company shall hold the general meeting at the domicile of the Company or such place as is specified in the notice from the general meeting.</p> <p>The general meeting shall have a venue and be held on-site. The Company <b><u>may also</u></b> provide convenience for participation in the shareholders' general meeting by shareholders through other means required by the rules of the place where the shares of the Company are listed. A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.</p>	<p>Article 63 The Company shall hold the general meeting at the domicile of the Company or such place as is specified in the notice from the general meeting.</p> <p>The general meeting shall have a venue and be held on-site. The Company <b><u>shall</u></b> provide convenience for participation in the shareholders' general meeting by shareholders through <b><u>whatever means including giving priority to the use of online voting platform or</u></b> other means required by the rules of the place where the shares of the Company are listed, <b><u>provided that the general meeting shall be held legally and validly.</u></b> A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.</p>
/	<p>Article 64 <b><u>When holding a general meeting, the Company shall engage lawyers to give legal opinions and make an announcement on the following matters:</u></b></p> <p><b><u>(i) whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;</u></b></p> <p><b><u>(ii) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;</u></b></p> <p><b><u>(iii) whether the voting procedure and results of the meeting are lawful and valid;</u></b></p> <p><b><u>(iv) legal opinions on other relevant matters upon request by the Company.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 62 Where the shareholders holding, individually or in the aggregate, more than 10% of the shares of the Company request the convening of an extraordinary general meeting or class meeting of shareholders, the following procedures shall be followed:</p> <p>.....</p> <p><b><u>(ii) If the board of directors fails to issue the notice of such a meeting within thirty days of receipt of the written request, the requesting shareholders may themselves convene such a meeting in a manner as similar as possible to the manner in which general meetings are convened by the board of directors within four months of receipt of the request by the board of directors.</u></b></p> <p>Where the shareholders convene and preside over a meeting by themselves as the Board fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company and deducted from the amounts due from the Company to the defaulting Directors.</p>	<p>Article 66 Where the shareholders holding, individually or in the aggregate, more than 10% of the shares of the Company request the convening of an extraordinary general meeting or class meeting of shareholders, the following procedures shall be followed:</p> <p>.....</p> <p><b><u>(ii) If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within ten days after receipt of the request, shareholder(s) severally or jointly holding more than 10% shares of the Company shall be entitled to propose to the board of supervisors to hold an extraordinary general meeting, and shall put forward such request to the board of supervisors in writing.</u></b></p> <p><b><u>(iii) If the board of supervisors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original resolution set forth in the notice, the consent of relevant shareholder(s) shall be obtained.</u></b></p> <p><b><u>(iv) If the board of supervisors fails to serve the notice of general meeting within the prescribed period, it shall be deemed as failing to convene and preside over the general meeting. The shareholder(s) severally or jointly holding more than 10% shares of the Company for more than ninety consecutive days may convene and preside over the meeting by themselves.</u></b></p> <p>Where the shareholders convene and preside over a meeting by themselves as the Board <b><u>and the board of supervisors</u></b> fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company and deducted from the amounts due from the Company to the defaulting Directors.</p>

Existing Articles of Association	Revised Articles of Association
/	<p>Article 67 <u>Independent non-executive directors shall have the right to propose to the Board to hold an extraordinary general meeting. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to hold such an extraordinary general meeting within 10 days after receipt of the proposal of the independent non-executive director to hold such a meeting. If the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board; if the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement in respect thereof.</u></p>
<p>Article 64 If the board of supervisors or any shareholder has decided to convene a general meeting by itself, a written notice shall be given to the board of directors</p>	<p>Article 69 If the board of supervisors or any shareholder has decided to convene a general meeting by itself, a written notice shall be given to the board of directors. <u>At the same time, it should be filed with the CSRC office and the stock exchange where the Company is located.</u></p> <p><u>Prior to the announcement of the resolution of the general meeting, the shareholding ratio of the shareholders must not be less than 10%.</u></p> <p><u>The board of supervisors and the convening shareholders shall submit relevant certification materials to the CSRC office and the stock exchange where the Company is located when the notice of the general meeting and the announcement of the resolution of the general meeting are issued.</u></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 65 For the purpose of any general meeting convened by the board of supervisors or any shareholder, the board of directors shall provide assistance. The board of directors shall provide the register of shareholders on the equity rights registration date.</p>	<p>Article 70 For the purpose of any general meeting convened by the board of supervisors or any shareholder, the board of directors <b>and secretary to the Board</b> shall provide assistance. The board of directors shall provide the register of shareholders on the equity rights registration date. <b><u>Where the Board does not provide a register of shareholders, the convener may apply for obtaining it to the securities registration and clearing institution by providing relevant announcement on convention of a general meeting. The register of shareholders obtained by the convener may not be used for other purposes except convention of a general meeting.</u></b></p>
<p>Article 67 Written notice of the general meeting by the Company shall be dispatched <b>forty-five</b> days prior to the date of the meeting (excluding both the date of notice and the date of meeting) to all shareholders whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting. <b><u>Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty days prior to the date of the meeting (excluding the day on which the notice is sent and the day of the meeting).</u></b></p>	<p>Article 72 Written notice of the <b>annual</b> general meeting by the Company shall be dispatched <b>twenty business</b> days prior to the date of the meeting (excluding both the date of notice and the date of meeting) to all shareholders whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting <b>by way of announcement. When the Company convenes an extraordinary general meeting, an announcement to notify all shareholders whose names appear on the register of shareholders shall be given fifteen days or ten business days (whichever is the longer) (excluding the day on which the notice is sent and the day of the meeting) prior to the date of the meeting.</b></p>



Existing Articles of Association	Revised Articles of Association
<p>Article 68 When the Company convenes the general meeting, the board of directors, the board of supervisors and shareholders, individually or in aggregate, holding more than 3% of shares of the Company shall have the right to propose proposals. The contents of the proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws and regulations and the Company's Articles of Association.</p> <p>Shareholders individually or in the aggregate holding more than 3% of the Shares of the Company may propose and submit a temporary proposal to the convener in writing ten days prior to date of the meeting; the convener shall issue a supplementary notice of general meeting within two days after receipt of the said temporary proposal, to notify other shareholders and to submit the said temporary proposal to the general meeting for consideration. <b><u>The contents of the temporary proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions.</u></b></p> <p>.....</p>	<p>Article 73 When the Company convenes the general meeting, the board of directors, the board of supervisors and shareholders, individually or in aggregate, holding more than 3% of shares of the Company shall have the right to propose proposals. The contents of the proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws and regulations and the Company's Articles of Association, <b><u>and laws and regulations and listing rules where the Company's shares are listed.</u></b></p> <p>Shareholders individually or in the aggregate holding more than 3% of the Shares of the Company may propose and submit a temporary proposal to the convener in writing ten days prior to date of the meeting; the convener shall issue a supplementary notice of general meeting within two days after receipt of the said temporary proposal, to notify by notice other shareholders and to submit the said temporary proposal to the general meeting for consideration <b><u>by way of announcement. Save as specified in the preceding paragraph, the convener shall not change the resolutions set out in the notice of general meeting or add any new resolutions after the said notice is served.</u></b></p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 69 <u>The Company shall, based on the written replies received twenty days before the date of the general meeting from the shareholders, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one-half of the Company's total voting shares, the Company may hold the meeting. If not, the Company shall within five days notify the shareholders again by public notice, of the matters to be considered, the place and the date of the meeting. The Company may then hold the meeting after publication of such notice.</u></p> <p><u>Extraordinary</u> general meeting shall not decide matters that are not set out in the notice.</p>	<p>Article 74 General meeting shall not decide matters that are not set out in the notice.</p>
<p>/</p>	<p>Article 75 <u>The notice of the general meeting includes the following:</u></p> <p><u>(i) the time, place and period of the meeting;</u></p> <p><u>(ii) the matters and proposals submitted to the meeting for consideration;</u></p> <p><u>(iii) the notice shall state in explicit words: all ordinary shareholders (including preferred shareholders with voting rights restored) are entitled to attend the general meeting and appoint proxies in writing to attend and vote at such meeting and that such proxies need not be shareholders of the Company;</u></p> <p><u>(iv) the equity registration date of shareholders entitled to attend the general meeting;</u></p> <p><u>(v) name and telephone number of the permanent contact person of the meeting.</u></p>

Existing Articles of Association	Revised Articles of Association
/	<p>Article 76 <u>If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of such meeting shall adequately disclose the detailed information of the candidates for directors or supervisors, which information shall at least include:</u></p> <p><u>(i) personal particulars, including educational background, work experience, and part-time jobs;</u></p> <p><u>(ii) whether one has any connected/related relations with the Company, its controlling shareholders and de facto controllers;</u></p> <p><u>(iii) the number of shares of the Company one holds;</u></p> <p><u>(iv) whether one has been punished by the CSRC or the reprimand of the stock exchange.</u></p> <p><u>Unless a director or supervisor is elected via the cumulative voting system, each candidate for director or supervisor shall be proposed via a single resolution.</u></p>
<p>Article 70 The notice of the general meeting shall meet the following requirements:</p> <p>.....</p>	<p>Article 77 The notice of the general meeting shall meet the following requirements:</p> <p>.....</p> <p><u>The notice of the general meeting shall specify the time and place of the meeting, and determine the equity registration date. The interval between the equity registration date and the meeting date shall be no more than 7 working days. Once the equity registration date is confirmed, it cannot be changed.</u></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>Notices or supplementary notices of general meetings shall adequately and completely disclose the specific contents of all resolutions. Where the opinions of an independent non-executive director are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notices or supplementary notices of general meetings are served.</u></p> <p><u>Where a general meeting is held over network or other means, the notice of general meeting shall specify the voting time and voting procedure of those means.</u></p>
<p>Article 71 The notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company's website and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares <b>and the holders of unlisted foreign shares</b> may also be made by way of announcement.</p>	<p>Article 78 <u>Except as otherwise provided by the relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association,</u> the notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company's website and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares may also be made by way of announcement.</p>

Existing Articles of Association	Revised Articles of Association
<p>The term “announcement” referred to in the preceding paragraph shall be published in one or more national newspapers designated by <u>securities regulatory authority under the State Council within the interval of forty-five days to fifty days before the date of the meeting</u>. After the publication of such announcement, all shareholders of domestic shares and <u>holders of unlisted foreign shares</u> shall be deemed to have received the relevant notice of the general meeting.</p>	<p>The term “announcement” referred to in the preceding paragraph shall be published in one or more national newspapers designated by <u>securities regulatory authority under the State Council and securities regulatory authority of the place where the Company’s shares are listed</u>. After the publication of such announcement, all shareholders of domestic shares and shall be deemed to have received the relevant notice of the general meeting.</p>
/	<p>Article 80 <u>After the notice of general meeting is issued, the same meeting shall not be postponed or cancelled and the resolutions set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefore at least 2 working days prior to the date on which the meeting is originally scheduled.</u></p>
/	<p>Article 82 <u>All ordinary shareholders (including preferred shareholders with voting rights restored) registered on the equity registration date or their proxies are entitled to attend the general meeting, and exercise voting rights in accordance with relevant laws, regulations and the Articles of Association. Shareholders may attend the general meeting in person, or they may appoint a proxy to attend and vote on their behalf.</u></p> <p><u>An individual shareholder attending a general meeting in person shall present his/her identity card or other valid identity certificates or share account card; a proxy attending a general meeting on behalf of an individual shareholder shall present his/her identity card and power of attorney of the shareholder.</u></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>For a corporate shareholder, its legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall present his/her identity card or valid certificate bearing evidence of his/her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card and the written power of attorney lawfully issued by the legal representative of the corporate shareholder.</u></p>
<p>Article 75 If shareholder shall appoint his proxy in writing, such instrument appointing the proxy shall be signed by the appointing shareholder or the proxy who is authorized in writing, or if the appointing shareholder is a legal entity, either affixed with legal person seal or signed by a director, or the duly authorized proxy.</p>	<p>Article 84 If shareholder shall appoint his proxy in writing, such instrument appointing the proxy shall be signed by the appointing shareholder or the proxy who is authorized in writing, or if the appointing shareholder is a legal entity, either affixed with legal person seal or signed by a director, or the duly authorized proxy.</p> <p><u>The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall specify:</u></p> <p><u>(i) the name of the proxy;</u></p> <p><u>(ii) whether or not the proxy has any voting right;</u></p> <p><u>(iii) directive to vote for or against or abstain from voting on each and every matter under consideration included in the agenda of the general meeting;</u></p> <p><u>(iv) the date of issue and validity period of the power of attorney;</u></p> <p><u>(v) signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.</u></p> <p><u>A power of attorney shall state clearly that the proxy shall be entitled to vote or not at his discretion in the absence of specific instructions from the shareholder.</u></p>

Existing Articles of Association	Revised Articles of Association
/	Article 88 <u>Attendees' register shall be prepared by the Company. The attendees' register shall state the names (or names of the corporations), identification card number and the address of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.</u>
/	Article 89 <u>The convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing organization, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.</u>
Article 79 .....	<p>Article 90 .....</p> <p><u>A general meeting convened by the board of supervisors itself shall be presided over by the chairman of the board of supervisors. Where the chairman of the board of supervisors cannot or does not fulfil the duty thereof, more than half of the supervisors may jointly elect a supervisor to preside over the meeting.</u></p> <p><u>A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.</u></p> <p><u>When a general meeting is held and the presider violates the rules of procedure, which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider, subject to the approval of more than half of the attending shareholders with voting rights.</u></p>

Existing Articles of Association	Revised Articles of Association
	<p><b><u>The presider shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be as recorded in the meeting's register.</u></b></p>
<p>Article 81 All directors, supervisors and senior management officers shall be in attendance at the meeting and accept any inquiries by shareholders if so required by the general meeting.</p>	<p>Article 92 <b><u>All directors, supervisors and secretary to the Board shall attend general meetings of the Company, and CEO and other senior management officers shall be present at the meetings. The Board and the board of supervisors shall report their work in the preceding year at the annual general meeting. Every independent non-executive director shall also make his work report.</u></b> All directors, supervisors and senior management officers shall be in attendance at the meeting and accept any inquiries by shareholders if so required by the general meeting. <b><u>Directors, supervisors and senior management officers shall make explanations in relation to the inquiries and suggestions made by shareholders at general meetings.</u></b></p>



Existing Articles of Association	Revised Articles of Association
<p>Article 84 If votes are counted at a general meeting, the result of the count shall be recorded in the meeting minutes.</p> <p>The general meeting shall prepare meeting minutes regarding the resolutions on the matters discussed at the meeting, for which the secretary to the board of directors shall be responsible, to be signed by the present directors, supervisors, secretary to the board of directors, the convener or its representative, and the chairman of the meeting thereon, <b><u>and shall ensure the trueness, accuracy and completeness of the meeting minutes.</u></b> The meeting minutes shall, together with the signature book of shareholders attending the meeting <b><u>and</u></b> proxy statement, be kept at the domicile of the Company for at least ten years.</p>	<p>Article 95 If votes are counted at a general meeting, the result of the count shall be recorded in the meeting minutes.</p> <p><b><u>The minutes of the meeting shall specify:</u></b></p> <p><b><u>(i) time, venue and agenda of the meeting, and the name of the convener;</u></b></p> <p><b><u>(ii) the names of the presider, and the directors, supervisors, CEO and other senior management officers attending or present at the meeting;</u></b></p> <p><b><u>(iii) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;</u></b></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>(iv) the consideration process, summaries of speeches and voting result for each resolution;</u></p> <p><u>(v) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;</u></p> <p><u>(vi) the names of the lawyer, counting officer and monitoring officer;</u></p> <p><u>(vii) other contents that shall be recorded in the minutes in accordance with the Articles of Association.</u></p> <p><u>The minutes of the meeting shall also specify: (1) the number of shares of voting rights held by domestic shareholders (including proxies) and H-share shareholders (including proxies) present at the general meeting, each accounting for the Company's total shares; (2) when recording the voting results, the voting of domestic shareholders on each resolution shall also be recorded.</u></p> <p><u>The convener shall ensure the minutes of the meeting are true, accurate and complete.</u> The general meeting shall prepare meeting minutes regarding the resolutions on the matters discussed at the meeting, for which the secretary to the board of directors shall be responsible, to be signed by the present directors, supervisors, secretary to the board of directors, the convener or its representative, and the chairman of the meeting thereon. The meeting minutes shall, together with the signature book of shareholders attending the meeting, proxy statement, <u>and the valid information relating to the voting over other means</u>, be kept at the domicile of the Company for at least ten years.</p>

Existing Articles of Association	Revised Articles of Association
/	<p>Article 97 <b><u>The convener shall ensure that a general meeting is held continuously until final resolutions are arrived at. If the general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, the convener shall take necessary measures to resume the general meeting as soon as possible or directly terminate the general meeting and make a responsive announcement. Meanwhile, the convener shall report to the CSRC office and the stock exchange in the place where the Company's shares are listed.</u></b></p>
<p>Article 87 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one voting right.</p> <p>.....</p>	<p>Article 99 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one voting right.</p> <p><b><u>Votes for medium and small investors shall be separately counted when any material matter affecting their interests is considered at the general meeting. The separate counting results shall be disclosed timely and publicly.</u></b></p> <p><b><u>The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.</u></b></p> <p><b><u>The Board, independent non-executive directors and qualified shareholders may publicly collect voting rights from shareholders. They shall adequately disclose specific information including voting intents to the persons whose voting rights are collected when collecting voting rights from shareholders. It is prohibited to collect voting rights from shareholders with compensation or compensation in disguised form. The Company shall not set minimum shareholding percentage limit for collection of voting rights.</u></b></p>

Existing Articles of Association	Revised Articles of Association
/	<p>Article 100 <u>When a connected/related transaction is considered at a general meeting, connected/related shareholders shall not vote, and the voting shares they represent shall not be counted in the total number of valid voting shares; the announcement of any resolution made at the general meeting shall adequately disclose information relating to voting by non-connected/related shareholders.</u></p>
/	<p>Article 101 <u>List of nominations for the candidates for directors or supervisors shall be submitted by way of proposal at general meetings for voting.</u></p> <p><u>When the general meeting votes on the election of directors and supervisors, a cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.</u></p> <p><u>The cumulative voting system mentioned in the preceding paragraph means that when directors or supervisors are being elected at a general meeting, each share has as many voting rights as the number of candidates for directors or supervisors, and the shareholders' voting rights may be used in a concentrated manner. The Board shall announce to the shareholders the resumes and basic information of the candidate directors and supervisors.</u></p>
/	<p>Article 102 <u>Save under the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same matter, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is terminated or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.</u></p>

Existing Articles of Association	Revised Articles of Association
/	Article 103 <u>No amendment shall be made to a proposal when it is considered at a general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the current general meeting.</u>
/	Article 104 <u>The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.</u>
/	Article 105 <u>The general meeting of shareholders shall vote by open ballot or by other means required by the securities regulatory rules of the place where the Company's shares are listed.</u>
/	<p>Article 106 <u>Before proposals are voted on at the general meeting, two shareholders' representatives shall be elected to count and monitor counting of the votes. Where any shareholder has interests in any matter considered, the said shareholder and proxy thereof shall not participate in counting and monitoring of votes.</u></p> <p><u>When proposals are voted on at the general meeting, the lawyer, shareholders' representative and supervisors' representative shall be jointly responsible for the counting and monitoring of the votes; the Company must also appoint auditors, share registrars or external accountants who are qualified to act as auditors to act as supervisors at the general meeting, and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes.</u></p> <p><u>Shareholders or proxies thereof voting over the network or other means shall have the right to check their voting results via the corresponding voting system.</u></p>

Existing Articles of Association	Revised Articles of Association
/	<p>Article 107 <u>A general meeting shall not conclude earlier at the venue than over the network or otherwise, and the presider shall announce the voting result of every resolution and announce whether the resolution is passed or not according to the voting result.</u></p> <p><u>Before the voting result is announced, the relevant parties including the Company, counting officer, monitoring officer, major shareholders and network service provider involved at the venue, over the network or otherwise shall have the confidentiality obligation.</u></p>
/	<p>Article 108 <u>A shareholder attending a general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention.</u></p> <p><u>Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions". The securities registration and clearing organization shall be the nominal holder of shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder's intent.</u></p>
/	<p>Article 109 <u>If the presider has any doubt as to the result of a resolution which has been put to vote at the general meeting, he may have the votes counted. If the presider has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the result, demand that the votes be counted and the presider shall have the votes counted immediately.</u></p>

Existing Articles of Association	Revised Articles of Association
/	Article 110 <u>Resolutions of the general meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting result for every resolution and the details of each of the resolutions passed. If the Company issues domestically listed foreign shares, it shall make respective statistics and announcements on the attendance and voting of domestic shareholders and H-share shareholders.</u>
/	Article 111 <u>Where a resolution has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.</u>
/	Article 112 <u>Where a resolution on cash dividends, bonus shares or increase of equity capital by way of transfer from capital reserves is passed at the general meeting, the Company shall implement the specific scheme within 2 months after conclusion of the general meeting.</u>
<p>Article 88 .....</p> <p>If a poll is demanded in accordance with the relevant regulations of the securities regulatory authority at the place where the shares of the Company are listed, the <b>presider</b> of the meeting may make a decision in good faith to permit the resolution on the pure relevant procedures or administrative matters to be passed on a show of hands.</p> <p>.....</p>	<p>Article 113 .....</p> <p>If a poll is demanded in accordance with the relevant regulations of the securities regulatory authority at the place where the shares of the Company are listed, the <b>chairman</b> of the meeting may make a decision in good faith to permit the resolution on the pure relevant procedures or administrative matters to be passed on a show of hands.</p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 92 The following matters shall be resolved by an ordinary resolution at a general meeting:</p> <p>.....</p> <p>(iv) annual budgets and final accounts, balance sheet, income statement, and other financial statements of the Company; and</p> <p>.....</p>	<p>Article 117 The following matters shall be resolved by an ordinary resolution at a general meeting:</p> <p>.....</p> <p>(iv) annual budgets and final accounts, <b><u>annual report</u></b>, balance sheet, income statement, and other financial statements of the Company; and</p> <p>.....</p>
<p>Article 93 The following matters shall be resolved by a special resolution at a general meeting:</p> <p>.....</p> <p><u>(v)</u> other matters as resolved by an ordinary resolution at general meetings that will have a material impact on the Company and accordingly shall be approved by a special resolution;</p> <p><u>(vi)</u> other matters requiring approval by special resolutions in accordance with laws, administrative regulations, the Articles of Association, listing rules of the place where the shares of the Company are listed.</p>	<p>Article 118 The following matters shall be resolved by a special resolution at a general meeting:</p> <p>.....</p> <p><b><u>(v) equity incentive plan;</u></b></p> <p><b><u>(vi) according to the principle of accumulated amount of guarantee within 12 consecutive months, any guarantees provided by the Company after the total amount of external guarantees has reached or exceeded 30% of the latest audited total assets;</u></b></p> <p><b><u>(vii) the Company's purchase and sale of assets involves total assets or transaction amounts that exceeds 30% of the Company's latest total audited assets in 12 consecutive months;</u></b></p> <p><u>(viii)</u> other matters as resolved by an ordinary resolution at general meetings that will have a material impact on the Company and accordingly shall be approved by a special resolution;</p>



Existing Articles of Association	Revised Articles of Association
	(ix) other matters requiring approval by special resolutions in accordance with laws, administrative regulations, the Articles of Association, listing rules of the place where the shares of the Company are listed.
<p>Article 99 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b><u>forty-five days before the date of the class meeting</u></b>, specifying the matters to be considered at such meeting and the date and place of the class meeting. <b><u>A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company twenty days before the date of the class meeting. The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class.</u></b></p> <p><b><u>If the shareholders who intend to attend such class meeting represent more than half of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; otherwise, the Company shall within five days give the shareholders further notice of the matters to be considered and the date and place of the class meeting by way of announcement. The Company may then hold the class meeting after such further notice has been given by way of announcement.</u></b></p>	<p>Article 124 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b><u>with reference to Article 72 of the Articles of Association concerning the time limit for notices of annual and extraordinary general meeting</u></b>, specifying the matters to be considered at such meeting and the date and place of the class meeting <b><u>by way of announcement.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 101 Apart from the shareholders of other classes of shares, the shareholders of the domestic shares and <b><u>the shareholders of the unlisted foreign shares shall be deemed to be holders of same classes of shares, the shareholders of the domestic shares and the shareholders of the overseas listed foreign shares shall be deemed to be holders of different classes of shares, the shareholders of the unlisted foreign shares and</u></b> the shareholders of <b><u>overseas-listed foreign shares</u></b> shall be deemed to be holders of different classes of shares.</p> <p>The special procedures for voting by a class of shareholders shall not apply under the following circumstances:</p> <p>(i) where the Company issues, upon the approval by special resolution of its shareholders at the general meeting, either separately or concurrently once every twelve months, not more than 20% of each of its existing issued and outstanding domestic shares, <b><u>unlisted foreign shares and overseas-listed foreign shares;</u></b></p> <p><b><u>(ii) where the Company's plan to issue domestic shares, unlisted foreign shares and overseas-listed foreign shares at the time of its establishment is carried out within fifteen months from the date of approval of the securities regulatory authority under the State Council; or</u></b></p> <p><b><u>(iii)</u></b> Where a holder of domestic shares <b><u>and a holder of unlisted foreign shares</u></b> converts them into overseas-listed foreign shares with approval of the securities regulatory authority under the State Council and such shares are listed in an overseas stock exchange.</p>	<p>Article 126 Apart from the shareholders of other classes of shares, the shareholders of the domestic shares and the shareholders of <b><u>H shares</u></b> shall be deemed to be holders of different classes of shares.</p> <p>The special procedures for voting by a class of shareholders shall not apply under the following circumstances:</p> <p>(i) where the Company issues, upon the approval by special resolution of its shareholders at the general meeting, either separately or concurrently once every twelve months, not more than 20% of each of its existing issued and outstanding domestic shares <b><u>and H shares; or</u></b></p> <p><b><u>(ii)</u></b> Where a holder of domestic shares converts them into overseas-listed foreign shares with approval of the securities regulatory authority under the State Council and such shares are listed in an overseas stock exchange.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 102 Directors shall be elected at the general meeting and a director’s term of office shall be three years. The term of office of a Director may be renewed upon reelection when it expires.</p> <p>.....</p>	<p>Article 127 Directors shall be elected at the general meeting and a director’s term of office shall be three years, <b><u>and may be dismissed by the general meeting before the term expires.</u></b> The term of office of a Director may be renewed upon reelection when it expires.</p> <p><b><u>The term of a director shall start from the date on which the said director assumes office to the expiry of the current Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.</u></b></p> <p><b><u>A director may serve concurrently as CEO or other senior management officers, but the directors serving concurrently as such and directors who are employee representatives shall not be more than half of the directors of the Company.</u></b></p> <p>.....</p>
<p>Article 104 A director may resign before expiry of his term of office, subject to submission of a written resignation report to the board of directors.</p> <p>.....</p>	<p>Article 129 A director may resign before expiry of his term of office, subject to submission of a written resignation report to the board of directors. <b><u>The Board will disclose relevant information within 2 days.</u></b></p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 106 If no reelection is made timely upon expiration of the term of office of a director, or the number of members of the board of directors is less than the quorum due to any director's resignation during his term of office, before the reelected director takes office, the original director shall still perform his duties as a director in accordance with the laws, administrative regulations and the Articles of Association.</p>	<p>Article 131 If no reelection is made timely upon expiration of the term of office of a director, or the number of members of the board of directors is less than the quorum due to any director's resignation during his term of office, before the reelected director takes office, the original director shall still perform his duties as a director in accordance with the laws, administrative regulations and the Articles of Association. <b><u>Save as provided in the preceding paragraph, a director's resignation shall be effective when his resignation is served to the Board.</u></b></p>
<p>Article 114 The board of directors shall be accountable to the general meeting, and shall exercise the following powers:</p> <p>(i) to convene the general meeting and to report on its work to the general meeting;</p> <p>(ii) to implement the resolutions adopted by the general meeting;</p> <p>(iii) to determine the Company's business plans and investment plans;</p> <p>(iv) to <b>formulate</b> the Company's plans for annual financial budgets and final accounts;</p> <p>(v) to <b>formulate</b> the Company's profit distribution plans and plans to cover losses;</p> <p>(vi) to <b>formulate</b> the plans for the increase or reduction of the Company's registered capital and the plans for the issuance of the Company's bonds;</p> <p>(vii) to draft the plans for merger, division, dissolution or change of the corporate form of the Company;</p>	<p>Article 139 The board of directors shall be accountable to the general meeting, and shall exercise the following powers:</p> <p>(i) to convene the general meeting and to report on its work to the general meeting;</p> <p>(ii) to implement the resolutions adopted by the general meeting;</p> <p>(iii) to determine the Company's business plans and investment plans;</p> <p>(iv) to <b>formulate</b> the Company's plans for annual financial budgets and final accounts;</p> <p>(v) to <b>formulate</b> the Company's profit distribution plans and plans to cover losses;</p> <p>(vi) to <b>formulate</b> the plans for the increase or reduction of the Company's registered capital and the plans for the issuance of the Company's bonds, <b><u>or other securities and listing;</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>(viii) to decide on the establishment of the Company's internal management organizations;</p> <p>(ix) to appoint or remove the Company's CEO, and, according to the nomination of the CEO, to appoint or remove the Company's other senior management officers including president, senior vice president, vice president and chief financial officer and decide on their remuneration;</p> <p>(x) to <b>formulate</b> the Company's basic management system;</p> <p>(xi) to <b>formulate</b> the plans for the amendment of the Articles of Association;</p> <p><b><u>(xii) to consider and approve the change of use of proceeds;</u></b></p> <p>(xiii) to exercise any other powers granted by the laws, regulations, the listing rules of the place where the shares of the company are listed, the general meeting and the articles of association.</p> <p><b><u>Other than the board of directors' resolutions in respect of the matters specified in Items (vi), (vii) and (xi) of this article which shall be passed by the affirmative votes of more than two-thirds of all directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative votes of a majority of all the directors.</u></b> The board of directors shall perform duties in accordance with the laws, administrative regulations, the listing rules of the place where the shares of the company are listed, the Articles of Association and the resolutions of the general meeting.</p>	<p>(vii) to draft the plans for <b><u>material acquisitions, purchase of shares of the Company or merger, division, dissolution or change of the corporate form of the Company;</u></b></p> <p><b><u>(viii) to decide on the purchase of shares of the Company due to the circumstances specified in Article 26 (3), (5) and (6) of the Articles of Association;</u></b></p> <p><b><u>(ix) to decide on the external investment, purchase and disposal of assets, asset mortgage, external guarantee, consigned financial management, related transactions, etc. within the authority granted by the general meeting;</u></b></p> <p>(x) to decide on the establishment of the Company's internal management organizations;</p> <p>(xi) to appoint or remove the Company's CEO, and, according to the nomination of the CEO, to appoint or remove the Company's other senior management officers including president, senior vice president, vice president and chief financial officer and decide on their remuneration, <b><u>rewards and punishments;</u></b></p> <p>(xii) to <b><u>formulate and amend</u></b> the Company's basic management system;</p> <p>(xiii) to <b>formulate</b> the plans for the amendment of the Articles of Association;</p> <p><b><u>(xiv) to manage matters relating to information disclosure of the Company;</u></b></p> <p><b><u>(xv) to propose to the general meeting to appoint or replace the accounting firm which audits the Company's accounts;</u></b></p> <p><b><u>(xvi) to listen to the work reports of the Company's CEO and examine the work thereof;</u></b></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>(xvii)</u> to exercise any other powers granted by the laws, regulations, the listing rules of the place where the shares of the company are listed, the general meeting and the articles of association.</p> <p>The board of directors shall perform duties in accordance with the laws, administrative regulations, the listing rules of the place where the shares of the company are listed, the Articles of Association and the resolutions of the general meeting.</p> <p><b><u>If any director has connected/related connection with the enterprise involved in the resolution made at a Board meeting, the said director shall not vote on the said resolution for himself or on behalf of other directors. A board meeting may be held when more than half of the non-connected/related directors attend the meeting. The resolution made at the Board meeting shall be passed by more than half of the non-connected/related directors. If the number of non-connected/related directors attending the meetings is less than 3, the issue shall be submitted to the general meeting for consideration.</u></b></p>
/	<p>Article 140 <b><u>The board of directors shall determine the authorization relating to external investment, purchase and disposal of assets, asset mortgage, external guarantee, consigned financial management and related transactions, and shall establish strict examination and decision making procedure; and organize relevant experts and professionals to make assessments on material investment projects and report to the general meeting for approval.</u></b></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>The board of directors has the right to consider and approve the following matters:</u></p> <p><u>(i) For external guarantees, the external guarantees stipulated in Article 59 of this Articles of Association shall be submitted to the general meeting for consideration and approval after being approved by the board of directors;</u></p> <p><u>(ii) The Company intends to have a related transaction with a related natural person with a transaction amount of more than RMB0.3 million, and a related party legal person with a transaction value of more than RMB3 million, and related transactions accounting for more than 0.1% of the Company's latest total audited assets or market value. Among them, the transaction between the Company and its affiliates (excluding the provision of guarantees) that accounted for more than 1% of the Company's audited total assets or market value in the latest period and exceeded RMB30 million should be submitted to the general meeting for consideration.</u></p> <p><u>(iii) The following transactions (other than the provision of guarantees) should be considered and approved by the board of directors and disclosed in a timely manner:</u></p> <p><u>1. The total assets involved in the transaction (where both the book value and the appraisal value exist, whichever is higher) account for more than 10% of the Company's latest total audited assets;</u></p> <p><u>2. The trading amount of the transaction accounted for more than 10% of the Company's market value;</u></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>3. The net asset value of the transaction target (such as equity) in the latest fiscal year accounted for more than 10% of the Company's market value;</u></p> <p><u>4. The operating income related to the transaction target (such as equity) in the latest fiscal year accounted for more than 10% of the Company's audited operating income in the latest fiscal year and exceeded RMB10 million;</u></p> <p><u>5. The profit generated from the transaction accounted for more than 10% of the Company's audited net profit in the latest fiscal year, and exceeded RMB1 million;</u></p> <p><u>6. The net profit related to the transaction target (such as equity) in the latest fiscal year accounted for more than 10% of the Company's audited net profit in the latest fiscal year and exceeded RMB1 million.</u></p> <p><u>If the information involved in the calculation of the above indicators is negative, the absolute value shall be taken as the calculation, and the Company may be exempted from applying the net profit indicators in the above standards before realizing profit.</u></p> <p><u>Transactions in this paragraph include, but are not limited to, purchase or sale of assets; external investment (including entrusted wealth management, entrusted loans); provision of financial assistance; provision of guarantees; leased or leased out assets; entrusted or entrusted management of assets and business; gifts or donated assets; creditor's rights, debt restructuring; signing license agreements; transferring or assigning research and development projects.</u></p>



Existing Articles of Association	Revised Articles of Association
	<p><u>The aforementioned purchase or sale of assets does not include the purchase or sale of assets related to daily operations, such as the purchase of raw materials, fuels and power, and the sale of products and commodities, but such purchases or sales of assets involved in asset replacement are still included.</u></p> <p><u>(iv) Other external investment, acquisition and sale of assets, venture capital, entrusted wealth management, asset pledge, external guarantee, and related transactions that are required by the board of directors or approved by the general meeting to be approved by the board of directors in accordance with laws, administrative regulations, and departmental rules.</u></p> <p><u>(v) The foregoing matters that occur in the Company's controlling subsidiaries shall be governed by the foregoing provisions.</u></p> <p><u>(vi) The above-mentioned matters that the board of directors has the authority to consider and approve should be submitted to the general meeting for consideration and approval upon the consideration and approval by the board of directors in accordance with the laws and regulations of the place where the Company is listed.</u></p>
<p>Article 116 The chairman of the board of directors shall exercise the following powers:</p> <p>(i) to preside over general meetings and to convene and preside over meetings of the board of directors;</p> <p>(ii) to inspect the implementation of resolutions passed by the board of directors;</p> <p>.....</p>	<p>Article 142 The chairman of the board of directors shall exercise the following powers:</p> <p>(i) to preside over general meetings and to convene and preside over meetings of the board of directors;</p> <p>(ii) to <b>supervise and</b> inspect the implementation of resolutions passed by the board of directors;</p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 117 Meetings of the board of directors are divided into regular meetings and interim meetings. Regular meetings shall be held at least four times each year, and convened by the chairman of the board of directors.</p> <p>.....</p> <p>An interim board meeting may be convened under any of the following circumstances:</p> <p>.....</p> <p>The chairman of the board of directors shall convene and preside over the meetings of the board of directors within ten days of receipt of the proposal</p>	<p>Article 143 Meetings of the board of directors are divided into regular meetings and interim meetings. Regular meetings shall be held at least four times each year <b><u>(about once a quarter)</u></b>, and convened by the chairman of the board of directors.</p> <p>.....</p> <p>An interim board meeting may be convened under any of the following circumstances:</p> <p>.....</p> <p><b><u>(vii) When it is required by the securities regulatory authority.</u></b></p> <p>The chairman of the board of directors shall convene and preside over the meetings of the board of directors within ten days of receipt of the proposal <b><u>or in the request of the securities regulatory authority.</u></b></p>
<p>Article 118 Notice of regular or interim meetings of the board of directors may be delivered by hand, e-mail, via facsimile or telephone.</p> <p>If any director has attended the meeting and does not raise objection as to failure of receiving the meeting notice before or on the meeting, it shall be deemed that the meeting notice has been given to him.</p> <p>.....</p>	<p>Article 144 Notice of regular or interim meetings of the board of directors may be delivered by hand, e-mail, via facsimile or telephone.</p> <p><b><u>The notice of a board meeting shall specify:</u></b></p> <p><b><u>(i) the date and venue of the meeting;</u></b></p> <p><b><u>(ii) the duration of the meeting;</u></b></p> <p><b><u>(iii) the reasons and proposals to be considered and approved; and</u></b></p> <p><b><u>(iv) the date on which the notice is sent.</u></b></p> <p>If any director has attended the meeting and does not raise objection as to failure of receiving the meeting notice before or on the meeting, it shall be deemed that the meeting notice has been given to him.</p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 119 Meetings of the board of directors shall be held only if <b>more than half of</b> the directors (including the directors appointed to attend the meeting on behalf pursuant to Article <b>121</b> of the Articles of Association) are present.</p> <p>Resolutions to be adopted at the meeting of the board of directors shall be voted by a show of hands or by open ballot. Interim meetings of the board of directors may, under the premise that directors will be guaranteed to have their opinions fully and thoroughly expressed, be conducted via facsimile or circulation and resolutions may be passed thereat, to be signed by the directors present at the meeting.</p>	<p>Article 145 Meetings of the board of directors shall be held only if <b>more than half of</b> the directors (including the directors appointed to attend the meeting on behalf pursuant to Article <b>147</b> of the Articles of Association) are present. <b><u>When the related director refuses to attend or fails to attend the meeting and fails to meet the minimum number as required for holding the meeting, the chairman of the board of directors and the secretary to the board of directors shall report to the supervisory authority in a timely manner.</u></b></p> <p>Resolutions to be adopted at the meeting of the board of directors shall be voted by a show of hands or by open ballot. Interim meetings of the board of directors may, under the premise that directors will be guaranteed to have their opinions fully and thoroughly expressed, be conducted via facsimile or circulation and resolutions may be passed thereat, to be signed by the directors present at the meeting.</p>
<p>Article 120 The board of directors shall formulate rules of procedures of the board of directors, specify the method for conducting business and the voting procedures of the board of directors, so as to ensure the working efficiency and scientific decision of the board of directors.</p> <p>Each director shall have one vote. Any resolutions of the board of directors must be subject to adoption by a majority of all directors unless otherwise specified herein. Where there is an equality of votes both for and against a resolution, the chairman of the board of directors shall have another casting vote.</p>	<p>Article 146 The board of directors shall formulate rules of procedures of the board of directors, specify the method for conducting business and the voting procedures of the board of directors, so as to ensure the working efficiency and scientific decision of the board of directors.</p> <p>Each director shall have one vote. Any resolutions of the board of directors must be subject to adoption by a majority of all directors unless otherwise specified herein. Where there is an equality of votes both for and against a resolution, the chairman of the board of directors shall have another casting vote. <b><u>Among them, the consideration and approval of Article 139 (viii) of this Articles of Association must be resolved by a board meeting attended by more than two-thirds of the directors. For guarantee matters within the scope of the permission of the board of directors, in addition to the approval of more than half of all directors, the consent of more than two-thirds of directors attending board meetings should also be obtained.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 121 The directors shall attend in person the meetings of the board of directors. Where any director is unable to attend the meeting for reason, he/she <u>may</u>, by issuing a written proxy statement, entrust another director to attend the meeting on his/her behalf, with <u>the scope of authorization</u> to be stated therein.</p> <p>The directors who attend the meeting on behalf shall exercise the rights as directors within the scope of authorization. Failure by a director to attend a meeting of the board of directors or to authorize a representative to attend the meeting on his/her behalf shall be deemed waiver of the voting right at such meeting.</p>	<p>Article 147 The directors shall attend in person the meetings of the board of directors. Where any director is unable to attend the meeting for reason, he/she <b><u>shall review the meeting materials in advance and form a clear opinion, and</u></b> by issuing a written proxy statement, entrust another director to attend the meeting on his/her behalf with <b><u>the names of the principal and proxy, date, the matters delegated, validity period, brief opinions of the principal and the scope of authorization</u></b> to be stated therein, <b><u>and instructions for voting on the proposal, which shall be signed or stamped by the principal.</u></b></p> <p>The directors who attend the meeting on behalf shall exercise the rights as directors within the scope of authorization. Failure by a director to attend a meeting of the board of directors or to authorize a representative to attend the meeting on his/her behalf shall be deemed waiver of the voting right at such meeting.</p> <p><b><u>Where any other directors are entrusted to sign the regular reports by proxy, the said director shall specify such authorization in the power of attorney.</u></b></p> <p><b><u>The proxy director shall present the written power of attorney to the presider of the meeting, and explain proxy attendance in the attendance book.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 122 .....</p> <p>The opinions from independent non-executive directors shall be indicated in the resolutions of the board of directors.</p>	<p>Article 148 .....</p> <p>The opinions from independent non-executive directors shall be indicated in the resolutions of the board of directors.</p> <p><b><u>The minutes of a board meeting shall specify:</u></b></p> <p><b><u>(i) the meeting session, the date, venue, method and name of the convener and presider of the meeting;</u></b></p> <p><b><u>(ii) issuance of the meeting notice</u></b></p> <p><b><u>(iii) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;</u></b></p> <p><b><u>(iv) the agenda of the meeting;</u></b></p> <p><b><u>(v) proposals considered at the meeting, key points of directors' speeches (including considerations, any concerns raised by directors or feedback expressed by them, etc.);</u></b></p> <p><b><u>(vi) the voting methods and outcome for each proposal (the outcome of the voting shall set out the respective number of assenting or dissenting or abstaining votes);</u></b></p> <p><b><u>(vii) other issues that the directors present at the meeting consider should be recorded.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 124 Each special committee shall be accountable for the board of directors, and submit their proposals to the board of directors for examination and making decision. Each special committee may engage an intermediary to provide professional opinions, at the expense of the Company.</p>	<p>Article 151 Each special committee shall be accountable for the board of directors, <b><u>performing duties in accordance with this Articles of Association</u></b> and the authorization of the Board and submit their proposals to the board of directors for examination and making decision. <b><u>All members of special committees are directors, the majority of which are the independent non-executive directors in the audit committee, acting as conveners. The conveners of the audit committee are accounting professionals.</u></b> Each special committee may engage an intermediary to provide professional opinions, at the expense of the Company.</p>
<p>Article 126 The secretary to the board of directors shall be a natural person who has essential expertise and experience, to be employed or dismissed by the board of directors, with the main responsibilities as follows:</p> <p>.....</p> <p>(iv) to be responsible for the disclosure of information of the Company to ensure the timely, accurate, legal, true and complete information disclosure; <b><u>and</u></b></p> <p><b><u>(v)</u></b> to perform other duties as granted by the board of directors and required by the stock exchange at the place where the shares of the Company are listed.</p>	<p>Article 152 The secretary to the board of directors shall be a natural person who has essential expertise and experience, to be employed or dismissed by the board of directors, with the main responsibilities as follows:</p> <p>.....</p> <p>(iv) to be responsible for the disclosure of information of the Company to ensure the timely, accurate, legal, true and complete information disclosure;</p> <p><b><u>(v) to be responsible for the preparation and filing of the Company’s general meeting and board meetings as well as the management of the data related to the shareholders of the Company; and</u></b></p> <p><b><u>(vi)</u></b> to perform other duties as granted by the board of directors and required by the stock exchange at the place where the shares of the Company are listed.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 128 The Company shall have one CEO, who shall be appointed or dismissed by the board of directors.</p> <p>The Company shall have one president, several senior vice presidents and vice presidents, who shall be appointed or dismissed by the board of directors.</p> <p>.....</p>	<p>Article 154 The Company shall have one CEO, who shall be appointed or dismissed by the board of directors; <b><u>the CEO is the general manager of the Company.</u></b></p> <p>The Company shall have one president, several senior vice presidents and vice presidents, who shall be appointed or dismissed by the board of directors; <b><u>the CFO is the financial officer of the Company.</u></b></p> <p>.....</p> <p><b><u>The CEO can offer to resign before his/her term expires. The specific procedures and methods for the resignation of the CEO are stipulated in the labor contract entered into between the CEO and the Company.</u></b></p>
<p>Article 129 The CEO of the Company shall be accountable to the board of directors and shall exercise the following powers:</p> <p>.....</p> <p>(iii) to organize the implementation of the resolutions of the board of directors;</p> <p>.....</p> <p><b><u>(viii)</u></b> other powers granted by the Articles of Association or the board of directors.</p> <p>The president of the Company shall be accountable to the CEO and shall exercise the following powers:</p> <p>.....</p> <p>(v) to <b><u>formulate</u></b> the basic rules and regulations of the Company;</p> <p>.....</p>	<p>Article 155 The CEO of the Company shall be accountable to the board of directors and shall exercise the following powers:</p> <p>.....</p> <p>(iii) to organize the implementation of the resolutions of the board of directors <b><u>and report to the board of directors;</u></b></p> <p>.....</p> <p><b><u>(viii)</u></b> to formulate the working system of the general manager;</p> <p><b><u>(ix)</u></b> other powers granted by the Articles of Association or the board of directors.</p> <p>The president of the Company shall be accountable to the CEO and shall exercise the following powers:</p> <p>.....</p> <p>(v) to <b><u>formulate</u></b> the basic rules and regulations of the Company;</p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
/	<p>Article 156 <b><u>The work system of the general manager includes the following:</u></b></p> <p><b><u>(i) the conditions and procedures for convening the general manager meeting as well as attendees thereof;</u></b></p> <p><b><u>(ii) the specific responsibilities and their divisions of labor of the general manager and other senior management;</u></b></p> <p><b><u>(iii) the use of the Company’s funds and assets, the authorization of signing major contracts, and the reporting system to the board of directors and the board of supervisors;</u></b></p> <p><b><u>(iv) other matters that the board of directors considers necessary.</u></b></p>
Article 130 The CEO and president of the Company shall attend meetings of the board of directors. A CEO <b>or</b> a president who is not a director shall not have any voting rights at meetings of the board of directors.	Article 157 The CEO and president of the Company shall attend meetings of the board of directors. A CEO <b>and</b> a president who is not a director shall not have any voting rights at meetings of the board of directors.
<p>Article 137 The board of supervisors shall be accountable to the general meeting, and shall exercise the following powers in accordance with the law:</p> <p><b><u>(i)</u></b> to review the Company’s financial affairs;</p> <p>.....</p> <p><b><u>(viii)</u></b> such other powers as provided by the Articles of Association.</p> <p>Supervisors shall attend meetings of the board of directors and may raise queries or suggestions regarding matters discussed at such meetings.</p> <p>A supervisor shall ensure that the <b>information</b> disclosed by the Company is true, accurate and complete.</p>	<p>Article 164 The board of supervisors shall be accountable to the general meeting, and shall exercise the following powers in accordance with the law:</p> <p><b><u>(i) to review the Company’s regular report prepared by the board of directors and provide written review opinions;</u></b></p> <p><b><u>(ii)</u></b> to review the Company’s financial affairs;</p> <p>.....</p> <p><b><u>(ix) to conduct investigations if there are any unusual circumstances in the Company’s operations; and if necessary, to engage an accounting firm, law firm or other professionals to assist in their work at the expenses of the Company; and</u></b></p>



Existing Articles of Association	Revised Articles of Association
	<p><u>(x)</u> such other powers as provided by the Articles of Association.</p> <p>Supervisors <u>may</u> attend meetings of the board of directors and may raise queries or suggestions regarding matters discussed at such meetings.</p> <p>A supervisor shall ensure that the <u>information</u> disclosed by the Company is true, accurate and complete.</p>
<p>Article 140 Minutes shall be prepared for the meeting of the board of supervisors, and supervisors and recorder present at the meeting shall sign thereon. Such minutes as archives of the Company shall be kept by a person designated by the chairman of the board of supervisors for at least ten years.</p>	<p>Article 167 Minutes shall be prepared for the meeting of the board of supervisors, and supervisors and recorder present at the meeting shall sign thereon. Such minutes as archives of the Company shall be kept by a person designated by the chairman of the board of supervisors for at least ten years.</p> <p><b><u>The notice of the meeting of the board of supervisors shall specify:</u></b></p> <p><b><u>(i) the date, venue and duration of the meeting;</u></b></p> <p><b><u>(ii) the reasons and proposals to be considered and approved;</u></b></p> <p><b><u>(iii) the date on which the notice is sent;</u></b></p> <p><b><u>(iv) the convener and presider of the meeting, the proposer of the temporary meeting, and its written proposal;</u></b></p> <p><b><u>(v) meeting materials necessary for supervisors to vote;</u></b></p> <p><b><u>(vi) the supervisor’s request to attend the meeting in person;</u></b></p> <p><b><u>(vii) associate and contact information.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 142 The supervisors shall faithfully perform the supervision duties in accordance with the laws, administrative regulations and the Articles of Association.</p>	<p>Article 169 The supervisors shall faithfully perform the supervision duties in accordance with the laws, administrative regulations and the Articles of Association.</p> <p><b><u>Supervisors shall abide by the laws, administrative regulations and this Articles of Association, and shall be faithful and diligent to the Company. They shall not use their power to accept bribes or other illegal income, and shall not invade the Company’s property.</u></b></p> <p><b><u>Supervisors must not use their connected/associated relationships to damage the Company’s interests, and if they cause losses to the Company, they should be liable for compensation.</u></b></p>
<p>Article 143 No one shall be a director, supervisor, CEO or other senior management officer of the Company if falling under any of the following circumstances:</p> <p>.....</p>	<p>Article 170 No one shall be a director, supervisor, CEO or other senior management officer of the Company if falling under any of the following circumstances:</p> <p>.....</p> <p><b><u>(vi) being punished by the CSRC for prohibiting entry into the securities market, the term of which has not expired;</u></b></p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 147 Each of the Company's directors, supervisors, CEO and other senior management officers shall perform his duties in accordance with fiduciary principles; and shall not put himself in a position where his duty and his interest may conflict. These principles include (without limitation):</p> <p>.....</p> <p>(vi) not to employ the Company's assets in any way so as to pursue interests for himself unless approved by the general meeting with full knowledge;</p> <p>.....</p> <p><u>(xi)</u> not to misappropriate the funds of the Company <b>or loan the funds of the Company to other persons</b>, open accounts in his own name or another <b>individual's</b> name for deposit of the Company's assets, or use Company's assets as security for the debts of the shareholders of the Company or other individuals; and</p> <p><u>(xii)</u> not to divulge the confidential information relating to the Company received during his term of office, unless approved by the general meeting with full knowledge; and not to use such information unless for the purpose of the Company's interests; however, to be allowed to disclose such information to a court or other governmental authorities under the following circumstances:</p> <p>.....</p>	<p>Article 174 Each of the Company's directors, supervisors, CEO and other senior management officers shall perform his duties in accordance with fiduciary principles <b>and duties</b>; and shall not put himself in a position where his duty and his interest may conflict. These principles include (without limitation):</p> <p>.....</p> <p>(vi) not to employ the Company's assets in any way so as to pursue interests for himself unless approved by the general meeting with full knowledge, <b><u>not to use the convenience of his/her position to seek business opportunities that should belong to the Company for himself/herself or others, or run a business identical to the Company's on his/her own or for others;</u></b></p> <p>.....</p> <p><b><u>(viii) not to violate the provisions of this Articles of Association, loan the Company's funds to others or use the Company's property to provide guarantees to others without the approval in the shareholders meeting or by the board of directors;</u></b></p> <p>.....</p> <p><b><u>(xi) not to use its connected/affiliated relationship to harm the interests of the Company;</u></b></p> <p>.....</p>

Existing Articles of Association	Revised Articles of Association
	<p><b>(xiii)</b> not to misappropriate the funds of the Company or loan the funds of the Company to other persons, open accounts in his own name or another <b>individual's</b> name for deposit of the Company's assets <b>or funds</b>, or use Company's assets as security for the debts of the shareholders of the Company or other individuals; and</p> <p><b>(xiv)</b> not to divulge the confidential information relating to the Company received during his term of office <b>or disclose the secrets of the Company without permission</b>, unless approved by the general meeting with full knowledge; and not to use such information unless for the purpose of the Company's interests; however, to be allowed to disclose such information to a court or other governmental authorities under the following circumstances:</p> <p>.....</p>
/	<p>Article 176 <b><u>Directors, supervisors, chief executive officer and other senior management officer shall abide by laws, administrative regulations and this Articles of Association, and shall have the following due diligence obligations to the Company:</u></b></p> <p><b><u>(i) the rights endowed by the Company shall be exercised with caution, conscientiousness and diligence to ensure that the Company's business practices comply with the requirements of national laws, administrative regulations and various national economic policies, and that business activities do not exceed the scope of business stipulated in the business license;</u></b></p> <p><b><u>(ii) all shareholders shall be treated equally;</u></b></p> <p><b><u>(iii) to understand the business operation and management of the Company in a timely manner;</u></b></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>(iv) the written confirmation opinion of the Company's regular report shall be signed. To ensure that the information disclosed by the Company is true, accurate and complete;</u></p> <p><u>(v) to truthfully provide relevant information and materials to the board of supervisors, and shall not prevent the board of supervisors or supervisors from exercising their functions and powers;</u></p> <p><u>(vi) other duties of diligence as stipulated by laws, administrative regulations, departmental rules and this Articles of Association.</u></p>
/	<p><u>Article 177 A director shall clear all transitional procedures with the board of directors when his/her resignation becomes effective or his/her term expires. Such a director shall fulfill his/her fiduciary obligations to the Company and shareholders. Such obligations shall not be dismissed after the expiry of term and remains effective within the reasonable period specified by the Articles of Association.</u></p>
/	<p><u>Article 178 No director shall act on behalf of the Company or the board of directors in his/her personal capacity without the lawful authorisation by the Articles of Association or the board of directors. In the event that a director acts in his/her personal capacity and is reasonably deemed by a third party to act on the behalf of the Company or the Board, the director shall clarify his/her stance and identity in advance.</u></p>
/	<p><u>Article 179 Any director, supervisor, CEO or other senior management officer who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties shall be liable for indemnification to any loss so caused to the Company.</u></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 151 .....</p> <p>Subject to the exceptions under Note 1 to Appendix 3 to the Hong Kong Listing Rules or as approved by the Hong Kong Share Exchange, no director shall vote for any resolutions of the board of directors regarding any contracts, transactions or arrangements in which he or any of his close <b>associates</b> (as defined by the applicable listing rules effective from time to time) is approved to have significant interests or regarding any other relevant suggestions, and shall not be counted towards the quorum of the meeting. If any contract, transaction, arrangement or suggestion relates to any related party transaction as provided by the Hong Kong Listing Rules, the “close <b>associates</b>” as mentioned in this paragraph shall be changed to “<b>associates</b>” (as defined by the applicable Hong Kong Listing Rules effective from time to time).</p> <p>.....</p> <p>Where the Relevant Persons or <b>associates</b> of the directors, supervisors, CEO and other senior management officers of the Company have interests in certain contracts, transactions or arrangements, such directors, supervisors, CEO and other senior management officers shall also be deemed to be interested.</p>	<p>Article 182 .....</p> <p>Subject to the exceptions under Note 1 to Appendix 3 to the Hong Kong Listing Rules or as approved by the Hong Kong Share Exchange, no director shall vote for any resolutions of the board of directors regarding any contracts, transactions or arrangements in which he or any of his close <b>associates</b> (as defined by the applicable listing rules effective from time to time) is approved to have significant interests or regarding any other relevant suggestions, and shall not be counted towards the quorum of the meeting. If any contract, transaction, arrangement or suggestion relates to any related party transaction as provided by the Hong Kong Listing Rules, the “close <b>associates</b>” as mentioned in this paragraph shall be changed to “<b>associates</b>” (as defined by the applicable Hong Kong Listing Rules effective from time to time).</p> <p>.....</p> <p>Where the Relevant Persons or <b>associates</b> of the directors, supervisors, CEO and other senior management officers of the Company have interests in certain contracts, transactions or arrangements, such directors, supervisors, CEO and other senior management officers shall also be deemed to be interested.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 164 The board of directors of the Company shall present to the shareholders, at every annual general meeting, such financial reports as are required to be prepared by the Company in accordance with the relevant laws, administrative regulations, regulatory documents promulgated by local government and competent governmental authorities and the listing rules of the place where the shares of the Company are listed.</p>	<p>Article 195 The board of directors of the Company shall present to the shareholders, at every annual general meeting, such financial reports as are required to be prepared by the Company in accordance with the relevant laws, administrative regulations, regulatory documents promulgated by local government and competent governmental authorities and the listing rules of the place where the shares of the Company are listed. <b><u>The board of directors of the Company shall explain to the general meeting the non-standard audit opinion issued by the certified public accountant on the financial report of the Company.</u></b></p>
<p>Article 168 The Company shall publish the financial reports twice every accounting year, that is, the interim financial report within 60 days after the end of the first six months of an accounting year, and the annual financial report within 120 days after the end of the accounting year.</p> <p>The regulations of the securities regulatory authority at the place where the shares of the Company are listed or the listing rules of the place where the shares of the Company are listed shall apply if it is otherwise specified therein.</p>	<p>Article 199 The Company shall publish the financial reports twice every accounting year, that is, the interim financial report within 60 days after the end of the first six months of an accounting year, and the annual financial report within 120 days after the end of the accounting year.</p> <p><b><u>The Company shall submit its annual financial and accounting reports to the CSRC and the stock exchange within four months from the ending date of each financial year, its half year financial and accounting reports to the local branches of the CSRC and the stock exchange within two months from the ending date of the first six months of each financial year, and its quarterly financial and accounting reports to the local branches of the CSRC and the stock exchange within one month from the ending date of the first three months and the first nine months of each financial year, respectively.</u></b></p> <p>The regulations of the securities regulatory authority at the place where the shares of the Company are listed or the listing rules of the place where the shares of the Company are listed shall apply if it is otherwise specified therein.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 171 The reserve funds of the Company shall be used to cover Company's losses, expand its production and operation, or be converted to the Company's increased capital. The reserve funds of the Company shall be used to:</p> <p>(i) cover losses, and the capital reserve funds shall not be used to cover losses.</p> <p>(ii) be converted into the increased capital. Where the statutory reserve fund is to be converted into capital by capitalization, the retained reserve fund may not fall below 25% of the registered capital of the Company before such conversion.</p> <p>(iii) expand production and operation of the Company.</p>	<p>Article 202 The reserve funds of the Company shall be used to cover Company's losses, expand its production and operation, or be converted to the Company's increased capital. The reserve funds of the Company shall be used to:</p> <p>(i) cover losses, and the capital reserve funds shall not be used to cover losses.</p> <p>(ii) be converted into the increased capital. Where the statutory reserve fund is to be converted into capital by capitalization, the retained reserve fund may not fall below 25% of the registered capital of the Company before such conversion.</p> <p>(iii) expand production and operation of the Company.</p> <p><b><u>After the profit distribution plan was resolved at the general meeting of the Company, the board of the Company shall complete the dividends (or share) payment within two months after the general meeting.</u></b></p>
<p>Article 172 The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy each year according to business situation and market environment. <b><u>The Company may distribute dividends in cash or by way of shares.</u></b></p>	<p>Article 203 The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy each year according to business situation and market environment. The Company may distribute dividends in cash or by way of shares, <b><u>and maintain the continuity and stability of the profit distribution policy.</u></b> <b><u>The board of directors of the Company and general meeting shall fully consider the opinions of independent non-executive directors and minority shareholders in the decision-making and demonstration process of the Company's profit distribution policy.</u></b></p> <p><b><u>The specific dividend distribution policy is as follows:</u></b></p> <p><b><u>(i) The Company can distribute dividends in the form of cash, shares, or a combination of both. On the premise that the Company's profitability and cash flow meet the normal production operations and long-term development of the Company, the Company will preferentially adopt a cash dividend distribution policy.</u></b></p>



Existing Articles of Association	Revised Articles of Association
	<p><u>(ii) The Company conducts annual profit distribution in principle. Under the given conditions, the board of directors of the Company can propose an interim cash distribution based on the capital position of the Company.</u></p> <p><u>(iii) If the Company does not have significant capital expenditure arrangements, the Company's cash distribution in each fiscal year is not less than 10% of the distributable profits realized in the current year (referring to the Company's residual profits after taxation upon deducting statutory reserve funds).</u></p> <p><u>(iv) Under the premise of ensuring that the equity scale and equity structure of the Company are reasonable, based on the consideration of returning investors and sharing the Company's value, when the Company's share valuation is within a reasonable range, the Company can issue share dividends. The specific plan shall be submitted to the shareholder meeting of the Company for consideration and approval upon the review of the board of directors of the Company.</u></p> <p><u>(v) If the board of directors of the Company has not made a cash profit distribution plan, the reasons of which shall be disclosed in the regular report, and the independent directors of the Company shall express their independent opinions on it.</u></p>

Existing Articles of Association	Revised Articles of Association
	<p><u>(vi) The Board of directors of the Company shall consider factors such as the characteristics of the industry, the stage of development, its own business model, the level of profitability, and whether there are significant capital expenditure arrangements, then distinguish the following situations, and propose a differentiated cash distribution policy in accordance with the procedures prescribed in this Articles of Association:</u></p> <p><u>1. If the Company’s development is in a mature stage and there are no major capital expenditure arrangements, the cash dividend should account for a minimum of 80 % of the profit distribution during profit distribution;</u></p> <p><u>2. If the Company’s development is in a mature stage and there are major capital expenditure arrangements, the cash dividend should account for a minimum of 40 % of the profit distribution during profit distribution;</u></p> <p><u>3. If the Company’s development is in a development stage and there are major capital expenditure arrangements, the cash dividend should account for a minimum of 20 % of the profit distribution during profit distribution;</u></p> <p><u>4. If it is difficult to distinguish the development stage of the Company and there are significant capital expenditure arrangements, it may be handled in accordance with the provisions of the preceding paragraph.</u></p>

Existing Articles of Association	Revised Articles of Association
/	<p data-bbox="810 293 1353 400">Article 204 <u>The decision-making procedure for the profit distribution policy of the Company is as follows:</u></p> <p data-bbox="810 453 1353 1761"><u>(i) The annual profit distribution plan of the Company is proposed and formulated by the board of directors in accordance with the provisions of this Articles of Association, the profit position, capital supply and demand of the Company. When the board of directors considers the specific cash dividend plan, it shall carefully study and demonstrate the Company’s cash dividend timing, conditions and minimum ratios, adjustment conditions, and decision-making procedures. Independent non-executive directors shall review the profit distribution plan and issue independent and clear opinions. After being approved by the board of directors, it is submitted to the general meeting for consideration. Independent non-executive directors may solicit the opinions of minority shareholders, propose a dividend plan, and submit it directly to the board of directors for consideration. Before the general meeting considers the specific cash dividend plan, they should actively communicate with the small and medium shareholders through various channels (including but not limited to telephone, email and fax), listen to the opinions and demands of the small and medium shareholders, and promptly respond to the concerns of the small and medium shareholders.</u></p>

Existing Articles of Association	Revised Articles of Association
	<p><b><u>(ii) If the Company needs to adjust its profit distribution policy according to the needs of production and operation, investment planning and long-term development, the adjusted profit distribution policy must not violate the relevant regulations of the CSRC and the Shanghai Stock Exchange. When the board of directors considers and revises the relevant policy on profit distribution, it must be approved by more than half of all directors before it can be submitted to the general meeting for consideration; when the general meeting considers and revises the relevant policy on profit distribution, it must be approved by more than two-thirds of the voting rights held by shareholders (including shareholders' agents) present at the general meeting.</u></b></p>
<p>Article 176 <b><u>The term of the accounting firm engaged by the Company</u></b> shall commence from the conclusion of the annual general meeting and expire at the conclusion of the next annual general meeting; the accounting firm may be re-engaged upon expiration of the term.</p>	<p>Article 208 <b><u>The Company engaged an accounting firm with qualifications for engaging in securities-related business to conduct accounting statement audits, net asset verification and other related consulting services, the term of which</u></b> shall commence from the conclusion of the annual general meeting and expire at the conclusion of the next annual general meeting; the accounting firm may be re-engaged upon expiration of the term.</p>
<p>Article 178 If there is a vacancy in the position of accounting firm of the Company, the board of directors may engage an accounting firm to fill such vacancy before the convening of the general meeting. Any other accounting firm which has been engaged by the Company may continue to act during the period during which a vacancy exists.</p>	<p>Article 210 If there is a vacancy in the position of accounting firm of the Company, the board of directors may engage an accounting firm to fill such vacancy before the convening of the general meeting, <b><u>but shall confirm it on the next general meeting.</u></b> Any other accounting firm which has been engaged by the Company may continue to act during the period during which a vacancy exists.</p>

Existing Articles of Association	Revised Articles of Association
<p>Article 181 The Company’s engagement, removal or discontinuance of engagement of an accounting firm shall be resolved by the general meeting. <b><u>Such resolution shall be filed with the securities regulatory authority under the State Council.</u></b></p> <p>.....</p>	<p>Article 213 The Company’s engagement, removal or discontinuance of engagement of an accounting firm <b><u>as well as its audit fee</u></b> shall be resolved by the general meeting. Such resolution shall be filed with the securities regulatory authority under the State Council.</p> <p>.....</p>
/	<p>Article 234 <b><u>Where a notice is served by way of announcement, upon the publication of such announcement, and after completion of the relevant procedures required by the listing rules of the place where the shares of the Company are listed, all relevant persons shall be deemed to have received the notice. Where it is otherwise provided under the listing rules of the place where the shares of the Company are listed, such provisions shall prevail.</u></b></p>
/	<p>Article 235 <b><u>Where a notice of the Company is delivered by hand, the addressee shall sign (or seal) on reply slip and the date of receipt shall be deemed as the date of service; where a notice of the Company is delivered by mail, the third working day from the date of delivery to the post office shall be deemed as the date of service; where a notice of the Company is delivered by announcement, the first day on which such announcement is published shall be deemed as the date of service.</u></b></p>
/	<p>Article 236 <b><u>If a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or if such person has not received the notice of meeting, the meeting and any resolutions made therein shall not become void thereby.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 201 The term “announcement” as mentioned herein, unless otherwise stated in the context, for purposes of the announcement made to the shareholders of domestic shares <b><u>and the shareholders of unlisted foreign shareholders</u></b> or which shall be made within PRC in accordance with the relevant regulations and the Articles of Association, means publication of announcement in the newspapers and periodicals of China. The relevant newspapers and periodicals shall be those prescribed by the laws and regulations of China, or designated, agreed or permitted by the securities regulatory authority under the State Council; for purposes of the announcement made to the shareholders of H-shares of the Company or which shall be made in Hong Kong in accordance with the relevant regulations and the Articles of Association, such announcement must be published in the newspapers and periodicals and/or other designated media (including websites) as required by the Hong Kong Listing Rules.</p> <p>.....</p>	<p>Article 237 The term “announcement” as mentioned herein, unless otherwise stated in the context, for purposes of the announcement made to the shareholders of domestic shares or which shall be made within PRC in accordance with the relevant regulations and the Articles of Association, means publication of announcement in the newspapers and periodicals of China. The relevant newspapers and periodicals shall be those prescribed by the laws and regulations of China, or designated, agreed or permitted by the securities regulatory authority under the State Council; for purposes of the announcement made to the shareholders of H-shares of the Company or which shall be made in Hong Kong in accordance with the relevant regulations and the Articles of Association, such announcement must be published in the newspapers and periodicals and/or other designated media (including websites) as required by the Hong Kong Listing Rules.</p> <p>.....</p> <p><b><u>The Company shall issue announcements and information disclosures to shareholders of domestic shares through the information disclosure newspapers and websites designated by the securities regulatory authority where the domestic shares are listed in accordance with laws and regulations. If, in accordance with this Articles of Association, the “Hong Kong Listing Rules” or laws and regulations, the Company shall issue an announcement to shareholders of foreign listed foreign shares, the relevant announcement shall also be published in accordance with the methods prescribed in the “Hong Kong Listing Rules”.</u></b></p>

Existing Articles of Association	Revised Articles of Association
<p>Article 202 The Company shall abide by the following principles for settlement of disputes:</p> <p>(i) Any disputes or claims in connection with the affairs of the Company arising between the Company and its directors, supervisors or senior management officers, between the shareholders of the overseas-listed foreign shares and the Company, between the shareholders of the overseas-listed foreign shares and the Company's directors, supervisors or senior management officers members, between the shareholders of the overseas-listed foreign shares and shareholders of domestic shares <u>or shareholders of unlisted foreign shares</u>, in respect of any rights or obligations under the contracts concluded in accordance with the Articles of Association, and pursuant to <b>Articles 159 and 160</b> hereof and as prescribed by the Company Law and any other relevant laws and administrative regulations shall be referred by the parties concerned to the arbitration body for arbitration.</p> <p>.....</p>	<p>Article 238 The Company shall abide by the following principles for settlement of disputes:</p> <p>(i) Any disputes or claims in connection with the affairs of the Company arising between the Company and its directors, supervisors or senior management officers, between the shareholders of the overseas-listed foreign shares and the Company, between the shareholders of the overseas-listed foreign shares and the Company's directors, supervisors or senior management officers members, between the shareholders of the overseas-listed foreign shares and shareholders of domestic shares, in respect of any rights or obligations under the contracts concluded in accordance with the Articles of Association, and pursuant to <b>Articles 190 and 191</b> hereof and as prescribed by the Company Law and any other relevant laws and administrative regulations shall be referred by the parties concerned to the arbitration body for arbitration.</p> <p>.....</p>
<p>Article 205 The board of directors of the Company shall be responsible for interpretation of the Articles of Association, and become effective after being adopted at the general meeting and after <b><u>the shares of the Company are listed and traded on the Hong Kong Stock Exchange.</u></b></p>	<p>Article 241 The board of directors of the Company shall be responsible for interpretation of this Articles of Association, and become effective after being adopted at the general meeting and after the Company's <b><u>initial public offering of RMB ordinary shares (A shares) and its listing on the Science and Technology Innovation Board of Shanghai Stock Exchange. From the effective date of this Articles of Association, the original Articles of Association of the Company shall automatically become invalid.</u></b></p>
<p>/</p>	<p><b>In view of the additions and deletions to the articles, the article numbers in the Articles of Association and the references to the articles shall be amended accordingly.</b></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 1 In order to improve the corporate governance structure of Shanghai Henlius Biotech, Inc. (the “Company”), clarify the duties and powers of general meeting, ensure that general meeting are held in a standardized manner in accordance with the law, and improve the efficiency of general meeting, ensure that the Company’s decision-making is democratic and scientific, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”) and other relevant provisions.</p>	<p>Article 1 In order to improve the corporate governance structure of Shanghai Henlius Biotech, Inc. (the “Company”), clarify the duties and powers of general meeting, ensure that general meeting are held in a standardized manner in accordance with the law, and improve the efficiency of general meeting, ensure that the Company’s decision-making is democratic and scientific, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), <b><u>the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board (hereinafter referred to as the “STAR Market Listing Rules”), the Reply of the State Council on the Adjustment of the Notice Period for General Meetings and Other Matters Applicable to Overseas Listed Companies, the Guidelines on Articles of Association of Listed Companies</u></b>, the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”) and other relevant provisions.</p>



Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 5 The general meeting shall exercise the following powers:</p> <p>.....</p> <p>(ii) to elect and replace the directors and decide on matters relating to the remuneration of the directors;</p> <p>.....</p> <p><u>(xiv)</u> to consider other matters required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association, resolved by the general meeting.</p>	<p>Article 5 The general meeting shall exercise the following powers:</p> <p>.....</p> <p>(ii) to elect and replace the directors <b><u>who are not employees' representatives</u></b> and decide on matters relating to the remuneration of the directors;</p> <p>.....</p> <p><b><u>(xiv) to consider and approve the guarantees stipulated in Article 7 of the Rules;</u></b></p> <p><b><u>(xv) to consider and approve the major transactions stipulated in Article 8 of the Rules;</u></b></p> <p><b><u>(xvi) to consider amount of transactions to be concluded with related parties (except for the provision of guarantees) that account for more than 1% of the Company's latest audited total assets or market value, and more than RMB30 million. Except for those that can be exempted from consideration in the form of connected/related transactions in accordance with the relevant provisions;</u></b></p> <p><b><u>(xvii) to consider connected/related transactions that need to be decided by the general meeting in accordance with the listing rules where the Company's shares listed;</u></b></p> <p><b><u>(xviii) to consider and approve the change of use of proceeds;</u></b></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>(xix) to consider the equity incentive plan;</u></p> <p><u>(xx) to consider the Company's acquisition of the Company's shares for the reasons of Article 26 (i) and (ii) of the Articles of Association;</u></p> <p><u>(xxi) to consider other matters required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association, resolved by the general meeting.</u></p>
/	<p>Article 6 <u>The above functions and powers of general meetings shall not be delegated through authorization to the board of directors or any other institution or individual.</u></p>
/	<p>Article 7 <u>The following external guarantees of the Company shall be considered and approved by the general meeting:</u></p> <p><u>(i) any guarantees provided by the Company and its controlling subsidiaries after the total amount of external guarantees has reached or exceeded 50% of the latest audited net assets;</u></p> <p><u>(ii) according to the principle of accumulated amount of guarantee within 12 consecutive months, any guarantees provided by the Company after the total amount of external guarantees has reached or exceeded 30% of the latest audited total assets;</u></p> <p><u>(iii) guarantee for guarantee objects whose gearing ratio exceeds 70%;</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>(iv) a single guarantee with the amount exceeding 10% of the latest audited net assets;</u></p> <p><u>(v) guarantees provided to the Company's shareholders, de facto controllers and their related parties;</u></p> <p><u>(vi) other guarantees prescribed by the stock exchange where the Company's shares are listed or the Articles of Association that need to be considered and approved by the general meeting.</u></p> <p><u>When considering the guarantees within the scope of authority, the proposal for guarantees shall not only be approved by more than half of all the directors, but also subject to the consent of more than 2/3 of the directors attending the board meeting. When the general meeting of the Company considers the guarantees mentioned in preceding item (ii), it must be approved by more than 2/3 of the voting rights held by the shareholders attending at the meeting.</u></p> <p><u>When the general meeting of the Company considers the resolutions that provide guarantee to shareholders, de facto controllers and their related parties, the shareholders or shareholders controlled by the de facto controller shall not participate in the voting, and the resolution shall be adopted by more than half of the voting rights held by other shareholders attending the general meeting of the Company.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>Where the Company provides guarantee for connected/related parties, it shall have reasonable business logic, disclose it in a timely manner after consideration and approval by the board of directors, and submit it to the general meeting for consideration. Where the Company provides a guarantee for the controlling shareholder, de facto controller and their related parties, the controlling shareholder, de facto controller and their related parties shall provide counter-guarantee.</u></p> <p><u>Where the Company provides guarantee for a wholly-owned subsidiary or a controlling subsidiary and other shareholders of the controlling subsidiary provide guarantee in the same proportion according to their rights and interests, without harming the interests of the Company, the provisions of items (i), (iii) and (iv) of the first paragraph of this Article may be exempted, unless otherwise provided for in the Articles of Association. The Company shall disclose the above-mentioned guarantees collectively in the annual report and semi-annual report.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	<p>Article 8 <u>The Company's transactions (excluding the provision of guarantee) meeting one of the following standards shall be submitted to the general meeting for consideration:</u></p> <p>(i) <u>the total asset value involved in the transaction (the higher of the book value and the assessed value as the case may be) accounts for more than 50% of the latest audited total assets of the Company;</u></p> <p>(ii) <u>the concluded transaction amount accounts for more than 50% of the Company's market value;</u></p> <p>(iii) <u>the net assets of the transaction subject (e.g. equity) in the latest fiscal year accounts for more than 50% of the Company's market value;</u></p> <p>(iv) <u>the related operating income of the transaction subject (e.g. equity) in the latest fiscal year accounts for more than 50% of the Company's audited operating income in the latest fiscal year and exceeds RMB50 million;</u></p> <p>(v) <u>the profit generated from the transaction accounts for more than 50% of the Company's audited net profit in the latest fiscal year and exceeds RMB5 million;</u></p> <p>(vi) <u>the related net profit of the transaction subject (e.g. equity) in the latest fiscal year accounts for more than 50% of the Company's audited net profit in the latest fiscal year and exceeds RMB5 million;</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>(vii) the Company’s purchase and sale of assets involves total assets or transaction amounts that exceeds 30% of the Company’s latest total audited assets in 12 consecutive months;</u></p> <p><u>(viii) transactions that are required by laws and regulations of the place where other Company’s shares listed to be considered by the general meeting.</u></p> <p><u>The term “transaction” as mentioned in this Article includes: purchase or sale of assets; overseas investment (except for the purchase of bank wealth management products); transfer or assignment of research and development projects; signing of license agreements; leasing of assets as lessor or lessee; entrusting or being entrusted management of assets and business; giving or receiving assets as a gift; restructuring of claims or debts; provision of financial assistance; and other transactions determined by the Shanghai Stock Exchange. The above-mentioned purchase or sale of assets does not include the purchase of raw materials, fuels and power, as well as the sale of products or commodities, and other related transactions related to daily operations.</u></p> <p><u>If the transaction subject referred to in the preceding paragraph and Article 5 (xvi) is a non-cash asset other than equity, an evaluation report shall be issued by a securities service agency qualified to perform securities and futures-related business.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>Transactions in which the Company obtains benefits unilaterally, including receiving cash assets, obtaining debt relief, accepting guarantees and funding, are exempted from performing the review procedures of the general meeting in accordance with the provisions of this Article.</u></p> <p><u>The calculation standards for the above transactions are implemented in accordance with applicable laws and regulations and the relevant regulations of the CSRC and the Shanghai Stock Exchange.</u></p> <p><u>Except for the provision of guarantees, entrusted wealth management, etc., as stipulated in the STAR Market Listing Rules and the Shanghai Stock Exchange Business Rules, when the Company conducts transactions of the same category and related to the subject, it shall apply the principle of cumulative calculation for 12 consecutive months, applicable to item (xvi) of paragraph 1 under Article 58 or item (ii) of paragraph 2 under Article 140. Obligations that have been performed in accordance with item (xvi) of paragraph 1 under Article 58 of the Articles of Association or item (ii) of paragraph 2 under Article 140 of the Articles of Association shall no longer be included in the relevant cumulative calculation.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 6 .....</p> <p>In any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months from the date of the fact:</p> <p>.....</p>	<p>Article 9 .....</p> <p>In any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months from the date of the fact:</p> <p>.....</p> <p><b><u>If the Company is unable to convene a general meeting within the aforementioned period, it shall report to the Shanghai Stock Exchange, explain the reasons and make an announcement.</u></b></p>
<p>Article 7 The Company shall hold the general meeting at the domicile of the Company or such place as is specified in the notice from the general meeting. The general meeting shall have a venue and be held on-site.</p> <p>The Company <b><u>may also provide</u></b> convenience for participation in the shareholders' general meeting by shareholders through other means required by the listing rules of the place where the shares of the Company are listed. A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.</p>	<p>Article 10 The Company shall hold the general meeting at the domicile of the Company or such place as is specified in the notice from the general meeting. The general meeting shall have a venue and be held on-site.</p> <p>The Company <b><u>shall</u></b> provide convenience for participation in the shareholders' general meeting by shareholders through <b><u>whatever means including giving priority to the use of online voting platform or</u></b> other means required by the listing rules of the place where the shares of the Company are listed, <b><u>provided that the general meeting shall be held legally and validly.</u></b> A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.</p>



Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	<p>Article 11 <u>When holding a general meeting, the Company shall engage lawyers to give legal opinions and make an announcement on the following matters:</u></p> <p>(i) <u>whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;</u></p> <p>(ii) <u>whether the qualifications of the attendees and the convener of the meeting are lawful and valid;</u></p> <p>(iii) <u>whether the voting procedure and results of the meeting are lawful and valid;</u></p> <p>(iv) <u>legal opinions on other relevant matters upon request by the Company.</u></p>
Article 8 .....	<p>Article 12 .....</p> <p><u>A general meeting convened by the board of supervisors itself shall be presided over by the chairman of the board of supervisors. Where the chairman of the board of supervisors cannot or does not fulfil the duty thereof, more than half of the supervisors may jointly elect a supervisor to preside over the meeting.</u></p> <p><u>A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>When a general meeting is held and the presider violates the rules of procedure, which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider, subject to the approval of more than half of the attending shareholders with voting rights.</u></p> <p><u>The presider shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be as recorded in the meeting's register.</u></p>
<p>Article 9 Where the shareholders holding, individually or in the aggregate, more than 10% of the shares of the Company request the convening of an extraordinary general meeting or class meeting of shareholders, the following procedures shall be followed:</p> <p>.....</p> <p><u>(ii) If the board of directors fails to issue the notice of such a meeting within thirty days of receipt of the written request, the requesting shareholders may themselves convene such a meeting in a manner as similar as possible to the manner in which general meetings are convened by the board of directors within four months of receipt of the request by the board of directors;</u></p>	<p>Article 13 Where the shareholders holding, individually or in the aggregate, more than 10% of the shares of the Company request the convening of an extraordinary general meeting or class meeting of shareholders, the following procedures shall be followed:</p> <p>.....</p> <p><u>(ii) If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within ten days after receipt of the request, shareholder(s) severally or jointly holding more than 10% shares of the Company shall be entitled to propose to the board of supervisors to hold an extraordinary general meeting, and shall put forward such request to the board of supervisors in writing;</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Where the shareholders convene and preside over a meeting by themselves as the Board fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company and deducted from the amounts due from the Company to the defaulting Directors.</p>	<p><b><u>(iii) If the board of supervisors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original resolution set forth in the notice, the consent of relevant shareholder(s) shall be obtained;</u></b></p> <p><b><u>(iv) If the board of supervisors fails to serve the notice of general meeting within the prescribed period, it shall be deemed as failing to convene and preside over the general meeting. The shareholder(s) severally or jointly holding more than 10% shares of the Company for more than ninety consecutive days may convene and preside over the meeting by themselves.</u></b></p> <p>Where the shareholders convene and preside over a meeting by themselves as the Board <b><u>and the board of supervisors</u></b> fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company and deducted from the amounts due from the Company to the defaulting Directors.</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	<p>Article 14 <u>Independent non-executive directors shall have the right to propose to the Board to hold an extraordinary general meeting. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to hold such an extraordinary general meeting within 10 days after receipt of the proposal of the independent non-executive director to hold such a meeting. If the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board; if the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement in respect thereof.</u></p>
<p>Article 11 If the board of supervisors or any shareholder has decided to convene a general meeting by itself, a written notice shall be given to the board of directors</p>	<p>Article 16 If the board of supervisors or any shareholder has decided to convene a general meeting by itself, a written notice shall be given to the board of directors. <u>At the same time, it should be filed with the CSRC office where the Company is located and the Shanghai Stock Exchange.</u></p> <p><u>Prior to the announcement of the resolution of the general meeting, the shareholding ratio of the shareholders must not be less than 10%.</u></p> <p><u>The board of supervisors and the convening shareholders shall submit relevant certification materials to the CSRC office where the Company is located and the Shanghai Stock Exchange when the notice of the general meeting and the announcement of the resolution of the general meeting are issued.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 12 For the purpose of any general meeting convened by the board of supervisors or any shareholder, the board of directors shall provide assistance. The board of directors shall provide the register of shareholders on the equity rights registration date.</p>	<p>Article 17 For the purpose of any general meeting convened by the board of supervisors or any shareholder, the board of directors <b>and secretary to the Board</b> shall provide assistance. The board of directors shall provide the register of shareholders on the equity rights registration date. <b><u>Where the board of directors does not provide a register of shareholders, the convener may apply for obtaining it to the securities registration and clearing institution by providing relevant announcement on convention of a general meeting. The register of shareholders obtained by the convener may not be used for other purposes except convention of a general meeting.</u></b></p>
<p>Article 15 Written notice of the general meeting by the Company shall be dispatched <b><u>forty-five</u></b> days prior to the date of the meeting (excluding both the date of notice and the date of meeting) to all shareholders whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting. <b><u>Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty days prior to the date of the meeting (excluding the day on which the notice is sent and the day of the meeting).</u></b></p>	<p>Article 20 Written notice of the <b><u>annual</u></b> general meeting by the Company shall be dispatched <b><u>twenty business</u></b> days prior to the date of the meeting (excluding both the date of notice and the date of meeting) to all shareholders whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting <b><u>by way of announcement. When the Company convenes an extraordinary general meeting, an announcement to notify all shareholders whose names appear on the register of shareholders shall be given fifteen days or ten business days (whichever is the longer) (excluding the day on which the notice is sent and the day of the meeting) prior to the date of the meeting.</u></b></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 16 When the Company convenes the general meeting, the board of directors, the board of supervisors and shareholders, individually or in aggregate, holding more than 3% of shares of the Company shall have the right to propose proposals. The contents of the proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws and regulations and the Company’s Articles of Association.</p> <p>Shareholders individually or in the aggregate holding more than 3% of the Shares of the Company may propose and submit a temporary proposal to the convener in writing ten days prior to date of the meeting; the convener shall issue a supplementary notice of general meeting within two days after receipt of the said temporary proposal, to notify other shareholders and to submit the said temporary proposal to the general meeting for consideration. <b><u>The contents of the temporary proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions.</u></b></p> <p>.....</p>	<p>Article 21 When the Company convenes the general meeting, the board of directors, the board of supervisors and shareholders, individually or in aggregate, holding more than 3% of shares of the Company shall have the right to propose proposals. The contents of the proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws and regulations and the Company’s Articles of Association, <b><u>and laws and regulations and listing rules of the place where the Company’s shares are listed.</u></b></p> <p>Shareholders individually or in the aggregate holding more than 3% of the Shares of the Company may propose and submit a temporary proposal to the convener in writing ten days prior to date of the meeting; the convener shall issue a supplementary notice of general meeting within two days after receipt of the said temporary proposal, to notify other shareholders and to submit the said temporary proposal to the general meeting for consideration <b><u>by public notice. Save as specified in the preceding paragraph, the convener shall not change the resolutions set out in the notice of general meeting or add any new resolutions after the said notice is served.</u></b></p> <p>.....</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 17 <u>The Company shall, based on the written replies received twenty days before the date of the general meeting from the shareholders, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one-half of the Company's total voting shares, the Company may hold the meeting. If not, the Company shall within five days notify the shareholders again by public notice, of the matters to be considered, the place and the date of the meeting. The Company may then hold the meeting after publication of such notice.</u></p> <p><u>Extraordinary</u> general meeting shall not decide matters that are not set out in the notice.</p>	<p>Article 22 General meeting shall not decide matters that are not set out in the notice.</p>
/	<p>Article 23 <u>The notice of the general meeting includes the following:</u></p> <p><u>(i) the time, place and period of the meeting;</u></p> <p><u>(ii) the matters and proposals submitted to the meeting for consideration;</u></p> <p><u>(iii) the notice shall state in explicit words: all ordinary shareholders (including preferred shareholders with voting rights restored) are entitled to attend the general meeting and appoint proxies in writing to attend and vote at such meeting and that such proxies need not be shareholders of the Company;</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>(iv) the equity registration date of shareholders entitled to attend the general meeting;</u></p> <p><u>(v) name and telephone number of the permanent contact person of the meeting.</u></p>
/	<p>Article 24 <u>If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of such meeting shall adequately disclose the detailed information of the candidates for directors or supervisors, which information shall at least include:</u></p> <p><u>(i) personal particulars, including educational background, work experience, and part-time jobs;</u></p> <p><u>(ii) whether one has any connected/related relations with the Company, its controlling shareholders and de facto controllers;</u></p> <p><u>(iii) the number of shares of the Company one holds;</u></p> <p><u>(iv) whether one has been punished by the CSRC or the reprimand of the stock exchange.</u></p> <p><u>Unless a director or supervisor is elected via the cumulative voting system, each candidate for director or supervisor shall be proposed via a single resolution.</u></p>



Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 18 The notice of the general meeting shall meet the following requirements:</p> <p>.....</p>	<p>Article 25 The notice of the general meeting shall meet the following requirements:</p> <p>.....</p> <p><u>The notice of the general meeting shall specify the time and place of the meeting, and determine the equity registration date. The interval between the equity registration date and the meeting date shall be no more than 7 working days. Once the equity registration date is confirmed, it cannot be changed.</u></p> <p><u>Notices or supplementary notices of general meetings shall adequately and completely disclose the specific contents of all resolutions Where the opinions of an independent non-executive director are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notices or supplementary notices of general meetings are served.</u></p> <p><u>Where a general meeting is held over network or other means, the notice of general meeting shall specify the voting time and voting procedure of those means.</u></p>

<b>Existing Articles of the Rules of Procedures for the General Meeting</b>	<b>Revised Articles of the Rules of Procedures for the General Meeting</b>
<p>Article 19 The notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company’s website and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares <b><u>and the holders of unlisted foreign shares</u></b> may also be made by way of announcement.</p> <p>The term “announcement” referred to in the preceding paragraph shall be published in one or more national newspapers designated by securities regulatory authority under the State Council <b><u>within the interval of forty-five days to fifty days before the date of the meeting</u></b>. After the publication of such announcement, all shareholders of domestic shares and <b><u>holders of unlisted foreign shares</u></b> shall be deemed to have received the relevant notice of the general meeting.</p>	<p>Article 26 The notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company’s website and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares may also be made by way of announcement.</p> <p>The term “announcement” referred to in the preceding paragraph shall be published in one or more national newspapers designated by securities regulatory authority under the State Council <b><u>and securities regulatory authority of the place where the Company’s shares are listed</u></b>. After the publication of such announcement, all shareholders of domestic shares and shall be deemed to have received the relevant notice of the general meeting.</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	<p>Article 28 <u>After the notice of general meeting is issued, the same meeting shall not be postponed or cancelled and the resolutions set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefore at least 2 working days prior to the date on which the meeting is originally scheduled.</u></p>
/	<p>Article 30 <u>All ordinary shareholders (including preferred shareholders with voting rights restored) registered on the equity registration date or their proxies are entitled to attend the general meeting, and exercise voting rights in accordance with relevant laws, regulations and the Articles of Association. Shareholders may attend the general meeting in person, or they may appoint a proxy to attend and vote on their behalf.</u></p> <p><u>An individual shareholder attending a general meeting in person shall present his/her identity card or other valid identity certificates or share account card; a proxy attending a general meeting on behalf of an individual shareholder shall present his/her identity card and power of attorney of the shareholder.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><b><u>For a corporate shareholder, its legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall present his/her identity card or valid certificate bearing evidence of his/her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card and the written power of attorney lawfully issued by the legal representative of the corporate shareholder.</u></b></p>
<p>Article 23 If shareholder shall appoint his proxy in writing, such instrument appointing the proxy shall be signed by the appointing shareholder or the proxy who is authorized in writing, or if the appointing shareholder is a legal entity, either affixed with legal person seal or signed by a director, or the duly authorized proxy.</p>	<p>Article 32 If shareholder shall appoint his proxy in writing, such instrument appointing the proxy shall be signed by the appointing shareholder or the proxy who is authorized in writing, or if the appointing shareholder is a legal entity, either affixed with legal person seal or signed by a director, or the duly authorized proxy.</p> <p><b><u>The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall specify:</u></b></p> <p><b><u>(i) the name of the proxy;</u></b></p> <p><b><u>(ii) whether or not the proxy has any voting right;</u></b></p> <p><b><u>(iii) directive to vote for or against or abstain from voting on each and every matter under consideration included in the agenda of the general meeting;</u></b></p> <p><b><u>(iv) the date of issue and validity period of the power of attorney;</u></b></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>(v) signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.</u></p> <p><u>A power of attorney shall state clearly that the proxy shall be entitled to vote or not at his discretion in the absence of specific instructions from the shareholder.</u></p>
/	<p>Article 36 <u>Attendees' register shall be prepared by the Company. The attendees' register shall state the names (or names of the corporations), identification card number and the address of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.</u></p>
/	<p>Article 37 <u>The convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing organization, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 27 All directors, supervisors and senior management officers shall be in attendance at the meeting and accept any inquiries by shareholders if so required by the general meeting.</p>	<p>Article 38 <b><u>All directors, supervisors and secretary to the Board shall attend general meetings of the Company, and CEO and other senior management officers shall be present at the meetings. The Board and the board of supervisors shall report their work in the preceding year at the annual general meeting. Every independent non-executive director shall also make his work report.</u></b> All directors, supervisors and senior management officers shall be in attendance at the meeting and accept any inquiries by shareholders if so required by the general meeting. <b><u>Directors, supervisors and senior management officers shall make explanations in relation to the inquiries and suggestions made by shareholders at general meetings.</u></b></p>
<p>Article 30 If votes are counted at a general meeting, the result of the count shall be recorded in the meeting minutes.</p> <p>The general meeting shall prepare meeting minutes regarding the resolutions on the matters discussed at the meeting, for which the secretary to the board of directors shall be responsible, to be signed by the present directors, supervisors, secretary to the board of directors, the convener or its representative, and the chairman of the meeting thereon, and <b><u>shall ensure the trueness, accuracy and completeness of the meeting minutes. The meeting minutes shall, together with the signature book of shareholders attending the meeting and proxy statement,</u></b> be kept at the domicile of the Company for at least ten years.</p>	<p>Article 41 If votes are counted at a general meeting, the result of the count shall be recorded in the meeting minutes.</p> <p>The general meeting shall prepare meeting minutes regarding the resolutions on the matters discussed at the meeting, for which the secretary to the board of directors shall be responsible.</p> <p><b><u>The minutes of the meeting shall specify:</u></b></p> <p><b><u>(i) time, venue and agenda of the meeting, and the name of the convener;</u></b></p> <p><b><u>(ii) the names of the presider, and the directors, supervisors, CEO and other senior management officers attending or present at the meeting;</u></b></p> <p><b><u>(iii) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;</u></b></p> <p><b><u>(iv) the consideration process, summaries of speeches and voting result for each resolution;</u></b></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><u>(v) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;</u></p> <p><u>(vi) the names of the lawyer, counting officer and monitoring officer;</u></p> <p><u>(vii) other contents that shall be recorded in the minutes in accordance with the Articles of Association.</u></p> <p><u>The minutes of the meeting shall also specify: (1) the number of shares of voting rights held by domestic shareholders (including proxies) and H-share shareholders (including proxies) present at the general meeting, each accounting for the Company's total shares; (2) when recording the voting results, the voting of domestic shareholders on each resolution shall also be recorded.</u></p> <p><u>The convener shall ensure the minutes of the meeting are true, accurate and complete.</u> The general meeting shall prepare meeting minutes regarding the resolutions on the matters discussed at the meeting, for which the secretary to the board of directors shall be responsible, to be signed by the present directors, supervisors, secretary to the board of directors, the convener or its representative, and the chairman of the meeting thereon. <u>The meeting minutes shall, together with the signature book of shareholders attending the meeting, proxy statement, and the valid information relating to the voting over network or other means,</u> be kept at the domicile of the Company for at least ten years.</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	<p>Article 43 <u>The convener shall ensure that a general meeting is held continuously until final resolutions are arrived at. If the general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, the convener shall take necessary measures to resume the general meeting as soon as possible or directly terminate the general meeting and make a responsive announcement. Meanwhile, the convener shall report to the CSRC office of the place where the Company's shares are listed and the Shanghai Stock Exchange.</u></p>
<p>Article 38 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one voting right.</p> <p>In accordance with applicable laws and regulations and the listing rules of the stock exchange where the Company is listed, any shareholder must abstain from voting on any designated resolution, or restrict any shareholder to vote for or against the designated resolution. In the event of any violation of this provision or restriction, votes casted by the said shareholder or his/her representative will not be counted in the voting results.</p>	<p>Article 50 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one voting right.</p> <p><u>Votes for medium and small investors shall be separately counted when any material matter affecting their interests is considered at the general meeting. The separate counting results shall be disclosed timely and publicly.</u></p> <p><u>The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.</u></p>



Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
	<p><b><u>The Board, independent non-executive directors and qualified shareholders may publicly collect voting rights from shareholders. They shall adequately disclose specific information including voting intents to the persons whose voting rights are collected when collecting voting rights from shareholders. It is prohibited to collect voting rights from shareholders with compensation or compensation in disguised form. The Company shall not set minimum shareholding percentage limit for collection of voting rights.</u></b></p> <p>In accordance with applicable laws and regulations and the listing rules of the stock exchange where the Company is listed, any shareholder must abstain from voting on any designated resolution, or restrict any shareholder to vote for or against the designated resolution. In the event of any violation of this provision or restriction, votes casted by the said shareholder or his/her representative will not be counted in the voting results.</p>
/	<p><b><u>Article 51 When a connected/related transaction is considered at a general meeting, connected/related shareholders shall not vote, and the voting shares they represent shall not be counted in the total number of valid voting shares; the announcement of any resolution made at the general meeting shall adequately disclose information relating to voting by non-connected/related shareholders.</u></b></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	<p>Article 52 <u>List of nominations for the candidates for directors or supervisors shall be submitted by way of proposal at general meetings for voting.</u></p> <p><u>When the general meeting votes on the election of directors and supervisors, a cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.</u></p> <p><u>The cumulative voting system mentioned in the preceding paragraph means that when directors or supervisors are being elected at a general meeting, each share has as many voting rights as the number of candidates for directors or supervisors, and the shareholders' voting rights may be used in a concentrated manner. The Board shall announce to the shareholders the resumes and basic information of the candidate directors and supervisors.</u></p>
/	<p>Article 53 <u>Save under the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same matter, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is terminated or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	Article 54 <u>No amendment shall be made to a proposal when it is considered at a general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the current general meeting.</u>
/	Article 55 <u>The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.</u>
/	Article 56 <u>The general meeting of shareholders shall vote by open ballot or by other means required by the securities regulatory rules of the place where the Company's shares are listed.</u>
/	<p>Article 57 <u>Before proposals are voted on at the general meeting, two shareholders' representatives shall be elected to count and monitor counting of the votes.</u></p> <p><u>When proposals are voted on at the general meeting, the lawyer, shareholders' representative and supervisors' representative shall be jointly responsible for the counting and monitoring of the votes; the Company must also appoint auditors, share registrars or external accountants who are qualified to act as auditors to act as supervisors at the general meeting, and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes.</u></p> <p><u>Shareholders or proxies thereof voting over the network or other means shall have the right to check their voting results via the corresponding voting system.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	<p>Article 58 <u>A general meeting shall not conclude earlier at the venue than over the network or otherwise, and the presider shall announce the voting result of every resolution and announce whether the resolution is passed or not according to the voting result.</u></p> <p><u>Before the voting result is announced, the relevant parties including the Company, counting officer, monitoring officer, major shareholders and network service provider involved at the venue, over the network or otherwise shall have the confidentiality obligation.</u></p>
/	<p>Article 59 <u>Resolutions of the general meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting result for every resolution and the details of each of the resolutions passed. If the Company issues domestic-listed foreign shares, it shall make respective statistics and announcements on the attendance and voting of domestic shareholders and H-share shareholders.</u></p>
/	<p>Article 60 <u>Where a resolution has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.</u></p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
/	Article 61 <u>Where a resolution on cash dividends, bonus shares or increase of equity capital by way of transfer from capital reserves is passed at the general meeting, the Company shall implement the specific scheme within 2 months after conclusion of the general meeting.</u>
<p>Article 39 .....</p> <p>If a poll is demanded in accordance with the relevant regulations of the securities regulatory authority at the place where the shares of the Company are listed, the <b>presider</b> of the meeting may make a decision in good faith to permit the resolution on the pure relevant procedures or administrative matters to be passed on a show of hands.</p> <p>.....</p>	<p>Article 62 .....</p> <p>If a poll is demanded in accordance with the relevant regulations of the securities regulatory authority at the place where the shares of the Company are listed, the <b>chairman</b> of the meeting may make a decision in good faith to permit the resolution on the pure relevant procedures or administrative matters to be passed on a show of hands.</p> <p>.....</p>
<p>Article 41 Before the general meeting votes on the proposal, the following persons shall be recommended to participate in the counting and monitoring of votes:</p> <p>.....</p> <p>(iii) One or more of the Company's auditors, overseas-listed foreign-share stock registration agencies listed in Hong Kong, or the Company's external accountants qualified as auditors</p>	<p>Article 64 Before the general meeting votes on the proposal, the following persons shall be recommended to participate in the counting and monitoring of votes:</p> <p>.....</p> <p>(iii) One or more of the <b>attorneys and</b> auditors of the Company, overseas-listed foreign-share stock registration agencies listed in Hong Kong, or the Company's external accountants qualified as auditors</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>If the matters under consideration are related/connected to shareholders, the relevant shareholders and proxies shall not participate in the counting and monitoring of votes.</p> <p>When the general meeting votes on a proposal, the persons recommended in accordance with paragraph (i) of this Article shall be responsible for counting and scrutinizing the votes, and shall announce the voting results on the spot, and the voting results of the resolution shall be recorded in the meeting minutes.</p>	<p>If the matters under consideration are related/connected to shareholders, the relevant shareholders and proxies shall not participate in the counting and monitoring of votes.</p> <p>When the general meeting votes on a proposal, the persons recommended in accordance with paragraph (i) of this Article shall be <b>jointly</b> responsible for counting and scrutinizing the votes, and shall announce the voting results on the spot, and the voting results of the resolution shall be recorded in the meeting minutes.</p>
<p>Article 44 The following matters shall be resolved by an ordinary resolution at a general meeting:</p> <p>.....</p> <p>(iv) annual budgets and final accounts, balance sheet, income statement, and other financial statements of the Company; and</p> <p>.....</p>	<p>Article 67 The following matters shall be resolved by an ordinary resolution at a general meeting:</p> <p>.....</p> <p>(iv) annual budgets and final accounts, <b>annual report</b>, balance sheet, income statement, and other financial statements of the Company; and</p> <p>.....</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 45 The following matters shall be resolved by a special resolution at a general meeting:</p> <p>.....</p> <p><u>(v)</u> other matters as resolved by an ordinary resolution at general meetings that will have a material impact on the Company and accordingly shall be approved by a special resolution;</p> <p><u>(vi)</u> other matters requiring approval by special resolutions in accordance with laws, administrative regulations, the Articles of Association, listing rules of the place where the shares of the Company are listed.</p>	<p>Article 68 The following matters shall be resolved by a special resolution at a general meeting:</p> <p>.....</p> <p><b><u>(v) equity incentive plan;</u></b></p> <p><b><u>(vi) according to the principle of accumulated amount of guarantee within 12 consecutive months, any guarantees provided by the Company after the total amount of external guarantees has reached or exceeded 30% of the latest audited total assets;</u></b></p> <p><b><u>(vii) the Company's purchase and sale of assets involves total assets or transaction amounts that exceeds 30% of the Company's latest total audited assets in 12 consecutive months;</u></b></p> <p><u>(viii)</u> other matters as resolved by an ordinary resolution at general meetings that will have a material impact on the Company and accordingly shall be approved by a special resolution;</p> <p><u>(ix)</u> other matters requiring approval by special resolutions in accordance with laws, administrative regulations, the Articles of Association, listing rules of the place where the shares of the Company are listed.</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 51 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b><u>forty-five days before the date of the class meeting</u></b>, specifying the matters to be considered at such meeting and the date and place of the class meeting. <b><u>A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company twenty days before the date of the class meeting. The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class.</u></b></p> <p><b><u>If the shareholders who intend to attend such class meeting represent more than half of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; otherwise, the Company shall within five days give the shareholders further notice of the matters to be considered and the date and place of the class meeting by way of announcement. The Company may then hold the class meeting after such further notice has been given by way of announcement.</u></b></p>	<p>Article 74 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b><u>with reference to Article 20 of these rule concerning the time limit for notices of annual and extraordinary general meeting</u></b>, specifying the matters to be considered at such meeting and the date and place of the class meeting <b><u>by way of announcement.</u></b></p>



Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 53 Apart from the shareholders of other classes of shares, the shareholders of the domestic shares and <b><u>the shareholders of the unlisted foreign shares shall be deemed to be holders of same classes of shares, the shareholders of the domestic shares and the shareholders of the overseas listed foreign shares shall be deemed to be holders of different classes of shares, the shareholders of the unlisted foreign shares and</u></b> the shareholders of <b><u>overseas-listed foreign shares</u></b> shall be deemed to be holders of different classes of shares.</p> <p>The special procedures for voting by a class of shareholders shall not apply under the following circumstances:</p> <p>(i) where the Company issues, upon the approval by special resolution of its shareholders at the general meeting, either separately or concurrently once every twelve months, not more than 20% of each of its existing issued and outstanding domestic shares, <b><u>unlisted foreign shares and overseas-listed foreign shares;</u></b></p> <p><b><u>(ii) where the Company's plan to issue domestic shares, unlisted foreign shares and overseas-listed foreign shares at the time of its establishment is carried out within fifteen months from the date of approval of the securities regulatory authority under the State Council; or</u></b></p> <p><b><u>(iii)</u></b> where a holder of domestic shares <b><u>and a holder of unlisted foreign shares</u></b> converts them into overseas-listed foreign shares with approval of the securities regulatory authority under the State Council and such shares are listed in an overseas stock exchange.</p>	<p>Article 76 Apart from the shareholders of other classes of shares, the shareholders of the domestic shares and the shareholders of <b><u>H shares</u></b> shall be deemed to be holders of different classes of shares.</p> <p>The special procedures for voting by a class of shareholders shall not apply under the following circumstances:</p> <p>(i) where the Company issues, upon the approval by special resolution of its shareholders at the general meeting, either separately or concurrently once every twelve months, not more than 20% of each of its existing issued and outstanding domestic shares <b><u>and H shares; or</u></b></p> <p><b><u>(ii)</u></b> where a holder of domestic shares converts them into overseas-listed foreign shares with approval of the securities regulatory authority under the State Council and such shares are listed in an overseas stock exchange.</p>

Existing Articles of the Rules of Procedures for the General Meeting	Revised Articles of the Rules of Procedures for the General Meeting
<p>Article 54 The terms “above” and “below” mentioned in the Rules include the figures; “other than” does not include given the figures.</p> <p>If otherwise indicated in the Rules on the above terms, those shall prevail.</p>	<p>Article 77 The terms “above” and “below” mentioned in the Rules include the figures; <b>“Over”, “more than”,</b> “other than” does not include the given figures.</p> <p>If otherwise indicated in the Rules on the above terms, those shall prevail.</p>
<p>Article 55 The Rules are the appendix to the Articles of Association, which were drafted by the board of directors of the Company and considered and approved by the general meeting of the Company, and the same applies to amendments. The Rules <b>took</b> effect from the date on which <b><u>the H shares issued by the Company were listed on the Hong Kong Stock Exchange.</u></b> From the date on which the Rules took effect, the Company’s original Rules of Procedures for the General Meeting automatically became invalid.</p>	<p>Article 78 The Rules are the appendix to the Articles of Association, which were drafted by the board of directors of the Company and considered and approved by the general meeting of the Company, and the same applies to amendments. The Rules <b>will take effect and be effective and implemented from the date on which the Company’s initial public offering of RMB ordinary shares (A shares) and its listing on the STAR Market of Shanghai Stock Exchange.</b> From the date on which the Rules <b>take effect and are implemented,</b> the Company’s original Rules of Procedures for the General Meeting automatically become invalid.</p>
/	<p><b>In view of the additions and deletions to the clauses, the article numbers in the Rules of Procedures for the General Meeting and the references to the articles shall be amended accordingly.</b></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 1 In order to standardize the decision-making of the board of directors of Shanghai Henlius Biotech, Inc. (the “Company”), establish a sound corporate governance structure to ensure the legalization, scientification and institutionalization of board decisions, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”) and other relevant provisions.</p>	<p>Article 1 In order to standardize the decision-making of the board of directors of Shanghai Henlius Biotech, Inc. (the “Company”), establish a sound corporate governance structure to ensure the legalization, scientification and institutionalization of board decisions, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (<b><u>the “Securities Law”</u></b>), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (<b><u>the “Hong Kong Listing Rules”</u></b>), <b><u>the Guidelines on Articles of Association of Listed Companies, the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board (the “STAR Market Listing Rules”, together with the “Hong Kong Listing Rules”, collectively, the “Listing Rules”)</u></b>, <b><u>Model Rules for Board Meetings of Listed Companies on Shanghai Stock Exchange, Guidance on the Establishment of the Independent Director System in Listed Companies and</u></b> the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”) and other relevant provisions.</p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 3 Directors shall be elected at the general meeting and a director’s term of office shall be three years. The term of office of a director may be renewed upon reelection when it expires.</p> <p>The chairman of the board of directors is elected and removed by more than half of all directors, the term of which is three years and may be renewed upon reelection when it expires.</p> <p>Directors are not required to hold Company’s shares.</p>	<p>Article 3 Directors <b><u>who are not employees’ representatives</u></b> shall be elected at the general meeting and a director’s term of office shall be three years <b><u>and may be dismissed by the general meeting before the term expires.</u></b> The term of office of a director may be renewed upon reelection when it expires.</p> <p><b><u>The term of a director shall start from the date on which the said director assumes office to the expiry of the current board of directors.</u></b></p> <p><b><u>A director may serve concurrently as CEO or other senior management officers, but the directors serving concurrently as such and directors who are employee representatives shall not be more than half of the directors of the Company.</u></b></p> <p>The chairman of the board of directors is elected and removed by more than half of all directors, the term of which is three years and may be renewed upon reelection when it expires.</p> <p>Directors are not required to hold Company’s shares.</p>
<p>Article 4 Director candidates are generally submitted to the Company’s general meeting by proposal from the Company’s board of directors. The Company’s shareholders and the board of supervisors may nominate director candidates in accordance with the provisions of <b><u>this Articles of Association.</u></b></p> <p>.....</p>	<p>Article 4 Director candidates are generally submitted to the Company’s general meeting by proposal from the Company’s board of directors. The Company’s shareholders and the board of supervisors may nominate director candidates in accordance with the provisions of <b><u>the Articles of Association.</u></b></p> <p>.....</p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 5 A director may resign before expiry of his/her term of office, subject to submission of a written resignation report to the board of directors.</p> <p>If no reelection is made timely upon expiration of the term of office of a director, or the number of members of the board of directors is less than the quorum due to any director’s resignation during his/her term of office, before the reelected director takes office, the original director shall still perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association.</p> <p>Without violating the relevant laws and regulations of the places where the Company is listed, if the board of directors appoints a new director to fill an interim vacancy on the board or increase the number of directors, the appointed director’s term of office will only last until the Company’s next annual general meeting and being eligible for reelection at that time.</p>	<p>Article 5 A director may resign before expiry of his/her term of office, subject to submission of a written resignation report to the board of directors. <b><u>The board of directors will disclose relevant information within 2 days.</u></b></p> <p>If no reelection is made timely upon expiration of the term of office of a director, or the number of members of the board of directors is less than the quorum due to any director’s resignation during his/her term of office, before the reelected director takes office, the original director shall still perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association. <b><u>Save as provided in the preceding paragraph, a director’s resignation shall be effective when his/her resignation is served to the Board.</u></b></p> <p>Without violating the relevant laws and regulations of the places where the Company is listed, if the board of directors appoints a new director to fill an interim vacancy on the board or increase the number of directors, the appointed director’s term of office will only last until the Company’s next annual general meeting and being eligible for reelection at that time.</p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 6 The director who has not yet expired shall bear compensation for the losses caused to the Company due to his/her unauthorized departure.</p> <p>The general meeting may, in compliance with the relevant laws and administrative regulations, remove any director whose term has not expired by way of ordinary resolution, but this does not affect the claims that the director may make under any contract.</p> <p>Directors who fail to attend in person for two consecutive times, or entrust other directors to attend board meetings, are deemed to be unable to perform their duties, and the board of directors may recommend the general meeting to replace them.</p>	<p>Article 6 The director who has not yet expired shall bear compensation for the losses caused to the Company due to his/her unauthorized departure.</p> <p>The general meeting may, in compliance with the relevant laws and administrative regulations, remove any director whose term has not expired by way of ordinary resolution, but this does not affect the claims that the director may make under any contract.</p> <p><b><u>Directors shall, in principle, attend board meetings in person.</u></b> Directors who fail to attend in person for two consecutive times, or entrust other directors to attend board meetings, are deemed to be unable to perform their duties, and the board of directors may recommend the general meeting to replace them.</p>
<p>Article 7 .....</p> <p>The term of each independent non-executive director is the same as that of the other directors of the Company, and may be renewed upon reelection when it expires.</p>	<p>Article 7 .....</p> <p>The term of each independent non-executive director is the same as that of the other directors of the Company, and may be renewed upon reelection when it expires, <b><u>but the re-election period shall not exceed six years.</u></b></p>
<p>Article 8 Independent non-executive directors shall have the qualifications and independence required by laws and regulations and the listing rules of the places where the Company's shares are listed.</p>	<p>Article 8 Independent non-executive directors shall have the qualifications and independence required by laws and regulations and the listing rules of the places where the Company's shares are listed. <b><u>In principle, independent non-executive directors can concurrently serve as independent non-executive directors in up to five A-share listed companies, and should ensure that they have sufficient time and energy to effectively perform their duties as independent non-executive directors.</u></b></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 12 Regarding independent non-executive directors, if there are no specific provisions in this section, relevant laws and regulations, the listing rules of the places where the Company's shares are listed and the relevant provisions of <u>this Articles of Association</u> on directors of the Company shall be applied.</p>	<p>Article 12 Regarding independent non-executive directors, if there are no specific provisions in this section, relevant laws and regulations, the listing rules of the places where the Company's shares are listed and the relevant provisions of <u>the Articles of Association</u> on directors of the Company shall be applied.</p>
<p>/</p>	<p>Article 14 <u>The board of directors shall be accountable to the general meeting, and shall exercise the following powers:</u></p> <p><u>(i) to convene the general meeting and to report on its work to the general meeting;</u></p> <p><u>(ii) to implement the resolutions adopted by the general meeting;</u></p> <p><u>(iii) to determine the Company's business plans and investment plans;</u></p> <p><u>(iv) to formulate the Company's plans for annual financial budgets and final accounts;</u></p> <p><u>(v) to formulate the Company's profit distribution plans and plans to cover losses;</u></p> <p><u>(vi) to formulate the plans for the increase or reduction of the Company's registered capital and the plans for the issuance of the corporate bonds, or other securities and listing;</u></p> <p><u>(vii) to draft the plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution or change of the corporate form of the Company;</u></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
	<p><u>(viii) to decide on the purchase of shares of the Company due to the circumstances specified in Article 26 (3), (5) and (6) of the Articles of Association;</u></p> <p><u>(ix) to decide on the external investment, purchase and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected/related transactions, etc. within the authority granted by the general meeting;</u></p> <p><u>(x) to decide on the establishment of the Company's internal management organizations;</u></p> <p><u>(xi) to appoint or remove the Company's CEO, and, according to the nomination of the CEO, to appoint or remove the Company's other senior management officers including president, senior vice president, vice president and chief financial officer and decide on their remuneration, rewards and punishments;</u></p> <p><u>(xii) to formulate and amend the Company's basic management system;</u></p> <p><u>(xiii) to formulate the plans for the amendment of the Articles of Association;</u></p> <p><u>(xiv) to manage matters relating to information disclosure of the Company;</u></p> <p><u>(xv) to propose to the general meeting to appoint or replace the accounting firm which audits the Company's accounts;</u></p>



Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
	<p><u>(xvi) to listen to the work reports of the Company's CEO and examine the work thereof;</u></p> <p><u>(xvii) to exercise any other powers granted by the laws, regulations, the listing rules of the places where the shares of the Company are listed, the general meeting and the Articles of Association.</u></p> <p><u>The board of directors shall perform duties in accordance with the laws, administrative regulations, the listing rules of the places where the shares of the Company are listed, the Articles of Association and the resolutions of the general meeting.</u></p> <p><u>If any director has connected/related connection with the enterprise involved in the resolution made at a board meeting, the said director shall not vote on the said resolution for himself/herself or on behalf of other directors. A board meeting may be held when more than half of the non-connected/related directors attend the meeting. The resolution made at the board meeting shall be passed by more than half of the non-connected/related directors. If the number of non-connected/related directors present at the meetings is less than 3, the issue shall be submitted to the general meeting for consideration.</u></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
/	<p data-bbox="810 336 1359 810"><u>Article 15 The board of directors shall determine the authorization relating to external investment, purchase and disposal of assets, asset mortgage, external guarantee, consigned financial management and connected/related transactions, and shall establish strict examination and decision making procedure; and organize relevant experts and professionals to make assessments on material investment projects and report to the general meeting for approval.</u></p> <p data-bbox="810 859 1359 970"><u>The board of directors has the right to consider and approve the following matters:</u></p> <p data-bbox="810 1019 1359 1251"><u>(i) For external guarantees, the external guarantees stipulated in Article 59 of the Articles of Association shall be submitted to the general meeting for consideration and approval after being approved by the board of directors;</u></p> <p data-bbox="810 1300 1359 1974"><u>(ii) The Company intends to have a related transaction with a related natural person with a transaction amount of more than RMB300,000, and a related party legal person with a transaction amount of more than RMB3 million, and related transactions accounting for more than 0.1% of the Company's latest total audited assets or market value. Among them, the transaction amount between the Company and its related persons (excluding the provision of guarantees) that accounted for more than 1% of the Company's audited total assets or market value in the latest period and exceeded RMB30 million should be submitted to the general meeting for consideration.</u></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
	<p><u>(iii) The following transactions (other than the provision of guarantees) should be considered and approved by the board of directors and disclosed in a timely manner:</u></p> <ol style="list-style-type: none"> <li><u>1. The total assets involved in the transaction (where both the book value and the appraisal value exist, whichever is higher) account for more than 10% of the Company's latest total audited assets;</u></li> <li><u>2. The trading amount of the transaction accounted for more than 10% of the Company's market value;</u></li> <li><u>3. The net asset value of the transaction subject (such as equity) in the latest fiscal year accounted for more than 10% of the Company's market value;</u></li> <li><u>4. The operating income related to the transaction subject (such as equity) in the latest fiscal year accounted for more than 10% of the Company's audited operating income in the latest fiscal year and exceeded RMB10 million;</u></li> <li><u>5. The profit generated from the transaction accounted for more than 10% of the Company's audited net profit in the latest fiscal year, and exceeded RMB1 million;</u></li> <li><u>6. The net profit of the transaction subject (such as equity) accounted for more than 10% of the Company's audited net profit in the latest fiscal year and its absolute amount exceeded RMB1 million.</u></li> </ol>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
	<p><u>If the data involved in the calculation of the above indicators is negative, the absolute value shall be taken as the calculation.</u></p> <p><u>Transactions in this paragraph include, but are not limited to, purchase or sale of assets; external investment (including entrusted wealth management, entrusted loans); provision of financial assistance; provision of guarantees; leased or leased out assets; entrusted or being entrusted management of assets and business; gifts or donated assets; creditor's rights, debt restructuring; signing license agreements; transferring or assigning research and development projects.</u></p> <p><u>The aforementioned purchase or sale of assets does not include the purchase or sale of assets related to daily operations, such as the purchase of raw materials, fuels and power, and the sale of products and commodities, but such purchases or sales of assets involved in asset replacement are still included.</u></p> <p><u>(iv) Other external investment, acquisition and sale of assets, venture capital, entrusted wealth management, asset pledge, external guarantee, and connected/related transactions that are required by the board of directors or authorized by the general meeting to be approved by the board of directors in accordance with laws, administrative regulations, and departmental rules.</u></p> <p><u>(v) The foregoing matters that occur in the Company's controlling subsidiaries shall be governed by the foregoing provisions.</u></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
	<p><u>(vi) The above-mentioned matters that the board of directors has the authority to consider and approve should be submitted to the general meeting for consideration and approval upon the consideration and approval by the board of directors in accordance with the laws and regulations of the places where the Company is listed.</u></p>
/	<p>Article 16 <u>When the board of directors disposes of fixed assets, if the expected value of the fixed assets to be disposed of and the value obtained from the fixed assets that have been disposed of within the four months prior to this disposal proposal exceed 33% of the total value of the fixed assets shown in the balance sheet recently considered by the general meeting, the board of directors shall not dispose of or agree to dispose of the fixed assets without the approval of the general meeting.</u></p> <p><u>The disposal of fixed assets referred to in this article includes the action of transferring certain assets and interests, but does not include the action of providing guarantees with fixed assets.</u></p> <p><u>The validity of transactions conducted by the Company for the disposal of fixed assets shall not be affected by the violation of the first paragraph of this article.</u></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
/	<p data-bbox="810 336 1358 449">Article 17 <u>The chairman of the board of directors shall exercise the following powers:</u></p> <p data-bbox="810 497 1358 610"><u>(i) to preside over general meetings and to convene and preside over meetings of the board of directors;</u></p> <p data-bbox="810 659 1358 772"><u>(ii) to supervise and inspect the implementation of resolutions passed by the board of directors;</u></p> <p data-bbox="810 821 1358 891"><u>(iii) to sign the securities certificates issued by the Company;</u></p> <p data-bbox="810 940 1358 1091"><u>(iv) to exercise other powers granted by the board of directors or the listing rules of the places where the shares of the Company are listed.</u></p> <p data-bbox="810 1140 1358 1572"><u>The board of directors shall clearly authorize the chairman by way of resolution proposed by the board of directors, and shall have specific authorization matters, content and authority. All matters involving major interests of the Company shall be determined collectively by the board of directors and shall not authorize the chairman or individual director to make their own decisions.</u></p> <p data-bbox="810 1621 1358 1815"><u>If the chairman of the board of directors is unable or fails to perform his/her duties, a director elected by more than half of the directors shall perform such duties.</u></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
/	<p>Article 18 <u>The board of directors has an office of the secretary to the board of directors, which handles the daily affairs of the board of directors. It is responsible for preparing general meeting and board meetings, organizing general meetings and board of directors' bills, supervising the implementation of general meetings and board resolutions, and conducting information disclosure, securities business, and board affairs.</u></p> <p><u>The secretary of the board of directors or the representative of securities affairs serves as the head of the secretary office of the board of directors, and keeps the seal of the board of directors and the office of the board of directors.</u></p>
<p>Article 15 The Company shall provide adequate resources and support, as well as cooperate with special committees in order to perform their duties. The committees may, if necessary, hire professional organizations to seek independent professional advice when performing their duties, at the expense of the Company.</p>	<p>Article 20 The Company shall provide adequate resources and support, as well as cooperate with special committees in order to perform their duties. <u>Each special committee is responsible for the board of directors and performs their duties in accordance with the Articles of Association and the authorization of the board of directors. The proposals of the special committees shall be submitted to the board of directors for review and decision. All members of special committees are directors, the majority of which are independent non-executive directors and act as the conveners of the audit committee. The conveners of the audit committee are accounting professionals.</u> The committees may, if necessary, hire professional organizations to seek independent professional advice when performing their duties, at the expense of the Company.</p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 17 Board meetings include regular meetings and interim meetings. The board of directors shall meet at least four times a year and shall be convened by the chairman of the board. Regular meetings of the board of directors shall give notice not less than 14 days in advance, and interim meetings shall give notice not less than 5 days in advance. With the consent of the directors of the Company, the time limit for the above notice may be exempted. When it is in emergency and necessary to convene an interim meeting of the board of directors as soon as possible, the notice of the meeting may be issued at any time by telephone or other oral means, but the convener shall make an explanation for it at the meeting.</p>	<p>Article 22 Board meetings include regular meetings and interim meetings. The board of directors shall meet at least four times a year <b><u>(about once a quarter)</u></b> and shall be convened by the chairman of the board, <b><u>among them, the board of directors shall hold at least one regular meeting in the first half and in the second half of each year respectively.</u></b> Regular meetings of the board of directors shall give notice not less than 14 days in advance, and interim meetings shall give notice not less than 5 days in advance. With the consent of the directors of the Company, the time limit for the above notice may be exempted. <b><u>It shall be submitted to all directors and supervisors, as well as the CEO and secretary to the board of directors by direct delivery, fax, email, or other means. If it is not delivered directly, it should be confirmed by telephone and recorded accordingly.</u></b> When it is in emergency and necessary to convene an interim meeting of the board of directors as soon as possible, the notice of the meeting may be issued at any time by telephone or other oral means, but the convener shall make an explanation for it at the meeting.</p>
<p>Article 19 An interim board meeting may be convened under any of the following circumstances:</p> <p>.....</p>	<p>Article 24 An interim board meeting may be convened under any of the following circumstances:</p> <p>.....</p> <p><b><u>(vii) When it is required by the securities regulatory authorities;</u></b></p> <p><b><u>(viii) Other circumstances stipulated in the Articles of Association.</u></b></p>



Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 20 Where an interim meeting of the board of directors is proposed in accordance with the provisions of the preceding article, a written proposal signed or sealed by the proposer shall be submitted through the secretary to the board of directors or directly to the chairman. The written proposal should set out the following:</p> <p>.....</p> <p>The chairman of the board of directors shall convene and chair the board meeting within ten days after receiving the proposal.</p>	<p>Article 25 Where an interim meeting of the board of directors is proposed in accordance with the provisions of the preceding article, a written proposal signed or sealed by the proposer shall be submitted through the secretary to the board of directors or directly to the chairman. The written proposal should set out the following:</p> <p>.....</p> <p>The chairman of the board of directors shall convene and chair the board meeting within ten days after receiving the proposal <b><u>or in the request of the securities regulatory authorities.</u></b></p>
<p>Article 22 Notice of regular or interim meetings of the board of directors may be delivered by hand, e-mail, via facsimile or telephone.</p> <p>.....</p>	<p>Article 27 Notice of regular or interim meetings of the board of directors may be delivered by hand, e-mail, via facsimile or telephone.</p> <p>.....</p> <p><b><u>Unless otherwise provided by the laws and regulations or the listing rules of the places where the Company's shares are listed, the board of directors may use the method of adoption of written resolutions in lieu of a board meeting. Written resolutions shall be deemed being adopted after signature thereon by the directors of the quorum at the board meeting which is duly constituted and convened as prescribed by the laws and regulations and the Articles of Association. Such written resolutions shall be placed on file together with the meeting minutes of the board of directors and other archives of the Company, and have the same binding force and effect as the voting by the members of the board of directors present at the board meetings</u></b></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 23 The written meeting notice shall include at least the following:</p> <p>(i) the time and venue of the meeting;</p> <p>.....</p> <p>(iii) the matters to be considered (meeting proposals);</p> <p>.....</p> <p>The meeting notice in words shall include at least the paragraph (i) and (ii) above, as well as an explanation of the urgent need to convene an extraordinary meeting of the board of directors as soon as possible.</p>	<p>Article 28 The written meeting notice shall include at least the following:</p> <p>(i) the time and venue of the meeting <b><u>as well as the duration thereof;</u></b></p> <p>.....</p> <p>(iii) the <b><u>reasons and</u></b> matters to be considered (meeting proposals);</p> <p>.....</p> <p><b><u>(viii) the date on which the notice is sent.</u></b></p> <p>The meeting notice in words shall include at least the paragraph (i) and (ii) above, as well as an explanation of the urgent need to convene an extraordinary meeting of the board of directors as soon as possible.</p>
<p>Article 25 Meetings of the board of directors shall be held only if <b>more than half of</b> the directors (including the directors appointed to attend the meeting on behalf pursuant to <b><u>Article 26 of the Rules</u></b>) are present.</p> <p>.....</p>	<p>Article 30 Meetings of the board of directors shall be held only if <b>more than half of</b> the directors (including the directors appointed to attend the meeting on behalf pursuant to <b><u>Article 147 of the Articles of Association</u></b>) are present. <b><u>When the related director refuses to attend or fails to attend the meeting and fails to meet the minimum number as required for holding the meeting, the chairman of the board of directors and the secretary to the board of directors shall report to the regulatory authority in a timely manner.</u></b></p> <p>.....</p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 26 The directors shall attend in person the meetings of the board of directors. Where any director is unable to attend the meeting for reason, he/she <u>may</u>, by issuing a written proxy statement, entrust another director to attend the meeting on his/her behalf, <u>with the scope of authorization</u> to be stated therein.</p> <p>The directors who attend the meeting on behalf shall exercise the rights as directors within the scope of authorization. Failure by a director to attend a meeting of the board of directors or to authorize a representative to attend the meeting on his/her behalf shall be deemed waiver of the voting right at such meeting.</p>	<p>Article 31 The directors shall attend in person the meetings of the board of directors. Where any director is unable to attend the meeting for reason, he/she <u>shall review the meeting materials in advance and form a clear opinion, and</u> by issuing a written proxy statement, entrust another director to attend the meeting on his/her behalf with <u>the names of the principal and proxy, the date, the matters delegated, validity period, brief opinions of the principal and the scope of authorization</u> to be stated therein, <u>and instructions for voting on the proposal, which shall be signed or stamped by the principal.</u></p> <p>The directors who attend the meeting on behalf shall exercise the rights as directors within the scope of authorization. Failure by a director to attend a meeting of the board of directors or to authorize a representative to attend the meeting on his/her behalf shall be deemed waiver of the voting right at such meeting.</p> <p><u>Where any other directors are entrusted to sign the regular reports by proxy, the said director shall specify such authorization in the power of attorney.</u></p> <p><u>The proxy director shall present the written power of attorney to the presider of the meeting, and explain proxy attendance in the attendance book.</u></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 27 Entrusting to and being entrusted to attend of board meetings shall comply with the following principles:</p> <p>(i) When considering related/connected transactions, non-related/connected directors must not authorize related directors to attend on their behalf; related/connected directors must also not accept entrustment from non-related/connected directors;</p> <p>.....</p>	<p>Article 32 Entrusting to and being entrusted to attend of board meetings shall comply with the following principles:</p> <p>(i) When considering related/connected transactions, non-related/connected directors must not authorize related/<b>connected</b> directors to attend on their behalf; related/connected directors must also not accept entrustment from non-related/connected directors;</p> <p>.....</p>
<p>/</p>	<p>Article 33 <b><u>Board meetings are held on site as a principle. When necessary, on the premise of ensuring that the directors fully express their opinions, the meeting may also be held by video, telephone, fax, or email voting with the consent of the convener (presider) and the proposer. The board meeting can also be convened on site and in other ways at the same time.</u></b></p> <p><b><u>If it is not held on site and directors who are present by video, the number of directors present at the meeting is counted by directors who have expressed their opinions during a conference call and actually received valid votes such as faxes or e-mails within the prescribed time limit, or written confirmations from the directors who have participated in the meeting.</u></b></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 31 After the voting of the directors present at the meeting is completed, the relevant staff of the office of the board of directors shall collect the votes of the directors in a timely manner and submit it to the secretary to the board of directors for making statistics under the supervision of a supervisor or independent non-executive director.</p> <p>.....</p> <p>Article 32 If the board of directors considers and adopts a proposal of the meeting and forms the relevant resolution, more than half of the total number of directors of the Company must vote for the proposal. Where laws, administrative regulations, listing rules of the places where the Company’s shares and the Articles of association stipulate that the board of directors shall obtain the consent of more directors for the formation of a resolution, such provisions shall prevail.</p> <p>In the event of conflicts in contents and meanings between different resolutions, the resolution formed later shall prevail.</p>	<p>Article 37 After the voting of the directors present at the meeting is completed, the relevant staff of the office of <b><u>the secretary to</u></b> the board of directors shall collect the votes of the directors in a timely manner and submit it to the secretary to the board of directors for making statistics under the supervision of a supervisor or independent non-executive director.</p> <p>.....</p> <p><b><u>In addition to the circumstances specified in Article 38 of the Rules,</u></b> if the board of directors considers and adopts a proposal of the meeting and forms the relevant resolution, more than half of the total number of directors of the Company must vote for the proposal. <b><u>Where there is an equality of votes both for and against a resolution, the chairman of the board of directors shall have another casting vote. Among them, the consideration and approval of Article 14 (viii) of the Rules must be resolved by a board meeting attended by more than two-thirds of the directors. For guarantee matters within the scope of the permission of the board of directors, in addition to the approval of more than half of all directors, the consent of more than two-thirds of directors attending board meetings should also be obtained.</u></b> Where laws, administrative regulations, listing rules of the place where the Company’s shares and the Articles of association stipulate that the board of directors shall obtain the consent of more directors for the formation of a resolution, such provisions shall prevail.</p> <p>In the event of conflicts in contents and meanings between different resolutions, the resolution formed later shall prevail.</p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 33 In the following circumstances, the directors shall abstain from voting on the relevant proposals:</p> <p>(i) Circumstances needed to be abstained due to the related/connected relationship between directors and the company involved in the meeting proposal as required by the Articles of Association and other internal management systems;</p> <p>.....</p>	<p>Article 38 In the following circumstances, the directors shall abstain from voting on the relevant proposals:</p> <p>(i) Circumstances needed to be abstained due to the related/connected relationship between directors and the company involved in the meeting proposal as required by the Articles of Association, <b>Listing Rules</b> and other internal management systems;</p> <p>.....</p>
/	<p>Article 39 <b><u>If a proposal has not been approved, the board of directors shall not consider a proposal with the same content within one month if the relevant conditions and factors have not changed significantly.</u></b></p>
/	<p>Article 41 <b><u>Board meetings held on site and by video, telephone, etc., can be audio recorded throughout the meeting as needed.</u></b></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 35 The board of directors and its committees shall make meeting minutes on the decisions of the matters considered at the meeting. The minutes of the meeting should include the following:</p> <p>(i) the date and venue of the meeting <b><u>and the name of the convener;</u></b></p> <p>.....</p> <p>(iv) key points of directors’ speeches (including considerations, any concerns raised by directors or feedback they expressed);</p> <p>.....</p>	<p>Article 42 The board of directors and its committees shall make meeting minutes on the decisions of the matters considered at the meeting. The minutes of the meeting should include the following:</p> <p>(i) <b><u>the meeting session,</u></b> the date and venue of the meeting, <b><u>method and the convener and presider of the meeting;</u></b></p> <p><b><u>(ii) the issuance of the meeting notice;</u></b></p> <p>.....</p> <p><b><u>(v) proposals considered at the meeting,</u></b> key points of directors’ speeches (including considerations, any concerns raised by directors or feedback they expressed);</p> <p>.....</p> <p><b><u>(vii) other issues that the directors present at the meeting consider should be recorded.</u></b></p>
<p>/</p>	<p><b><u>Article 43 In addition to the minutes of the meeting, the secretary to the board of directors may also arrange for the staff of the office of the secretary to the board of directors to make a concise summary of the meeting, and make a separate record of the resolutions of the meeting based on the statistical voting results.</u></b></p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
<p>Article 36 The directors present at the meeting shall sign and confirm the meeting minutes and resolutions on their behalf and the directors who have entrusted them to attend the meeting, and shall be responsible for the resolutions of the board of directors. If the directors have different opinions on the minutes or resolutions of the meeting, they may make a written explanation when signing.</p> <p>A director who neither signs nor confirms in accordance with the provisions of the preceding paragraph nor makes a written explanation of his/her disagreement shall be deemed to fully agree with the contents of the minutes and resolutions of the meeting.</p> <p>The directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates of the laws, regulations, listing rules of the places where the Company’s shares are listed or the Articles of Association causing the Company to suffer losses, the directors participating in the resolution shall be liable for compensation to the Company. However, the director may be exempted from liability if it is proved that he/she objected to the vote and recorded in the minutes of the meeting.</p>	<p>Article 44 The directors present at the meeting shall sign and confirm the meeting minutes and resolutions on their behalf and the directors who have entrusted them to attend the meeting, and shall be responsible for the resolutions of the board of directors. If the directors have different opinions on the minutes or resolutions of the meeting, they may make a written explanation when signing. <b><u>When necessary, they should report to the regulatory authority in a timely manner, and a public statement may also be issued.</u></b></p> <p>A director who neither signs nor confirms in accordance with the provisions of the preceding paragraph nor makes a written explanation of his/her disagreement shall be deemed to fully agree with the contents of the minutes and resolutions of the meeting.</p> <p>The directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates of the laws, regulations, listing rules of the places where the Company’s shares are listed or the Articles of Association causing the Company to suffer losses, the directors participating in the resolution shall be liable for compensation to the Company. However, the director may be exempted from liability if it is proved that he/she objected to the vote and recorded in the minutes of the meeting.</p> <p><b><u>The opinions expressed by the independent non-executive directors shall be set out in the resolution of the board of directors.</u></b></p>



Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
/	Article 45 <u>The announcement of the resolutions of the board of directors shall be handled by the secretary to the board of directors in accordance with the relevant provisions of the Listing Rules. Prior to the disclosure of the resolution announcement, the directors presented at the meeting, meeting attendees, personnel for recording and service staff, etc., have the obligation to keep the contents of the resolution confidential.</u>
/	Article 46 <u>The chairman of the board shall urge relevant personnel to implement the resolutions of the board of directors, check the implementation thereof, and report on the implementation of the formed resolutions at subsequent board meetings.</u>
<p>Article 39 The directors present at the meeting shall sign the minutes of the meeting. The board of directors shall keep a complete and accurate copy of all board meetings' meeting resolutions, meeting minutes and meeting notices.</p> <p><u>The minutes of the board meeting</u> are kept as the files of the Company for a period of not less than ten years. If any director gives a reasonable notice, the minutes of the meeting (including the minutes of its committees) should be made available for inspection at any reasonable time.</p>	<p>Article 49 The directors present at the meeting and <u>the recorder</u> shall sign the minutes of the meeting. The board of directors shall keep a complete and accurate copy of all board meetings' meeting resolutions, meeting minutes and meeting notices.</p> <p><u>Board meeting files, including meeting notices and meeting materials, meeting registration books, power of attorney for directors to attend on their behalf, recordings of meetings, voting rights, as well as meeting minutes, meeting minutes, resolution records, resolution announcements, etc. signed and confirmed by the directors present at the meeting, and the secretary to the board of directors is responsible for preservation. Board meeting files are kept</u> as the files of the Company for a period of not less than ten years. If any director gives a reasonable notice, the minutes of the meeting (including the minutes of its committees) should be made available for inspection at any reasonable time.</p>

Existing Rules of Procedures for the Board of Directors	Revised Rules of Procedures for the Board of Directors
Article 40 The term “above” mentioned in the Rules includes the given figures	Article 50 The term “above” mentioned in the Rules includes the given figures, <b><u>“over” and “more than” does not include the given figures.</u></b>
Article 41 The Rules are formulated by the board of directors, which took effect on the day when <b><u>the Company’s overseas listed foreign shares (H shares) in issue are listed on The Stock Exchange of Hong Kong Limited</u></b> , upon the approval by the general meeting of the Company. From the date on which the Rules took effect, the Company’s original Rules of Procedures for the Board of Directors will automatically expire.	Article 51 The Rules are formulated by the board of directors, which took effect <b><u>and were adopted after the Company’s initial public offering of RMB ordinary shares (A shares) are listed on the STAR Market of Shanghai Stock Exchange</u></b> , upon the approval by the general meeting of the Company. From the date on which the Rules take effect and are implemented, the Company’s original Rules of Procedures for the Board of Directors will automatically expire.
/	<b>In view of the additions and deletions to the clauses, the article numbers in the Rules of Procedures for the Board and the references to the articles shall be amended accordingly.</b>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
<p>Article 1 To clarify its duties and powers, regulate its internal organization and running procedures, and give full play to the supervisory functions of the board of supervisors of Shanghai Henlius Biotech, Inc. (hereinafter referred to as the “Company”), the Rules are developed in accordance with the requirements under the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”).</p>	<p>Article 1 To clarify its duties and powers, regulate its internal organization and running procedures, and give full play to the supervisory functions of the board of supervisors of Shanghai Henlius Biotech, Inc. (hereinafter referred to as the “Company”), these rules are developed in accordance with the requirements under the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, <b><u>the Guidelines on Articles of Association of Listed Companies, the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board (hereinafter referred to as the “STAR Market Listing Rules”), Model Rules of Procedure for the Supervisory Committee of Listed Companies in Shanghai Stock Exchange,</u></b> the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”).</p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
<p>Article 2 The Company establishes the board of supervisors pursuant to the laws, which consists of 3 supervisors, including 2 shareholder representatives and 1 employee representative. The shareholder representatives shall be subject to election and dismissal by the general meeting. The employee representative shall be subject to election by employees of the Company at employee meetings, employee representative meetings or any other form of democratic election. The board of supervisors is authorised by the general meeting to supervise the operation and management of the Company. It is the supervisory body of the Company, submitted to the general meeting, and exercise its duties in accordance with the Articles of Association.</p>	<p>Article 2 The Company establishes the board of supervisors pursuant to law, which consists of 3 supervisors, including 2 shareholder representatives and 1 employee representative. <b><u>One of them shall act as the chairman of the board of supervisors. Each supervisor shall serve for a term of three years, and is eligible for re-election upon expiration. The directors, chief executive officer (“CEO”) and other senior management shall not serve as supervisors concurrently.</u></b></p> <p>The shareholder representatives shall be subject to election and dismissal by the general meeting. The employee representative shall be subject to election by employees of the Company at employee meetings, employee representative meetings or any other form of democratic election. <b><u>The appointment or removal of the chairman of the board of supervisors shall be subject to approval by votes by more than two thirds of the supervisors.</u></b></p> <p>The board of supervisors is authorised by the general meeting to supervise the operation and management of the Company. It is the supervisory body of the Company, submitted to the general meeting, and exercise its duties in accordance with the Articles of Association.</p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
	<p><u>Where the number of supervisors of the board of supervisors falls below the quorum due to the fact that no new supervisor is elected to fulfill the vacancy of the original one upon the expiration of term of office, or, any supervisor resigns during his/her term of office, the original supervisor shall, before his/her post is taken up by the newly elected supervisor, still perform his/her duties in accordance with the provisions of laws, administrative rules and the Articles of Association.</u></p>
/	<p>Article 3 <u>The board of supervisors establishes its office to deal with its daily affairs.</u></p> <p><u>The chairman of the board of supervisors also serves as the head of the office and keeps the seal of the board of supervisors. The chairman of the board of supervisors may request the representative of securities affairs or others of the Company to provide assistance in dealing with the daily affairs of the board of supervisors.</u></p>
/	<p>Article 4 <u>The board of supervisors is accountable to the general meeting, and exercise the following duties:</u></p> <p><u>(1) to review the periodical reports of the Company prepared by the board of directors and give its opinion in writing;</u></p> <p><u>(2) to examine the financial affairs of the Company;</u></p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
	<p><u>(3) to supervise the acts of directors, CEO and other senior management during the course of performing their duties, and make recommendations for removal of any of directors and other senior management who violates the laws, administrative regulations, the listing rules of the places where the Company's shares are listed, the Articles of Association or any resolutions passed at the general meeting;</u></p> <p><u>(4) to demand rectification from any director, CEO and other senior management when their conducts are detrimental to the interests of the Company;</u></p> <p><u>(5) to check the financial information, such as the financial reports, reports of operations and profit distribution plans to be submitted by the board of directors to the general meeting, and to authorize in the Company's name, public certified accountants and licensed auditors to assist in the re-examination of such information, should any doubt arise in respect thereof;</u></p> <p><u>(6) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting where the board of directors fails to perform its duty to do so;</u></p> <p><u>(7) to submit proposals to the general meeting;</u></p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
	<p><u>(8) to represent the Company in negotiations with any director, or to initiate legal proceedings against any director, CEO and other senior management in accordance with the laws and the Articles of Association;</u></p> <p><u>(9) to conduct an investigation in case of any abnormal circumstance identified in the Company’s operation, and if necessary, to engage an accounting firm, a law firm and other professional institutions to assist its work at the Company’s cost; and</u></p> <p><u>(10) such other duties as provided under the Articles of Association.</u></p> <p><u>Supervisors may attend meetings of the board of directors and may raise queries or suggestions regarding matters discussed at such meetings.</u></p> <p><u>A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.</u></p>
<p>Article 3 Meetings of the board of supervisors are divided into regular meetings and interim meetings.</p> <p>Regular meetings shall be held at least once every six months. Supervisors may propose to hold an interim meeting of the board of supervisors.</p> <p>Notice of regular or interim meetings of the board of supervisors may be delivered by hand, e-mail, via facsimile or telephone.</p>	<p>Article 5 Meetings of the board of supervisors are divided into regular meetings and interim meetings.</p> <p>Regular meetings shall be held at least once every six months. Supervisors may propose to hold an interim meeting of the board of supervisors.</p> <p>Notice of regular or interim meetings of the board of supervisors may be delivered by hand, e-mail, via facsimile or telephone.</p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
	<p><u>The board of supervisors shall convene an interim meeting within ten days in case of one of the following circumstances:</u></p> <p><u>(1) any supervisor proposes to convene such meeting;</u></p> <p><u>(2) any resolution in violation of the laws, regulations, rules, various regulations and requirements promulgated by the regulatory authorities, the Articles of Association, resolutions passed at the Company's general meeting and other relevant regulations is passed at the general meeting or any meeting of the board of directors;</u></p> <p><u>(3) the misconduct of any director and senior management may cause significant damage to the Company or adverse effect on the market;</u></p> <p><u>(4) shareholders initiate legal proceedings against the Company, any director, supervisor and senior management;</u></p> <p><u>(5) the Company, any director, supervisor and senior management are subject to penalty by the securities regulatory authorities or publicly condemned by the Shanghai Stock Exchange;</u></p> <p><u>(6) the securities regulatory authorities make such request;</u></p> <p><u>(7) such other circumstances as set out in the Articles of Association.</u></p>



Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
<p>Article 4 Prior to issue the notice of regular meeting of the board of supervisors, the person in charge of daily affairs of the board of supervisors shall solicit proposals of the meeting from the supervisors and <b>may</b> ask for opinions from the staff. In doing so, the person in charge of daily affairs shall explain that the board of supervisors focuses on the supervision of the Company’s regular operations and the performance of duties of directors and senior management rather than the decisions of the Company’s management and operation.</p>	<p>Article 6 Prior to issue the notice of regular meeting of the board of supervisors, the person in charge of daily affairs of the board of supervisors shall solicit proposals of the meeting from the supervisors and ask for opinions from the staff <b><u>for at least two days</u></b>. In doing so, the person in charge of daily affairs shall explain that the board of supervisors focuses on the supervision of the Company’s regular operations and the performance of duties of directors and senior management rather than the decisions of the Company’s management and operation.</p>
<p>Article 5 If any supervisor proposes to convene an interim meeting of the board of supervisors, he/she shall submit a written proposal signed by the supervisor who makes such proposal through the person in charge of daily affairs or directly to the chairman of the board of supervisors. The written proposal shall state the following matters:</p> <p>.....</p>	<p>Article 7 If any supervisor proposes to convene an interim meeting of the board of supervisors, he/she shall submit a written proposal signed by the supervisor who makes such proposal through the person in charge of daily affairs or directly to the chairman of the board of supervisors. The written proposal shall state the following matters:</p> <p>.....</p> <p><b><u>If the office of the board of supervisors neglects to issue the notice of meeting, the supervisor who makes such proposal shall report to the regulatory authority in a timely manner.</u></b></p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
<p>Article 7 For a regular meeting of the board of supervisors, a prior notice of not less than ten days shall be given, and for an interim meeting, a prior notice of not less than five days shall be given; with the consent of each supervisors of the Company, the abovementioned notice period may be waived. If an interim meeting of the board of supervisors is required to be held as soon as possible in case of emergencies, a notice of meeting may be given at any time by telephone or other oral means, and the convener shall give explanations at the meeting.</p>	<p>Article 9 For a regular meeting of the board of supervisors, a prior notice of not less than ten days shall be given, and for an interim meeting, a prior notice of not less than five days shall be given; with the consent of each supervisors of the Company, the abovementioned notice period may be waived. <b><u>The notice shall be sent to all supervisors by person, via facsimile, e-mail or other means. If the notice is not sent by person, the delivery shall be confirmed by telephone and be recorded.</u></b> If an interim meeting of the board of supervisors is required to be held as soon as possible in case of emergencies, a notice of meeting may be given at any time by telephone or other oral means, and the convener shall give explanations at the meeting.</p>
<p>Article 8 The written notice of meeting shall include at least the following:</p> <p>(1) the date, place and duration of the meeting;</p> <p>(2) causes and matters;</p> <p>(3) the date of notification.</p>	<p>Article 10 The written notice of meeting shall include at least the following:</p> <p>(1) the date, place and duration of the meeting;</p> <p>(2) causes and matters <b><u>to be discussed;</u></b></p> <p>(3) the date of notification;</p> <p><b><u>(4) the convener and moderator of the meeting, the proposers of the interim meeting and their written proposals;</u></b></p> <p><b><u>(5) meeting materials necessary for supervisors to vote;</u></b></p> <p><b><u>(6) requirements for supervisors to attend the meeting in person;</u></b></p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
	<p><u>(7) contact person and contact information.</u></p> <p><u>The oral notice of meeting shall include at least items (1) and (2) above, as well as a description of the need to convene an interim meeting of the board of supervisors as soon as possible due to the urgency of the situation.</u></p>
<p>Article 9 Regular meetings or interim meetings of the board of supervisors may be convened through telephone conferences, video conferences or similar communication tools. As long as all supervisors participating in the meeting can hear and communicate with each other, all supervisors participating in the meeting through these methods shall be deemed to be present.</p>	<p>Article 11 Regular meetings or interim meetings of the board of supervisors may be convened through telephone conferences, video conferences or similar communication tools. As long as all supervisors participating in the meeting can hear and communicate with each other, all supervisors participating in the meeting through these methods shall be deemed to be present.</p> <p><u>The meeting of the board of supervisors shall be held on-site.</u></p> <p><u>In an emergency, the meeting of the board of supervisors can be voted on by communication, but the convener of the board of supervisors (moderator of the meeting) should explain the specific emergency to the supervisors participating in the meeting. When voting by communication, the supervisors shall fax their written opinions and voting intentions on the matters under consideration to the office of the board of supervisors upon signing and confirmation. Supervisors should not only state their voting opinions without expressing their written opinions or reasons for voting.</u></p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
<p>Article 10 The meeting of the board of supervisors shall not be held unless more than two-thirds of the members of the board of supervisors are present.</p>	<p>Article 12 The meeting of the board of supervisors shall not be held unless more than two-thirds of the members of the board of supervisors are present. <b><u>If the quorum of the meeting cannot be met as a result of supervisors’ refusal to attend or absence without reasons, other supervisors shall timely report such circumstances to the regulatory authority.</u></b></p> <p><b><u>The secretary to the board of directors and the representative of securities affairs shall attend the meeting of the board of supervisors.</u></b></p>
<p>Article 13 .....</p>	<p>Article 15 .....</p> <p>The Company shall disclose the announcement of the resolutions of the board of supervisors; if any supervisor raises objection or abstains from voting, the reasons for the objection or abstention shall be disclosed.</p>
<p>/</p>	<p>Article 16 When convening a meeting of the board of supervisors, the entire recording may be made as necessary.</p>
<p>Article 14 The person who is in charge of the daily affairs of the board of supervisors shall keep a record of the on-site meetings. The meeting minutes should include the following:</p> <p>.....</p>	<p>Article 17 The person who is in charge of the daily affairs of the board of supervisors shall keep a record of the on-site meetings. The meeting minutes should include the following:</p> <p>.....</p> <p><b><u>For meetings of the board of supervisors convened by means of communication, the office of the board of supervisors shall follow the above-mentioned regulations and sort out the minutes of the meeting.</u></b></p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
<p>Article 16 Supervisors attending the meeting shall sign and confirm the minutes of the meeting. Supervisors shall have the right to request some kinds of descriptive record of their speeches at the meeting.</p>	<p>Article 19 Supervisors attending the meeting shall sign and confirm the minutes of the meeting. Supervisors shall have the right to request some kinds of descriptive record of their speeches at the meeting. <b><u>If the supervisors have different opinions on the minutes of the meeting, they may make a written explanation when signing. When necessary, they should report to the regulatory authorities in a timely manner, or they can issue a public statement.</u></b></p> <p><b><u>Supervisors who neither sign nor confirm in accordance with the provisions of the preceding paragraph, nor give written explanations to their different opinions, or report to the regulatory authorities or issue a public statement, shall be deemed to fully agree with the contents of the minutes.</u></b></p>
<p>/</p>	<p>Article 20 <b><u>The announcement of the resolutions of the board of supervisors shall be handled by the secretary to the board of directors in accordance with the relevant provisions of the STAR Market Listing Rules.</u></b></p>
<p>Article 18 The documents of the meeting of the board of supervisors, including notices of meetings and meeting materials, meeting registration books, votes, meeting minutes signed and confirmed by the supervisors attending the meeting, etc., shall be kept by a person appointed by the chairman of the board of supervisors..</p>	<p>Article 22 The documents of the meeting of the board of supervisors, including notices of meetings and meeting materials, meeting registration books, <b><u>audio recording of meetings</u></b>, votes, meeting minutes signed and confirmed by the supervisors attending the meeting, <b><u>announcements on resolutions</u></b>, etc., shall be kept by a person appointed by the chairman of the board of supervisors.</p>

Existing Rules of Procedures for the Board of Supervisors	Revised Rules of Procedures for the Board of Supervisors
Article 20 In the Rules, “more than” shall be inclusive of the number.	Article 24 In the Rules, “more than” <b><u>and “within”</u></b> shall be inclusive of the number, <b><u>and “below” shall not be inclusive of the number.</u></b>
Article 21 The Rules are formulated by the board of supervisors and approved by the general meeting of the Company, and shall become effective <b><u>from the date of listing of overseas listed foreign shares (H shares) issued by the Company on The Stock Exchange of Hong Kong Limited.</u></b> Since the effective date of the Rules, the Company’s original Rules of Procedures for the Board of Supervisors will automatically become invalid.	Article 25 The Rules are formulated by the board of supervisors and approved by the general meeting of the Company, and shall become effective <b><u>and be implemented from the date of the Company’s initial public offering and listing of RMB ordinary shares (A shares) on the Science and Technology Innovation Board of the Shanghai Stock Exchange.</u></b> Since the effective date of the Rules, the Company’s original Rules of Procedures for the Board of Supervisors will automatically become invalid.
/	<b>In view of the additions and deletions of the articles, the article numbers in the Rules of procedure for the board of supervisors and the references to the articles shall be amended accordingly.</b>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 1 For the purpose of optimizing governance structure of Shanghai Henlius Biotech, Inc. (the “Company”), promoting the Company’s normal operation, protecting the Company’s and shareholders’ interests, according to the Company Law of the People’s Republic of China, the articles of association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”) and other relevant regulations, in combination with the Company’s actual circumstances, the Rules are formulated.</p>	<p>Article 1 For the purpose of optimizing governance structure of Shanghai Henlius Biotech, Inc. (the “Company”), promoting the Company’s normal operation, protecting the Company’s and shareholders’ interests, according to the Company Law of the People’s Republic of China (<u>the “Company Law”</u>), the articles of association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”), <u>the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board (the Hong Kong Listing Rules and the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board are collectively referred to as the “Listing Rules”</u>) and other relevant regulations, in combination with the Company’s actual circumstances, the rules are formulated.</p>
<p>Article 2 Independent non-executive directors refer to directors who are not serving as other positions except directors of the Company and have no interrelationship with the Company and the Company’s substantial shareholders that may set back their ability of making the independent judgment. The qualification of the independent non-executive directors must be in accordance with <u>the Hong Kong Listing Rules</u> and be subject to the approval of relevant supervisory authorities.</p>	<p>Article 2 Independent non-executive directors refer to directors who are not serving as other positions except directors of the Company and have no interrelationship with the Company and the Company’s major shareholders that may set back their ability of making the independent judgment. The qualification of the independent non-executive directors must be in accordance with <u>the Listing Rules</u> and be subject to the approval of relevant supervisory authorities.</p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 3 Independent non-executive directors owned the obligations of integrity and diligence to the Company and all shareholders. Independent non-executive directors shall earnestly perform their duties, safeguard the overall interests of the Company, and especially pay attention to the legitimate rights and interests of minority shareholders against any damage, according to relevant laws, <b><u>administrative laws and regulations, the Hong Kong Listing Rules</u></b>, the Articles of Association and the Rules. Independent non-executive directors must make positive contributions to the formulation of strategies and policies of the Company by providing independent, constructive and well-founded opinions.</p>	<p>Article 3 Independent non-executive directors have obligations of integrity and diligence to the Company and all shareholders. Independent non-executive directors shall earnestly perform their duties, safeguard the overall interests of the Company, and especially pay attention to the legitimate rights and interests of minority shareholders against any damage, according to relevant laws, <b><u>regulations, regulatory documents, the Listing Rules</u></b>, the Articles of Association and the Rules. Independent non-executive directors must make positive contributions to the formulation of strategies and policies of the Company by providing independent, constructive and well-founded opinions.</p>
<p>Article 5 Independent non-executive directors need to ensure that they have sufficient time and energy to effectively perform their duties as independent non-executive directors.</p>	<p>Article 5 Independent non-executive directors may <b><u>serve as independent non-executive directors of up to five A-share listed companies at the same time, and</u></b> need to ensure that they have sufficient time and energy to effectively perform their duties as independent non-executive directors.</p>



Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 6 At least one third (and at least 3) of the board of directors of the Company shall be comprised of independent non-executive directors. At least <b>one of</b> the Company's independent non-executive directors <b>has appropriate professional qualifications that meet regulatory requirements, or appropriate accounting or related financial management expertise (specifically, it is necessary to have relatively extensive accounting expertise and experience, and have experience in internal control and preparing and auditing financial statements similar to the Company or analysis of audited financial statements of listed companies through engaging in the work of a certified public accountant, auditor, listed company's financial director or chief accounting officer, etc. or performing similar function)</b>. At least one member of independent non-executive director shall ordinarily reside in Hong Kong.</p>	<p>Article 6 At least one third (and at least 3) of the board of directors of the Company shall be comprised of independent non-executive directors. At least <b>one of</b> the Company's independent non-executive directors <b>is an accounting professional (an accounting professional who is nominated as a candidate for independent non-executive director shall possess a qualification of Certified Public Accountant; or possess a senior professional title, associate professor title or doctorate in accounting, auditing, or financial management; or have a senior professional title in economic management with more than 5 years of full-time working experience in accounting, auditing, or financial management and other professional positions)</b>. At least one member of independent non-executive director shall ordinarily reside in Hong Kong.</p>
<p>Article 7 When the independent non-executive directors do not meet the conditions of independence or are unsuitable to perform the duties of independent non-executive directors, which causes the number of independent non-executive directors of the Company to fall short of the number required by <b>the Hong Kong Listing Rules</b>, the Company shall supplement its independent non-executive directors as required.</p>	<p>Article 7 When the independent non-executive directors do not meet the conditions of independence or are unsuitable to perform the duties of independent non-executive directors, which causes the number of independent non-executive directors of the Company to fall short of the number required by <b>the Listing Rules</b>, the Company shall supplement its independent non-executive directors as required.</p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 8 Independent non-executive directors and independent non-executive directors to be appointed shall, according to the requirements of <b><u>the Hong Kong Listing Rules</u></b> and other laws and regulations, participate in accredited training.</p>	<p>Article 8 Independent non-executive directors and independent non-executive directors to be appointed shall, according to the requirements of <b><u>the Listing Rules</u></b> and other laws and regulations, <b><u>securities regulatory authorities and stock exchanges where the Company's shares are listed,</u></b> participate in accredited training.</p>
<p>Article 9 Persons serving as independent non-executive directors of the Company shall meet the following basic requirements:</p> <p>(i) with qualifications required to be a director of companies according to laws, regulations, other regulatory documents and <b><u>the Hong Kong Listing Rules</u></b> and other relevant provisions;</p> <p>(ii) meeting the independence requirements as stated in <b><u>the Hong Kong Listing Rules</u></b>;</p> <p>(iii) with basic knowledge on the operation of listed companies and being familiar with relevant laws, administrative regulations, rules and regulations;</p> <p>(iv) other requirements set forth in the Articles of Association and <b><u>the Hong Kong Listing Rules</u></b>.</p>	<p>Article 9 Persons serving as independent non-executive directors of the Company shall meet the following basic requirements:</p> <p>(i) with qualifications required to be a director of <b><u>listed</u></b> companies according to laws, regulations, other regulatory documents and <b><u>the Listing Rules</u></b> and other relevant provisions;</p> <p>(ii) <b><u>being capable of performing his/her duties independently and would not be influenced by substantial shareholders, de facto controller or other institutions or individuals which or who have a material interest in the Company and</u></b> meeting the independence requirements as stated in the <b><u>securities regulatory authority where the Company's shares are listed and the Listing Rules</u></b>;</p> <p>(iii) with basic knowledge on the operation of listed companies and being familiar with relevant laws, administrative regulations, rules and regulations;</p> <p>(iv) <b><u>with more than five years of legal, economic or other work experience necessary to perform the duties of an independent non-executive director;</u></b></p> <p>(v) other requirements set forth in the Articles of Association and <b><u>the Listing Rules</u></b>.</p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 10 Independent non-executive directors must be independent, and the following persons shall not serve as independent non-executive directors:</p> <p><u>(i) persons</u> who hold the Company’s total issued share capital in excess of 1%;</p> <p><u>(ii) persons</u> who once have acquired any securities interests in the Company by way of gifts or other financial assistance from core connected persons or the Company itself (except as permitted under <u>the Hong Kong Listing Rules</u>);</p> <p>.....</p>	<p>Article 10 Independent non-executive directors must be independent, and the following persons shall not serve as independent non-executive directors:</p> <p><u>(i) persons employed by the Company or its subsidiaries and their immediate family members and major social connections (the term “immediate family members” in the Rules shall include spouse, parents and children; the term “major social connections” in the Rules shall include siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouse);</u></p> <p><u>(ii) natural person shareholders and their immediate family members who directly or indirectly hold the Company’s total issued share capital in excess of 1% or who are top ten shareholders of the Company;</u></p> <p><u>(iii) persons and their immediate family members employed by the shareholder entities which directly or indirectly holds 5% or more of the Company’s issued shares or which are top five shareholder entities of the Company;</u></p> <p><u>(iv) persons employed by the de facto controllers of the Company and its subsidiaries;</u></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
	<p><u>(v) persons providing financial, legal or consulting services to the Company and its subsidiaries, including all the members of the project team of intermediaries, reviewing officers at all levels, persons signing the report, partners and principal officers in charge;</u></p> <p><u>(vi) persons serving as directors, supervisors or senior management in the companies which have significant relations with the Company and its controlling shareholders or their respective subsidiaries, or persons serving as directors, supervisors or senior management in the controlling shareholder entities of the said companies (the term “significant relation” in the Rules refers to matters that need to be submitted to the general meeting for consideration under the Articles of Association, or other significant matters identified by the relevant stock exchanges);</u></p> <p><u>(vii) persons who belonged to items (i) to (vi) within the preceding year;</u></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
	<p><u>(viii) persons who are prohibited from serving as independent non-executive directors in accordance with requirements of the Notice on Regulating Officers under Direct Supervision by Organization Department of the CPC Central Committee Assuming Positions as Independent Directors, Independent Supervisors of Listed Companies, Fund Management Companies after Resignation or Retirement from Government Positions of the Central Commission for Discipline Inspection of the CPC (《中共中央紀律檢查委員會關於規範中管幹部辭去公職或者退(離)休後擔任上市公司、基金管理公司獨立董事、獨立監事的通知》), the Opinions on Enhancing the Anti-corruption and Encouraging Honesty Work of Colleges and Universities of the Central Commission for Discipline Inspection of the CPC, the Ministry of Education and the Ministry of Supervision (《中共中央紀委、教育部、監察部關於加強高等學校反腐倡廉建設的意見》), Notice on Further Strengthening the Administration of Part-Time Work by Party Member Officers in Directly Subordinate Institutes of Higher Learning (《關於進一步加強直屬高校黨員領導幹部兼職管理的通知》) and the Opinions on Further Regulating the Issues Concerning Part-time Employment (Position) of Party and Government Leaders in Enterprises of the Organization Department of the CPC Central Committee (《中共中央組織部關於進一步規範黨政領導幹部在企業兼職(任職)問題的意見》).</u></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
	<p><u>(ix) persons who have acquired any securities interests in the Company by way of gifts or other financial assistance from core connected persons or the Company itself (except as permitted under <b>the Listing Rules</b>);</u></p> <p>.....</p> <p><u>(xvi) other persons specified in the Articles of Association;</u></p> <p><u>(xvii) other persons identified by the China Securities Regulatory Commission and the stock exchanges.</u></p>
/	<p>Article 11 <u>The independent non-executive director candidate shall not had the following bad records:</u></p> <p><u>(i) receive an administrative penalty imposed by the China Securities Regulatory Commission in the past three years;</u></p> <p><u>(ii) being in the period when appraised in public by the stock exchange as being improper to act as a director of a listed company;</u></p> <p><u>(iii) receive more than twice criticism or public condemnation made by the stock exchanges in the past three years;</u></p> <p><u>(iv) fail to attend the board meetings twice successively in the period serving as an independent non-executive director, or fail to participate in more than one third of the meetings of the board of directors in person in that year;</u></p> <p><u>(v) expressed independent opinions which were obviously inconsistent with the fact when serving as an independent non-executive director.</u></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 11 After an independent non-executive director takes office, should there be any changes which may affect his/her independence, the independent non-executive director shall notify the Company and the Hong Kong Stock Exchange as soon as possible and confirm his/her independence with the Company every year. The Company shall disclose the receipt of confirmation from independent non-executive director in its annual report and explain whether the Company still considers the independent non-executive director to be an independent personnel.</p>	<p>Article 12 After an independent non-executive director takes office, should there be any changes which may affect his/her independence, the independent non-executive director shall notify the Company and the Hong Kong Stock Exchange as soon as possible and confirm his/her independence to the Company every year. The Company shall disclose the receipt of confirmation from independent non-executive director in its annual report and explain whether the Company still considers the independent non-executive director to be an independent personnel. <b><u>Where any circumstance arises in which an independent non-executive director holding office becomes unqualified as independent non-executive director in accordance with the Rules, the said independent non-executive director shall resign within 30 days from the date on which the said circumstance arises. Where the said independent non-executive director does not resign as required, the board of directors of the Company shall within 2 days start the decision-making procedures and remove him/her as independent non-executive director.</u></b></p>
<p>Article 12 Board of directors, Board of Supervisors and shareholder(s) severally or jointly holding more than <b>3%</b> of shares issued by the Company (the “nominee”) may nominate independent non-executive director candidates and be elected at the general meeting.</p>	<p>Article 13 Board of directors, Board of Supervisors and shareholder(s) severally or jointly holding more than <b>1%</b> of shares issued by the Company (the “nominee”) may nominate independent non-executive director candidates and be elected at the general meeting.</p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 13 The nominee of independent non-executive director candidate shall have obtained the candidate's consent prior to the nomination. The nominee shall fully understand the occupation, academic qualification, title and detailed working experience, all part-time jobs of the candidate and give opinion on his/her qualification and independence to act an independent non-executive director. The candidate for independent non-executive director shall make an announcement as to the absence of any relationship between the Company and him/her which may possibly affect his/her independent and objective judgment. Before the general meeting is convened for election of independent non-executive directors, the board of directors shall announce the above in accordance with the relevant requirements.</p>	<p>Article 14 The nominee of independent non-executive director candidate shall have obtained the candidate's consent prior to the nomination. The nominee shall fully understand the occupation, academic qualification, title and detailed working experience, all part-time jobs of the candidate and give opinion on his/her qualification and independence to act an independent non-executive director. The candidate for independent non-executive director shall make an announcement as to the absence of any relationship between the Company and him/her which may possibly affect his/her independent and objective judgment.</p> <p>Before the general meeting is convened for election of independent non-executive directors, the board of directors shall announce the above in accordance with the relevant requirements, <b><u>and shall submit the relevant documents concerning the candidate to the China Securities Regulatory Commission, the Company's local China Securities Regulatory Commission office and the stock exchanges where the Company's shares are listed. If the board of directors disputes the particulars pertaining to the candidate, the written opinions of the board of directors shall also be submitted.</u></b></p>



Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
	<p><u>If the China Securities Regulatory Commission opposes to the nomination of any candidate, such candidate may be a director candidate, but may not be included as an independent non-executive director candidate. When a general meeting is convened to elect independent non-executive directors, the board of directors shall make a statement on whether the China Securities Regulatory Commission objects to the nominations.</u></p>
<p>Article 14 After the election and appointment at the general meeting, independent non-executive directors, shall according to relevant regulations of <b><u>the Hong Kong Listing Rules</u></b>, shall submit the H Form of Statement and Commitment of Directors to the Hong Kong Stock Exchange as soon as possible and submit a written confirmation which explains the following matters:</p> <p>(i) Confirm whether the independent non-executive directors have independence as stated in relevant terms of the Rules and <b><u>the Hong Kong Listing Rules</u></b>;</p> <p>.....</p>	<p>Article 15 After the election and appointment at the general meeting, independent non-executive directors shall, according to relevant regulations of <b><u>the Hong Kong Listing Rules</u></b>, submit the H Form of Statement and Commitment of Directors to the Hong Kong Stock Exchange as soon as possible and submit a written confirmation which explains the following matters:</p> <p>(i) Confirm whether the independent non-executive directors have independence as stated in relevant terms of the Rules and <b><u>the Listing Rules</u></b>;</p> <p>.....</p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 15 The term of office for independent non-executive directors is the same as other directors, and the term is renewable upon re-election when it expires, but the renewed term shall not exceed <u>nine</u> years; <u>if an independent non-executive director has been in office for more than 9 years, his/her reappointment should be reviewed and approved by the general meeting in the form of an independent resolution in accordance with the Hong Kong Listing Rules; the document sent to shareholders accompanied by the resolution should set out the reasons why the board of directors considers that the person is still an independent person and should be re-elected.</u></p>	<p>Article 16 The term of office for independent non-executive directors is the same as other directors, and the term is renewable upon re-election when it expires, but the renewed term shall not exceed <u>six</u> years.</p>
<p>Article 16 In the case where an independent non-executive director failed to attend board meetings in person for <u>three</u> consecutive times, <u>or had not entrusted other directors to attend, and had other serious misconducts</u>, the board of directors <u>and Board of Supervisors</u> may propose to the general meeting to replace the independent non-executive director. He/she shall not be unreasonably dismissed from office before the expiry of the term except in the aforementioned situation or other circumstances stated in the Company Law of the PRC, <u>the Hong Kong Listing Rules</u> under which certain person is disqualified to be the independent non-executive director. If an independent non-executive director is dismissed in advance, the Company shall deem it as a special matter to be disclosed. Where the independent non-executive director considers the grounds for removal inappropriate, he/her may make a public statement.</p>	<p>Article 17 In the case where an independent non-executive director failed to attend board meetings in person for <u>three</u> consecutive times, the board of directors may propose to the general meeting to replace the independent non-executive director. He/she shall not be unreasonably dismissed from office before the expiry of the term except in the aforementioned situation or other circumstances stated in the Company Law of the PRC, <u>the Listing Rules</u> under which certain person is disqualified to be the independent non-executive director. If an independent non-executive director is dismissed in advance, the Company shall deem it as a special matter to be disclosed. Where the independent non-executive director considers the grounds for removal inappropriate, he/her may make a public statement.</p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 18 In the event that minimum requirements for the number of independent non-executive directors under <b><u>the Rules, the Hong Kong Listing Rules</u></b> and the Articles of Association are not met as a result of the resignation or dismissal of the independent non-executive directors or otherwise, the board of directors shall notify the Hong Kong Stock Exchange immediately and publish an announcement, setting forth the relevant details and reasons. The board of directors <b><u>shall appoint enough</u></b> independent non-executive directors <b><u>within three months upon non-compliance with such requirements.</u></b></p>	<p>Article 19 In the event that minimum requirements for the number of independent non-executive directors under <b><u>the law</u></b> and the Articles of Association are not met as a result of the resignation or dismissal of the independent non-executive directors or otherwise, the board of directors shall notify the Hong Kong Stock Exchange immediately and publish an announcement, setting forth the relevant details and reasons. <b><u>Before the re-elected independent non-executive directors hold office, independent non-executive directors shall still perform their duties in accordance with laws, administrative regulations and the Articles of Association.</u></b> The board of directors <b><u>shall convene a general meeting to re-elect</u></b> independent non-executive directors <b><u>within three months.</u></b></p>
/	<p>Article 20 <b><u>In order to give full play to the functions of independent non-executive directors, independent non-executive directors shall have the following special functions and powers other than those stipulated in the Company Law and other relevant laws and regulations:</u></b></p> <p><b><u>(i) where a planned connected/related transaction between the Company and a connected/related person involves more than RMB3 million or accounts for more than 5% of the latest audited net assets of the Company shall first be approved by independent non-executive directors and then considered by the board of directors; before making a judgment, the independent non-executive directors may appoint an intermediary to provide independent financial and advisory reports as a basis for their judgment.</u></b></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
	<p><u>(ii) to propose to the board of directors for appointment or dismissal of accounting firm;</u></p> <p><u>(iii) to propose the board of directors to convene an extraordinary general meeting;</u></p> <p><u>(iv) to propose to convene a board meeting;</u></p> <p><u>(v) to independently appoint external audit and consulting institutions;</u></p> <p><u>(vi) to openly collect voting rights from shareholders before a general meeting is held.</u></p> <p><u>(vii) other functions and powers conferred by laws, administrative regulations, departmental rules, regulatory documents, and the Articles of Association.</u></p> <p><u>Independent non-executive directors shall seek the consent of more than one-half of all the independent non-executive directors before exercising the above powers. If the above proposals have not been adopted or the above powers cannot be exercised normally, the Company shall disclose the relevant information.</u></p>
<p>Article 20 Independent non-executive directors shall occupy more than half of the remuneration, audit, and nomination and relevant committees under the Company's board of directors; the chairman of the audit committee and remuneration committee must be an independent non-executive director.</p>	<p>Article 22 Independent non-executive directors shall occupy more than half of the remuneration, audit, and nomination and relevant committees under the Company's board of directors; the chairman of the audit committee and remuneration committee must be an independent non-executive director, <u>and the convener (chairman) of the audit committee meeting shall be an accounting professional.</u></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
<p>Article 27 Independent non-executive directors shall express objective and impartial independent opinions on matters discussed at the Company's general meeting or the board meeting. In particular, they shall express their opinions to the board of directors, board committee, or general meeting on the following matters:</p> <p>(i) connected transactions that require independent non-executive directors to review and/or issue opinions under <u>the Hong Kong Listing Rules</u>;</p> <p>(ii) other major transactions that require independent non-executive directors to review and/or issue opinions under <u>the Hong Kong Listing Rules</u>;</p> <p>(iii) matters that the independent non-executive directors believe may harm the interests of minority shareholders;</p> <p>(iv) matters that the independent non-executive directors believe may cause significant losses to the Company;</p> <p>(v) other matters required by laws, regulations, regulatory documents, <u>the Hong Kong Listing Rules</u>, the securities regulatory authorities of the places where the Company's shares are listed, or the Articles of Association.</p>	<p>Article 29 Independent non-executive directors shall express objective and impartial independent opinions on matters discussed at the Company's general meeting or the board meeting. In particular, they shall express their opinions to the board of directors, board committee, or general meeting on the following matters:</p> <p><u>(i) nomination, appointment and dismissal of directors;</u></p> <p><u>(ii) appointment or dismissal of senior management;</u></p> <p><u>(iii) remunerations of directors and senior management of the Company;</u></p> <p><u>(iv) existing or new transactions with the Company's shareholders, de facto controllers and connected/related enterprises with a total of more than RMB3 million or loan exceeding 5% of the latest audited net assets of the Company or other financial transaction, and whether the Company has taken effective measures to collect outstanding receivables;</u></p> <p><u>(v) external guarantee;</u></p> <p><u>(vi) change in the use of proceeds;</u></p> <p><u>(vii) workout of plan for conversion of capital reserve fund into share capital;</u></p> <p><u>(viii) work out of profit distribution policy, profit distribution plan and cash distribution plan;</u></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
	<p><u>(ix) changes in accounting policies and accounting estimates or correction of significant accounting errors resulting from reasons other than changes in accounting standards;</u></p> <p><u>(x) production of nonstandard unqualified audit opinions by certified public accountants on the financial reports of the Company;</u></p> <p><u>(xi) appointment and dismissal of the accounting firm;</u></p> <p><u>(xii) acquisition by the Company's management;</u></p> <p><u>(xiii) material asset restructuring;</u></p> <p><u>(xiv) share repurchase by the Company by means of centralized bidding;</u></p> <p><u>(xv) internal control evaluation report of the Company;</u></p> <p><u>(xvi) plan for change of undertakings made by the Company to related parties;</u></p> <p><u>(xvii) other</u> connected transactions that require independent non-executive directors to review and/or issue opinions under <u>the Listing Rules;</u></p> <p><u>(xviii)</u> other major transactions that require independent non-executive directors to review and/or issue opinions under <u>the Listing Rules;</u></p> <p><u>(xix)</u> matters that the independent non-executive directors believe may harm the interests of minority shareholders;</p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
	<p>(xx) matters that the independent non-executive directors believe may cause significant losses to the Company;</p> <p>(xxi) other matters required by laws, regulations, regulatory documents, <b>the Listing Rules</b>, the securities regulatory authorities of the places where the Company's shares are listed, or the Articles of Association.</p>
<p>Article 28 Independent non-executive directors shall clearly express the following opinions on the matters referred to in the preceding paragraph:</p> <p>.....</p> <p>The opinions of the independent non-executive directors to the board of directors shall be stated in the <b>minutes</b> of the board meeting.</p>	<p>Article 30 Independent non-executive directors shall clearly express the following opinions on the matters referred to in the preceding paragraph:</p> <p>.....</p> <p>The opinions of the independent non-executive directors to the board of directors shall be stated in the <b>resolutions</b> of the board meeting.</p> <p><b><u>If the matter concerned constitutes a discloseable event, the Company shall make announcements on the opinions of the independent non-executive directors. In case the independent non-executive directors fail to reach a consensus among themselves, the board of directors shall separately disclose the opinions of each of the independent non-executive directors.</u></b></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
/	<p>Article 31 <u>The independent opinions of independent non-executive directors on major issues shall include at least the following:</u></p> <p><u>(i) basic information on major matters;</u></p> <p><u>(ii) basis for expressing opinions, including the procedures performed, the documents to be reviewed, the contents of on-site inspections, etc.;</u></p> <p><u>(iii) legal compliance of major matters;</u></p> <p><u>(iv) the impact on the rights and interests of the Company and its minority shareholders, the possible risks, and whether the measures taken by the Company are effective;</u></p> <p><u>(v) concluding opinions issued. Where there are reservations, objections or opinions that could not be expressed on major matters, the relevant independent non-executive directors shall clearly explain the reasons.</u></p> <p><u>Independent non-executive directors shall sign and confirm the independent opinions issued and report the above opinions to the Company's board of directors in a timely manner. When the independent non-executive directors fail to reach a consensus among themselves, the board of directors shall disclose the opinions of each independent non-executive director separately.</u></p>



Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
/	<p data-bbox="801 329 1367 527"><u>Article 32 Independent non-executive directors shall submit and disclose their work report to the Company’s annual general meeting, which shall include the following contents:</u></p> <p data-bbox="801 570 1367 761"><u>(i) the attendance of board meetings and general meetings in the previous year, including the reasons and number of times they did not attend the meetings in person;</u></p> <p data-bbox="801 804 1367 953"><u>(ii) opinions and participation in voting at board meetings, including circumstances and reasons for abstaining from voting or casting negative votes;</u></p> <p data-bbox="801 995 1367 1304"><u>(iii) to investigate the Company’s production and operation, system construction, implementation of board resolutions, etc., discuss with the Company’s management, and conduct field investigations of the Company’s major investment, production, and construction projects;</u></p> <p data-bbox="801 1347 1367 1453"><u>(iv) the work in protecting the legitimate rights and interests of minority shareholders of the Company;</u></p> <p data-bbox="801 1495 1367 1538"><u>(v) participation in training;</u></p> <p data-bbox="801 1581 1367 1768"><u>(vi) other duties performed by independent non-executive directors in accordance with relevant laws and regulations, rules, regulatory documents and the Articles of Association;</u></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
	<p><u>(vii) self-examination conclusions as to whether it still complies with the provisions of independence, whether the statements of candidates and commitments have changed and so on.</u></p> <p><u>The work report of the independent non-executive director shall be based on the work record, with a specific description of the time, place, work content and follow-up of the performance of his/her duties, it shall be signed and confirmed in person and submitted to the Company together with the materials of the annual general meeting for safekeeping.</u></p>
/	<p><u>Chapter 5 Guarantee for Independent Non-Executive Directors to Exercise Their Functions and Powers</u></p> <p><u>Article 35 The Company shall ensure that the independent non-executive directors have the same right to know as other directors. In respect of any issue to be decided by the board of directors, the Company shall inform the independent non-executive directors in advance before the specified deadline and provide adequate information. Where any independent non-executive director deems the information as inadequate, he/she can require supplementation. Where 2 or more independent non-executive directors are of the opinion that the information provided is insufficient or evidence is unclear, they may make a joint written proposal to the board of directors to postpone the holding of the board meeting or postpone consideration of the issues, and the board of directors shall adopt such a proposal. The Company and the independent non-executive directors shall keep the documents provided by the Company for at least 5 years.</u></p>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
/	Article 36 <u>The Company shall provide the independent non-executive directors with necessary working conditions to fulfill their duties. The secretary to the board of directors shall actively provide assistance for independent non-executive directors in fulfilling duties, for example, information description and document provision. Where independent opinions, resolutions and written descriptions issued by independent non-executive directors shall be announced, the secretary to the board of directors should make announcements in a timely manner in the stock exchanges.</u>
/	Article 37 <u>When the independent non-executive directors are performing their duties, relevant persons of the Company shall actively support and shall not refuse, hinder or conceal or interfere in their independent performance of duties.</u>
/	Article 38 <u>The expenses for intermediaries appointed by the independent non-executive directors and other expenses for performing duties shall be borne by the Company.</u>
/	Article 39 <u>The Company shall provide appropriate allowances to independent non-executive directors. Allowance standards shall be subject to pre-arranged planning formulated by the board of directors, consideration and approval of the general meeting and disclosure in the annual report of the Company. Other than that, independent non-executive directors shall not obtain any other extra interests which are not disclosed from the Company and its substantial shareholders or other interested institutions and persons.</u>

Existing Rules of the Independent Non-Executive Directors	Revised Rules of the Independent Non-Executive Directors
/	Article 40 <u>The Company can establish necessary liability insurance systems for independent non-executive directors to reduce the possible risks arising from the normal duty performance of independent non-executive directors.</u>
Article 34 Any matters not covered in the Rules shall be subject to relevant laws and regulations, <b>the Hong Kong Listing Rules</b> , other requirements of the <b>Hong Kong</b> securities regulatory authority, and the Articles of Association. If the Rules are inconsistent with the laws and regulations, <b>the Hong Kong Listing Rules</b> , other requirements of the <b>Hong Kong</b> securities regulatory authority, and the Articles of Association promulgated or modified in the future, it shall be implemented in accordance with the provisions of relevant laws and regulations, <b>the Hong Kong Listing Rules</b> , other requirements of the <b>Hong Kong</b> securities regulatory authority, and the existing or revised Articles of Association.	Article 43 Any matters not covered in the Rules shall be subject to relevant laws and regulations, <b>the Listing Rules</b> , other requirements of the securities regulatory authorities <b>where the Company's shares are listed</b> , and the Articles of Association. If the Rules are inconsistent with the laws and regulations, <b>the Listing Rules</b> , other requirements of the securities regulatory authorities <b>where the Company's shares are listed</b> , and the Articles of Association promulgated or modified in the future, it shall be implemented in accordance with the provisions of relevant laws and regulations, <b>the Listing Rules</b> , other requirements of the securities regulatory authorities <b>where the Company's shares are listed</b> , and the existing or revised Articles of Association.
Article 35 The Rules shall be subject to the formulation and interpretation of the board of directors. The Rules <b>will take effect on the date of the appointment of independent non-executive directors.</b>	Article 44 The Rules shall be subject to the formulation and interpretation of the board of directors. The Rules <b>is effective from the date when the Company's initial public offering of RMB ordinary shares (A Shares) are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange. As of the effective date of the Rules, the original Rules of the Independent Non-Executive Directors of Shanghai Henlius Biotech, Inc. will automatically become invalid.</b>
/	<b><u>In view of the additions and deletions to the articles, the article numbers in the Rules and the references to the articles shall be amended accordingly.</u></b>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
<p>Article 1 In order to strengthen and regulate the management of raised funds of Shanghai Henlius Biotech, Inc. (hereinafter referred to as the “Company”), and improve the use efficiency and effectiveness of raised funds, the Rules are formulated pursuant to the related requirements of the Companies Law of the People’s Republic of China, <b><u>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”)</u></b> and the Articles of Association of Shanghai Henlius Biotech, Inc. (hereinafter referred to as the “Articles of Association”), and in light of the actual situation of the Company.</p>	<p>Article 1 In order to strengthen and regulate the management of raised funds of Shanghai Henlius Biotech, Inc. (hereinafter referred to as the “Company”), and improve the use efficiency and effectiveness of raised funds, the Rules are formulated pursuant to the related requirements of the Companies Law of the People’s Republic of China, <b><u>the Securities Law of the People’s Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies, the Rules on Report on Use of Previously Raised Proceeds (Zheng Jian Fa Xing Zi [2007] No. 500), the Listed Companies Regulatory Guidance No. 2 - Regulatory Requirements on the Management and Use of Proceeds of Listed Companies (CSRC Announcement [2012] No. 44), the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board (the “STAR Market Listing Rules”), the Management Measures for the Proceeds of Listed Companies on the Shanghai Stock Exchange</u></b> and the Articles of Association of Shanghai Henlius Biotech, Inc. (hereinafter referred to as the “Articles of Association”), and in light of the actual situation of the Company.</p>
<p>Article 2 The raised funds refer to the funds raised from investors by the Company through public offering of securities (including initial public offering of stocks, share allotment, further issue and issuance of convertible corporate bonds) and non-public offering of securities <b><u>in The Stock Exchange of Hong Kong Limited.</u></b></p>	<p>Article 2 The raised funds refer to the funds raised from investors by the Company through public offering of securities (including <b><u>but not limited to</u></b> initial public offering of stocks, share allotment, further issue and issuance of convertible corporate bonds) and non-public offering of securities, <b><u>but excluding the funds raised through the equity incentive plan implemented by the Company.</u></b></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	Article 4 <u>The board of directors of the Company shall fully demonstrate the feasibility of the investment projects funded by the raised funds, and be sure that the investment projects have better market prospects and profitability, effectively guard against investment risks and improve the efficiency of the use of raised funds.</u>
/	Article 5 <u>The directors, supervisors and senior management of the Company shall be diligent and responsible, urge the Company to regulate the use of raised funds, consciously safeguard the safety of raised funds, and shall not participate in, assist or condone the company to alter the purpose of raised funds without authorization or in disguise.</u>
/	Article 6 <u>As to the investment projects funded by the raised funds which are implemented through the Company's subsidiaries or other entities controlled by the Company, the Company shall ensure compliance with the Rules by such subsidiaries or such other entities controlled by it.</u>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p data-bbox="810 336 1355 725"><u>Article 8 A tripartite regulatory agreement with respect to the deposit at the designated account for raised funds shall be signed by the Company with the sponsor(s) and the commercial bank (hereinafter referred to as “Commercial Bank”) in which the raised funds are deposited within one month upon receipt of the raised funds. The agreement shall at least include the following details:</u></p> <p data-bbox="810 778 1355 889"><u>(i) the Company shall deposit the raised funds into the designated account for raised funds in a centralized way;</u></p> <p data-bbox="810 942 1355 1129"><u>(ii) the Commercial Bank shall provide the Company with bank statements of the designated account for raised funds on a monthly basis and make copies to the sponsor(s);</u></p> <p data-bbox="810 1183 1355 1530"><u>(iii) if the Company withdraws an amount of more than RMB50 million from the designated account for raised funds once or at multiple times within 12 months and that the amount reaches 20% of the total amount of raised funds net of issuance expenses (the “Net Raised Funds”), the Company shall notify the sponsor(s) promptly;</u></p> <p data-bbox="810 1583 1355 1693"><u>(iv) the sponsor(s) may make inquiries to the Commercial Bank on the designated account for raised funds at any time;</u></p> <p data-bbox="810 1747 1355 1857"><u>(v) liabilities of breach of contract by the Company, the Commercial Bank and the sponsor(s).</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><u>The Company shall, within 2 trading days after entering into of such agreement, file with the Shanghai Stock Exchange and make an announcement thereon.</u></p> <p><u>If the above agreement is terminated before the expiration of its effective terms due to the change of sponsor(s) or Commercial Bank or other reasons, the Company shall, within two weeks upon the termination of the agreement, enter into a new agreement with relevant parties, and shall, within 2 trading days after entering into such agreement, file with the Shanghai Stock Exchange and make an announcement thereon.</u></p>
<p>Article 8 The raised funds shall not be used or misappropriated by the controlling shareholder(s), de facto controller(s) and other <b><u>related persons</u></b>, to obtain illegitimate interests from the investment projects funded by the raised funds for the <b><u>connected/related persons</u></b>.</p>	<p>Article 12 The raised funds shall not be used or misappropriated by the controlling shareholder(s), de facto controller(s) and other <b><u>connected/related persons</u></b>, to obtain illegitimate interests from the Proceeds-financed Projects for the <b><u>connected/related persons</u></b>.</p>



Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p>Article 15 <u>The Company shall abide by the following requirements when using the raised funds:</u></p> <p><u>(i) the Company shall clearly stipulate the application for the use of raised funds, the authority of examination and approval at different levels, decision-making procedures, risk control measures and information disclosure procedures;</u></p> <p><u>(ii) the Company shall use the raised funds in accordance with the plan for the use of the raised funds promised in the application documents for issuance;</u></p> <p><u>(iii) if there is an event that seriously affects the normal progress of the plan for the use of the raised funds, the Company shall file with the Shanghai Stock Exchange promptly and make an announcement thereon.</u></p> <p><u>(iv) if any of the following events occurs to an investment project funded by the raised funds, the Company shall re-assess the feasibility and estimated profitability of such project to decide if it should proceed with its implementation, and disclose the progress of the project, reasons for the abnormalities and the adjusted project (if any) in its latest periodic report:</u></p> <p><u>1. any material changes in the market environment in which the investment project funded by the raised funds is involved;</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><u>2. suspension of the investment project funded by the raised funds for over 1 year;</u></p> <p><u>3. failure to meet the deadline specified in the previous plan of the investment project funded by the raised funds and less than 50% of the proposed investment amount has been actually contributed;</u></p> <p><u>4. other abnormalities of the investment project funded by the raised funds.</u></p>
/	<p>Article 16 <u>The raised funds of the Company shall, in principle, be used for its principal business. The Company may not use the raised funds in the following ways:</u></p> <p><u>(i) except for financial enterprises, the investment project funded by the raised funds are financial investments such as holding transactional financial assets and financial assets available for sale, lending to others, entrusting financial management, and direct or indirect investments in companies whose principal business is to buy and sell negotiable securities;</u></p> <p><u>(ii) to alter the purpose of raised funds in disguised form through pledge, entrusted loan or other means;</u></p> <p><u>(iii) providing the raised funds directly or indirectly to the controlling shareholder(s), de facto controller(s) and other connected/related persons for their use, so as to facilitate the connected/related persons to obtain illegitimate interests from the investment projects funded by the raised funds.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<u>(iv) other acts in violation of the provisions on the management for the raised funds.</u>
/	<p>Article 17 <u>In case the Company has made investment with its self-raised funds into the investment projects funded by the raised funds prior to receiving the raised funds, the raised funds may be used to replace such investment within six months from the receipt thereof.</u></p> <p><u>Such replacement shall be considered and approved by the board of directors of the Company with a verification report issued by an accountant and concurring opinions from the independent non-executive directors, board of supervisors and sponsor(s) shall be obtained. The Company shall file a report to the Shanghai Stock Exchange and made an announcement thereon within 2 trading days after the approval of the board of directors.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p data-bbox="810 336 1353 485">Article 18 <u>The raised funds which are temporarily idle may be used for cash management, and the products they invest in must meet the following conditions:</u></p> <p data-bbox="810 538 1353 687"><u>(i) high safety, meeting the requirements of break even and the issuer of the products can make a break-even commitment;</u></p> <p data-bbox="810 740 1353 846"><u>(ii) good liquidity without affecting the smooth progress of the investment plans of the raised funds.</u></p> <p data-bbox="810 900 1353 1323"><u>The investment products shall not be pledged, and the special product settlement account (if applicable) shall not be used for the deposition of the funds other than raised funds or for any other purposes, and in case of opening or cancelling a special product settlement account, the Company shall file with the Shanghai Stock Exchange and make an announcement thereon within 2 trading days.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p data-bbox="810 336 1358 725">Article 19 <u>The investment of idle raised funds in products shall be subject to the review and approval by the board of directors, with the opinions on explicit consent given by the independent non-executive directors, the board of supervisors and the sponsor(s). The Company shall make relevant announcement within 2 trading days after the board meeting on:</u></p> <p data-bbox="810 778 1358 927"><u>(i) the basic information on the raised funds, including, among others, the time of raising, the amount and net amount of the raised funds and investment plans;</u></p> <p data-bbox="810 981 1358 1044"><u>(ii) the information on the use of the raised funds;</u></p> <p data-bbox="810 1098 1358 1364"><u>(iii) the quota and duration of the idle raised funds for investing in products, whether there are any disguised changes in the purposes of the raised funds and the measures for ensuring the smooth progress of the investment projects funded by the raised funds;</u></p> <p data-bbox="810 1417 1358 1523"><u>(iv) the income distribution manner, investment scope and safety of the investment products;</u></p> <p data-bbox="810 1576 1358 1683"><u>(v) opinions issued by independent non-executive directors, the board of supervisors and the sponsor(s).</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p>Article 20 <u>Where the Company uses the idle raised funds to replenish working capital temporarily, such replenishment shall meet the following conditions:</u></p> <p><u>(i) there should not be any disguised changes in the use of raised funds or impacts on the normal implementation of the raised funds investment plan;</u></p> <p><u>(ii) the raised funds shall only be applied to production and operation related to the principal business, and should not be directly or indirectly applied to placing of new shares, subscription or used in stocks and any derivative instruments or convertible corporate bonds, etc.;</u></p> <p><u>(iii) the duration of any replenishment to the working capital should not exceed 12 months every single time;</u></p> <p><u>(iv) any raised funds used for temporary replenishment previously falling due have been repaid (if applicable).</u></p> <p><u>The temporary use of idle raised funds to replenish working capital by the Company shall be subjected to the review and approval by the board of directors of the Company, with the opinions on explicit consent given by independent non-executive directors, the board of supervisors and the sponsor(s). The Company shall report to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after the board meeting.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><u>Before the expiration date of replenishing the working capital, the Company shall return certain raised funds to the designated account for raised funds, and report to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after the full repayment of the raised funds.</u></p>
/	<p>Article 21 <u>The excess of the actual Net Raised Funds over the amount of the funds planned to be raised (the “Additional Raised Funds”) may be used to permanently replenish the working capital and repay bank loans, but the cumulative amount used in every 12 months shall not exceed 30% of the total amount of the Additional Raised Funds and the Company shall undertake that it will not make any high-risk investments or provide financial assistance to others within 12 months after replenishing the working capital.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p data-bbox="810 336 1353 932"><u>Article 22 The Additional Raised Funds used for the purpose of permanently replenishing the working capital and repayment of bank loans are subject to the review and approval by a board meeting and a general meeting of the Company, with the manner of online voting provided for shareholders, and the opinions on explicit consent given by independent non-executive directors, the board of supervisors and the sponsor(s) shall be obtained. The Company shall inform the Shanghai Stock Exchange and make relevant announcement within 2 trading days after the board meeting of the on:</u></p> <p data-bbox="810 974 1353 1172"><u>(i) the basic information on the raised funds, including, among others, the time of raising, the amount and net amount of the raised funds, the amount of Additional Raised Funds and investment plans;</u></p> <p data-bbox="810 1215 1353 1293"><u>(ii) the information on the use of the raised funds;</u></p> <p data-bbox="810 1336 1353 1491"><u>(iii) the necessity of and detailed plan for the Additional Raised Funds used for permanently replenishing the working capital or repaying bank loans;</u></p> <p data-bbox="810 1534 1353 1734"><u>(iv) the undertaking of not making any high-risk investments or providing financial assistance for others within 12 months after replenishing the working capital;</u></p>



Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><u>(v) the impacts on the Company of the use of the Additional Raised Funds for permanently replenishing the working capital or repaying bank loans;</u></p> <p><u>(vi) the opinions from the independent non-executive directors, the board of supervisors and the sponsor(s).</u></p>
/	<p>Article 23 <u>When the Company invested Additional Raised Funds in projects under construction and new projects (including acquisition of assets), the investment will be limited to its principal business. The Company shall apply the relevant requirements of Article 21 to Article 24 of the Management Measures for the Proceeds of Listed Companies on the Shanghai Stock Exchange to conduct the feasibility analysis of the investment projects in a scientific and diligent manner, and carry out the obligation of disclosure in a timely manner.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p data-bbox="810 336 1353 968"><u>Article 24 Where a single investment project funded by the raised funds is completed and the Company uses the remaining raised funds of such project (including interest income) for other investment projects funded by the raised funds, it shall obtain in advance the consideration and approval from the board of directors and opinions on explicit consent given by the independent non-executive directors, the sponsor(s) and the board of supervisors. The Company shall report to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after the board meeting.</u></p> <p data-bbox="810 1017 1353 1372"><u>If the balance of raised funds (including the interest income) is less than RMB1 million or less than 5% of the committed investment amount of the raised funds of such investment project funded by the raised funds, the Company may be exempted from the preceding procedures, and the use shall be disclosed in its annual report.</u></p> <p data-bbox="810 1421 1353 1851"><u>If the balance of raised funds (including the interest income) of a single investment project funded by the raised funds is used for projects other than the investment projects funded by the raised funds (including replenishing the working capital), the Company shall follow relevant procedures and disclosure obligations by reference to the same for changes of investment projects funded by the raised funds.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p data-bbox="810 336 1358 932"><u>Article 25 Upon completion of all investment projects funded by the raised funds, if the balance of the raised funds (including the interest income) exceeds 10% of the Net Raised Funds, the use of such balance of raised funds shall obtain in advance the review and approval from the board of directors and a general meeting and opinions on explicit consent given by the independent non-executive directors, the sponsor(s) and the board of supervisors. The Company shall report to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after the board meeting.</u></p> <p data-bbox="810 981 1358 1449"><u>For the balance of raised funds (including the interest income) under 10% of the Net Raised Funds, the use of such balance of raised funds shall obtain in advance the review and approval from the board of directors and opinions on explicit consent given by the independent non-executive directors, the sponsor(s) and the board of supervisors. The Company shall report to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after the board meeting.</u></p> <p data-bbox="810 1498 1358 1774"><u>For the balance of raised funds (including the interest income) under RMB5 million or less than 5% of the Net Raised Funds, the use of such balance of raised funds is exempted from the above procedures. The use of such balance of raised funds shall be disclosed in the latest periodic report.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
<p>Article 11 The Company shall not alter the purpose of raised funds without adhering to the requirements of the laws and regulations, the regulatory rules of the places where the Company's shares are listed and the Articles of Association. If it becomes necessary to alter the purpose of the use of raised funds due to market changes, such purposes can be altered only when such alteration has been reviewed and approved by the board of directors after discussing with the Company's compliance advisors (if applicable), handling approval procedures (if necessary) and disclosing such alteration in accordance with <u>the Hong Kong Listing Rules</u> and other regulatory requirements.</p>	<p>Article 26 <u>The Company shall use the raised funds in accordance with the purposes specified in the prospectus or offering document. Changes of the investment project funded by the raised funds of the Company must be reviewed and approved by the board of directors and at a general meeting, subject to the explicit consent of the independent non-executive directors, the sponsor(s) and the board of supervisors.</u> The Company shall not alter the purpose of raised funds without adhering to the requirements of the laws and regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association. If it becomes necessary to alter the purpose of the use of raised funds due to market changes, such purposes can be altered only when such alteration has been considered and approved by the board of directors after discussing with the Company's compliance advisors (if applicable), handling approval procedures (if necessary) and disclosing such alteration in accordance with the <u>STAR Market Listing Rules</u> and other regulatory requirements. <u>In case the Company merely changes the place of implementation of the investment projects funded by the raised funds, such changes may be exempt from implementing the procedures of the previous paragraph but shall be subject to the consideration and approval by the board of directors. A report shall be filed within 2 trading days with the Shanghai Stock Exchange, and the reasons for the changes and the opinion of the sponsor(s) shall be announced.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
<p>Article 12 The board of directors of the Company shall scientifically and prudently carry out the feasibility analysis of the proposed new investment projects funded by the raised funds after alteration so as to effectively prevent the investment risks and improve the efficiency of the use of raised funds.</p> <p>In case the Company proposes to change the use of raised funds, it shall fulfill the obligations of information disclosure in a timely manner in accordance with the Articles of Association, relevant rules on information disclosure of the Company, <b><u>the Hong Kong Listing Rules</u></b> and other requirements of the securities regulatory authorities where the Company's shares are listed. New projects involving connected/related transactions, asset acquisition and external investments may constitute connected/related transactions and/or disclosable transactions under <b><u>the Hong Kong Listing Rules</u></b> and should be approved and disclosed according to relevant requirements of connected/related transactions and disclosable transactions under <b><u>the Hong Kong Listing Rules</u></b>.</p>	<p>Article 27 The Board of the Company shall scientifically and prudently carry out the feasibility analysis of the proposed new investment project funded by the raised funds after alteration so as to effectively prevent the investment risks and improve the efficiency of the use of raised funds.</p> <p>In case the Company proposes to change the use of raised funds, it shall fulfill the obligations of information disclosure in a timely manner in accordance with the Articles of Association, relevant rules on information disclosure of the Company, <b><u>the STAR Market Listing Rules</u></b> and other requirements of the securities regulatory authorities where the Company's shares are listed. New projects involving connected/related transactions, asset acquisition and foreign investments may constitute connected/related transactions and/or disclosable transactions under <b><u>the STAR Market Listing Rules</u></b> and should be approved and disclosed according to relevant requirements of connected/related transactions and disclosable transactions under <b><u>the STAR Market Listing Rules</u></b>.</p>
/	<p>Article 30 <b><u>After changes, the investment projects funded by the raised funds shall be invested in the principal business.</u></b></p> <p><b><u>The Company shall scientifically and prudently carry out the feasibility analysis of the new investment project funded by the raised funds to ensure such investment project has better market prospect and profitability, effectively prevent investment risks and improve the efficiency of the use of the raised funds.</u></b></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
/	<p>Article 31 <u>In case the Company proposes to make changes to a investment project funded by the raised funds, it shall report to the Shanghai Stock Exchange and make an announcement on the followings within 2 trading days from the submission to the board of directors for consideration:</u></p> <p><u>(i) basic information of the original investment project funded by the raised funds and the specific reasons of such changes;</u></p> <p><u>(ii) basic information, feasibility analysis and risks warning on the new investment project funded by the raised funds;</u></p> <p><u>(iii) the investment plan for the new investment project funded by the raised funds;</u></p> <p><u>(iv) the explanation of whether the new investment project funded by the raised funds has obtained the approval of the relevant authorities (if applicable);</u></p> <p><u>(v) the opinion of the independent non-executive directors, the board of supervisors and the sponsor(s) in respect of the changes to the investment project funded by the raised funds;</u></p> <p><u>(vi) the explanation of such changes to the investment project funded by the raised funds is subject to approval of a general meeting;</u></p> <p><u>(vii) other contents as required by the Shanghai Stock Exchange.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><u>Where the new investment project funded by the raised funds involves any connected/related transactions, purchase of assets or external investments, the Company shall make disclosure in accordance with the requirements of relevant regulations.</u></p>
/	<p>Article 32 <u>Where the Company changes the purpose of a investment project funded by the raised funds to acquisition of assets (including equity) of the controlling shareholder(s) or de facto controller(s), it shall avoid creating market competition with peers and reduce connected/related transactions after the said acquisition.</u></p>
/	<p>Article 33 <u>Where the Company proposes to externally transfer or replace a investment project funded by the raised funds (except for investment projects funded by the raised funds which have completed the entire external transfer or replacement in a material asset reconstruction implemented by the Company), it shall report to the Shanghai Stock Exchange and make an announcement on the followings within 2 trading days from the submission to the board of directors for consideration:</u></p> <p><u>(i) specific reasons for the external transfer or replacement of the investment project funded by the raised funds;</u></p> <p><u>(ii) the amount of raised funds invested in the project;</u></p> <p><u>(iii) completion progress of the project and its realized benefit;</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><u>(iv) basic information, feasibility analysis and risk warning (if applicable) of the replacement project;</u></p> <p><u>(v) the pricing basis of the transfer or replacement and relevant return;</u></p> <p><u>(vi) the opinions on the transfer or replacement of the investment project funded by the raised funds from the independent non-executive directors, the board of supervisors and the sponsor(s);</u></p> <p><u>(vii) the explanation of such transfer or replacement of the investment project funded by the raised funds is subject to submission to general meeting for consideration;</u></p> <p><u>(viii) other contents as required by the Shanghai Stock Exchange.</u></p> <p><u>The Company shall give due regard to the receipt and use of the consideration of the transfer, the change in ownership of the replacing assets and the continuous operation of the replacing assets, and fulfill the obligations of necessary information disclosure.</u></p>



Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
<p>Article 15 The subsidiary responsible for the implementation of the project shall report in writing to the Company on the investment project funded by the raised funds on a regular or irregular basis, explaining the implementation of the project, the use of raised funds and the deposit, management and use of the designated account for raised funds, and report to the Company on the implementation of the project and the use of raised funds throughout the year on an annual basis.</p>	<p>Article 34 <b><u>The Company shall disclose the information on the actual use of raised funds in an authentic, accurate and complete manner.</u></b> The subsidiary is responsible for the implementation of the project shall report in writing to the Company on the investment project funded by the raised funds on a regular or irregular basis, explaining the implementation of the project, the use of raised funds and the deposit, management and use of the designated account for raised funds, and report to the Company on the implementation of the project and the use of raised funds throughout the year on an annual basis.</p>
/	<p>Article 35 <b><u>The board of directors of the Company shall comprehensively review the progress of the investment projects funded by the raised funds semi-annually, and issue a Special Report on the Deposit and the Actual Use of Raised Funds of the Company (“Special Report of Raised Funds”).</u></b></p> <p><b><u>Where the actual progress of investment projects funded by the raised funds differs from the investment plan, the Company shall explain specific reasons in the Special Report of Raised Funds. When idle raised funds are used in investment products in the current period, the Company shall disclose returns for the reporting period and investment share, counterparties, product names, term and other information as the end of the period in the Special Report of Raised Funds.</u></b></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><b><u>The Special Report of Raised Funds shall be reviewed and approved by the board of directors and the board of supervisors, and reported to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days upon submission to the board of directors for consideration. In an annual audit, the Company shall engage certified public accountants to issue an attestation report on the deposit and use of raised funds, which shall be submitted to the Shanghai Stock Exchange when the Company discloses its annual report, meanwhile such report shall be disclosed on the website of the Shanghai Stock Exchange.</u></b></p>
<p>Article 17 Where necessary, certified public accountants may be engaged by the audit committee of the board of directors, the board of supervisors or over one-half of the independent non-executive directors to conduct a special audit and issue an attestation report on the deposit and the use of raised funds. The Company shall use its best endeavours to cooperate and cover any necessary fees.</p>	<p>Article 37 <b><u>The audit committee of the board of directors, the board of supervisors and independent non-executive directors shall continue to pay attention to the actual administration and use of the raised funds.</u></b> Where necessary, certified public accountants may be engaged by the audit committee of the board of directors, the board of supervisors or over one-half of the independent non-executive directors to conduct a special audit and issue an attestation report on the deposit and the use of raised funds. The Company shall use its best endeavours to cooperate and cover any necessary fees.</p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><u>The board of directors shall report to the Shanghai Stock Exchange and release an announcement within 2 trading days upon the receipt of the attestation report mentioned in the preceding paragraph. If the attestation report identifies any non-compliance in administration and use of raised funds of the Company, the board of directors shall also announce the non-compliance, the consequences of such non-compliance that have occurred or may occur and actions that have taken or to be taken on the deposit and use of the raised funds.</u></p>
/	<p>Article 40 <u>The sponsor(s) shall conduct at least one on-site survey for the deposit and use of raised funds of the Company semi-annually.</u></p> <p><u>After the end of every financial year, the sponsor(s) shall issue a special verification report on the deposit and use of raised funds of the Company in the year, which shall be submitted to the Shanghai Stock Exchange and disclosed at the website of the Shanghai Stock Exchange when the Company discloses its annual report. Such special verification report shall contain the followings:</u></p> <p><u>(i) information relating to the deposit, use and the balance of the raised funds account;</u></p> <p><u>(ii) progress of the investment project funded by the raised funds, including the difference from the planned progress of investment of raised funds;</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
	<p><u>(iii) information of the replacement of Company's own fund of the investment project that previously invested with the raised funds (if applicable);</u></p> <p><u>(iv) the use of idle raised funds to replenish working capital and its effect (if applicable);</u></p> <p><u>(v) any use of Additional Raised Funds (if applicable);</u></p> <p><u>(vi) any changes to use of raised funds (if applicable);</u></p> <p><u>(vii) conclusive opinions relating to whether the deposit and use of raised funds by the Company is compliant with laws and regulations;</u></p> <p><u>(viii) other contents as required by the Shanghai Stock Exchange.</u></p> <p><u>After the ending of each financial year, the board of directors of the Company shall disclose in the Special Report of Raised Funds the conclusive opinion in the special examination report issued by the sponsor(s) and the attestation report issued by the accountant.</u></p>
/	<p>Article 41 <u>The Rules do not apply to the administration of the use of raised funds from issuing H shares by the Company. The administration of the use of raised funds from issuing H shares shall be carried out in accordance with the relevant provisions of the Hong Kong Securities and Futures Commission and The Stock Exchange of Hong Kong Limited.</u></p>

Existing Articles of the Management Rules for the Raised Funds	Revised Articles of the Management Rules for the Raised Funds
<p>Article 20 The Rules, which have been reviewed and approved by the general meeting, shall come into effect upon <b><u>listing of the H shares issued by the Company on The Stock Exchange of Hong Kong Limited.</u></b></p>	<p>Article 42 The Rules, which have been considered and approved by the general meeting, shall come into effect <b><u>and be implemented upon initial public offering of RMB ordinary Shares (A shares) and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange</u></b> by the Company. <b><u>From the effective date of the Rules, the original Management Rules for the Raised Funds of Shanghai Henlius Biotech, Inc. will automatically lapse.</u></b></p>
<p>Article 21 Matters not covered by the Rules shall be executed in accordance with relevant national laws, regulations, <b><u>the Hong Kong Listing Rules</u></b> and the Articles of Association. In the event that the Rules are inconsistent with the laws, regulations, <b><u>the Hong Kong Listing Rules</u></b> and the Articles of Association, they shall be executed in accordance with the relevant laws, regulations, <b><u>the Hong Kong Listing Rules</u></b> and the Articles of Association.</p>	<p>Article 43 Matters not covered by this system shall be executed in accordance with relevant national laws, regulations, <b><u>the STAR Market Listing Rules</u></b> and the Articles of Association. In the event that the Rules are inconsistent with the laws, regulations, <b><u>the STAR Market Listing Rules</u></b> and the Articles of Association, they shall be executed in accordance with the relevant laws, regulations, <b><u>the STAR Market Listing Rules</u></b> and the Articles of Association.</p>
/	<p><b><u>In view of the additions and deletions of the articles, the numbers in the Management Rules for Raised Funds and the references to the articles shall be amended accordingly.</u></b></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>The Name of Rules</p> <p>Decision-making Rules for the Connected Transaction of Shanghai Henlius Biotech, Inc.</p>	<p>The Name of Rules</p> <p>Decision-making Rules for the Connected/<b>Related</b> Transaction of Shanghai Henlius Biotech, Inc.</p>
<p>Article 1 In order to regulate the connected transactions of Shanghai Henlius Biotech, Inc. (the “Company”), guarantee the fairness and reasonableness of connected transactions and safeguard the interests of the Company and shareholders, the Rules are hereby formulated in accordance with the Company Law of the People’s Republic of China, <b><u>the articles of association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”)</u></b>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”) and other relevant laws, regulations and regulatory documents.</p>	<p>Article 1 In order to regulate the connected/<b>related</b> transactions of Shanghai Henlius Biotech, Inc. (the “Company”), guarantee the fairness and reasonableness of connected/<b>related</b> transactions and safeguard the interests of the Company and shareholders, the Rules are hereby formulated in accordance with the Company Law of the People’s Republic of China, <b><u>Code of Corporate Governance for Listed Companies</u></b>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”), <b><u>the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board (the “STAR Market Listing Rules”)</u></b>, <b><u>the articles of association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”)</u></b> and other relevant laws, regulations and regulatory documents.</p>
<p>Article 2 The Company implements categorized management for connected transactions, determines the scope of connected persons in accordance with the Hong Kong Listing Rules, and performs the procedures of approval and information disclosure for connected transactions in accordance with relevant requirements.</p>	<p>Article 2 The Company implements categorized management for connected/<b>related</b> transactions, determines the scope of connected/<b>related</b> persons in accordance with the Hong Kong Listing Rules <b><u>and STAR Market Listing Rules</u></b>, and performs the procedures of approval and information disclosure for connected/<b>related</b> transactions in accordance with relevant requirements.</p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 3 The Company's connected transactions shall follow the following basic principles:</p> <p>(i) the connected transactions between the Company and the connected persons should reach written agreement, and the entering into of which should follow the principles of equality, voluntarily, equivalence and compensation;</p> <p>(ii) the principles of impartiality, fairness and openness. In principle, the price or charge of the connected transaction should not deviate from the independent third party's standards from the market. For connected transactions where it is difficult to compare the market price or the pricing is restricted, the relevant cost and profit standards should be specified in the contract;</p> <p>(iii) for connected transactions to be reviewed at a general meeting, connected shareholders shall abstain from voting on such connected transactions;</p> <p>(iv) directors who have any interest in connected parties should abstain from voting when voting on the matter at the board meeting;</p> <p>(v) the Company's board of directors shall judge whether the connected transaction is beneficial to the Company based on objective criteria. When necessary, a professional appraiser or an independent financial adviser should be appointed to issue opinions.</p>	<p>Article 3 The Company's connected/<u>related</u> transactions shall follow the following basic principles:</p> <p>(i) the connected/<u>related</u> transactions between the Company and the connected/<u>related</u> persons should reach written agreement, and the entering into of which should follow the principles of equality, voluntarily, equivalence and compensation;</p> <p>(ii) the principles of impartiality, fairness and openness. In principle, the price or charge of the connected/<u>related</u> transaction should not deviate from the independent third party's standards from the market. For connected transactions where it is difficult to compare the market price or the pricing is restricted, the relevant cost and profit standards should be specified in the contract;</p> <p>(iii) for connected/<u>related</u> transactions to be reviewed at a general meeting, connected/<u>related</u> shareholders shall abstain from voting on such connected/<u>related</u> transactions;</p> <p>(iv) directors who have any interest in connected/<u>related</u> parties should abstain from voting when voting on the matter at the board meeting;</p> <p>(v) the Company's board of directors shall judge whether the connected/<u>related</u> transaction is beneficial to the Company based on objective criteria. When necessary, a professional appraiser or an independent financial adviser should be appointed to issue opinions.</p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 4 The general meeting and the board of directors shall supervise, manage and approve the connected transactions of the Company in accordance with the Hong Kong Listing Rules and the Articles of Association. The Finance Department is responsible for the daily management of connected transactions, formulating the pricing principles of connected transactions, calculating the transaction amounts of connected transactions and assisting the secretary to the board of directors for information disclosure of connected transactions. The secretary to the board of directors is responsible for the information disclosure of connected transaction.</p>	<p>Article 4 The general meeting and the board of directors shall supervise, manage and approve the connected/<u>related</u> transactions of the Company in accordance with the Hong Kong Listing Rules, <u>STAR Market Listing Rules</u> and the Articles of Association. The Finance Department is responsible for the daily management of connected/<u>related</u> transactions, formulating the pricing principles of connected/<u>related</u> transactions, calculating the transaction amounts of connected/<u>related</u> transactions and assisting the secretary to the board of directors for information disclosure of connected/<u>related</u> transactions. The secretary to the board of directors is responsible for the information disclosure of connected/<u>related</u> transaction.</p>
<p>Chapter 2 Connected Person</p> <p>Article 5 The <u>definition and</u> scope of connected persons <u>are subject to the requirements of</u> the Hong Kong Listing Rules. According to the Hong Kong Listing Rules, with the exceptions required by it, a connected person of the Company and their subsidiaries usually include the following parties:</p> <p>.....</p>	<p>Chapter 2 Connected/<u>Related</u> Person</p> <p>Article 5 The scope of connected/<u>related</u> persons <u>includes the connected persons as defined in</u> the Hong Kong Listing Rules <u>and the related persons as defined in the STAR Market Listing Rules.</u></p> <p>Article 6 According to the Hong Kong Listing Rules, with the exceptions required by it, a connected person of the Company and their subsidiaries usually include the following parties:</p> <p>.....</p> <p><u>(v) a natural person, legal person or other organization that directly or indirectly controls the Company.</u></p>



Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
/	<p>Article 7 <u>According to the STAR Market Listing Rules, a related person refers to a natural person, legal person or other organization that has one of the following circumstances:</u></p> <p><u>(i) a natural person, legal person or other organization that directly or indirectly controls the Company;</u></p> <p><u>(ii) any natural persons who directly or indirectly hold more than 5% of the shares of the Company;</u></p> <p><u>(iii) directors, supervisors and senior management of the Company;</u></p> <p><u>(iv) closely related family members of the related natural persons listed in items (i) to (iii) of this Article, including spouse, children above the age of 18 and their spouses, parents and parents of spouse, brothers and sisters and their spouses, brothers and sisters of the spouse and parents of children’s spouses;</u></p> <p><u>(v) any legal persons or other organizations who directly hold more than 5% of the shares of the Company;</u></p> <p><u>(vi) legal persons or directors, supervisors, senior management or other principal persons in charge of other organizations that directly or indirectly control the Company;</u></p> <p><u>(vii) a legal person or other organization directly or indirectly controlled by a related legal person or related natural person mentioned in items (i) to (vi) of the Article, or by a legal person or other organization in which the above-mentioned related natural person (other than an independent non-executive director) acts as a director or senior management, with the exception of the Company and its controlling subsidiaries;</u></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
	<p><u>(viii) a legal person or other organization that indirectly holds more than 5% of the Company's shares;</u></p> <p><u>(ix) natural persons, legal persons, or other organizations that have a special relationship with the Company as determined by the CSRC, Shanghai Stock Exchange, or the Company based on the principle of substance over form, may cause the Company's interests to favour them.</u></p> <p><u>Within 12 months before the date of the transaction, or within 12 months after the relevant transaction agreement becomes effective or the arrangement is implemented, a legal person, other organization, or natural person under one of the circumstances listed in the preceding paragraph shall be regarded as a related person of the Company.</u></p> <p><u>If the Company and the legal person or other organization listed in item (i) of the preceding paragraph directly or indirectly control the legal person or other organization under the control of the same State-owned Assets Supervision and Administration Commission, there shall be no related relationship, except where the legal representative, general manager, person in charge or more than half of the directors of the legal person or other organization concurrently serve as directors, supervisors or senior management of the Company.</u></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 6 The Company's connected transaction management department is responsible for collecting and updating information of connected persons.</p>	<p>Article 8 The Company's connected/<b><u>related</u></b> transaction management department is responsible for collecting and updating information of connected/<b><u>related</u></b> persons.</p>
<p>Chapter 3 Connected Transactions</p> <p>Article 7 A connected transaction is a transaction between a company or any of its subsidiaries and connected persons, as well as a specific type of transaction with a third party, which enables the connected person to obtain benefits through its interest in the entity involved in the transaction. Connected transactions can be one-off transactions or ongoing transactions.</p>	<p>Chapter 3 Connected/<b><u>Related</u></b> Transactions</p> <p>Article 9 <b><u>Connected/related transactions include connected transactions under the Hong Kong Listing Rules and related transactions under the STAR Market Listing Rules.</u></b></p> <p>A connected transaction <b><u>under the Hong Kong Listing Rules</u></b> is a transaction between a company or any of its subsidiaries and connected persons, as well as a specific type of transaction with a third party, which enables the connected person to obtain benefits through its interest in the entity involved in the transaction. Connected transactions can be one-off transactions or ongoing transactions.</p> <p><b><u>A related transaction under the STAR Market Listing Rules is a transaction between a company or other entities such as subsidiaries within the scope of its consolidated statements and related persons of the Company, including transactions stipulated in Article 11 and those occurring within the scope of daily business that may lead to the transfer of resources or obligations.</u></b></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 8 Transactions include both trades of capital nature and of profit nature. Save for the exceptional circumstances defined by the Hong Kong Listing Rules, transactions include the following items regardless of whether they are conducted in the normal course of business of the Company:</p> <p>.....</p>	<p>Article 10 <b><u>In accordance with the Hong Kong Listing Rules,</u></b> transactions include both trades of capital nature and of profit nature. Save for the exceptional circumstances defined by the Hong Kong Listing Rules, transactions include the following items regardless of whether they are conducted in the normal course of business of the Company:</p>
/	<p>Article 11 <b><u>In accordance with the STAR Market Listing Rules, transactions include the following items:</u></b></p> <p><b><u>(i) purchase or sell assets;</u></b></p> <p><b><u>(ii) external investment (except those purchasing bank wealth management products);</u></b></p> <p><b><u>(iii) transfer or assign of research and development projects;</u></b></p> <p><b><u>(iv) enter into a license agreement;</u></b></p> <p><b><u>(v) provide guarantee;</u></b></p> <p><b><u>(vi) lease of assets as a lessor or a lessee;</u></b></p> <p><b><u>(vii) entrust or be entrusted with assets management and business;</u></b></p> <p><b><u>(viii) donate or receive donation of assets;</u></b></p> <p><b><u>(ix) restructuring of claim and debt;</u></b></p> <p><b><u>(x) provide financial assistance;</u></b></p> <p><b><u>(xi) others transactions that are affirmed by the Shanghai Stock Exchange.</u></b></p> <p><b><u>The purchase or sale of assets mentioned in the first item of this Article does not include the purchase of raw materials, fuels and power, as well as the sale of products or commodities and other transactions related to daily operations.</u></b></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 9 <b>The Company shall</b> distinguish the types of connected transactions according to the testing method of the Hong Kong Listing Rules, and shall comply with or exempt from the requirements of reporting, announcement and independent shareholder approval when entering into the agreement. In general, any connected transactions that are not explicitly exempted from the Hong Kong Listing Rules are subject to reporting, announcement and independent shareholder approval requirements; of which</p> <p>.....</p> <p>(iii) If independent shareholders' approval is required, the Company must establish an independent board committee and appoint an independent financial adviser. The Company shall prepare a circular and dispatch it to shareholders before the general meeting in accordance with the time stipulated in the Hong Kong Listing Rules. All connected persons who have significant interests in the transaction must abstain from voting at the general meeting.</p>	<p>Article 12 <b>According to</b> the Hong Kong Listing Rules, <b>the Company shall</b> distinguish the types of connected transactions according to the testing method <b>as specified in the preceding paragraph</b>, and shall comply with or exempt from the requirements of reporting, announcement and independent shareholder approval when entering into the agreement. In general, any connected transactions that are not explicitly exempted from the Hong Kong Listing Rules are subject to reporting, announcement and independent shareholder approval requirements; of which</p> <p>.....</p> <p>(iii) If independent shareholders' approval is required, the Company must establish an independent <b>non-executive</b> board committee and appoint an independent financial adviser. The Company shall prepare a circular and dispatch it to shareholders before the general meeting in accordance with the time stipulated in the Hong Kong Listing Rules. All connected persons who have significant interests in the transaction must abstain from voting at the general meeting.</p>
/	<p>Article 13 <b>According to the STAR Market Listing Rules, the following transactions between the Company and its related persons may be exempted from consideration and disclosure in the form of related transactions:</b></p> <p><b>(i) one party subscribes shares, cooperate bonds, and convertible cooperate bonds or other derivatives in cash publicly issued by the other party;</b></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
	<p><u>(ii) one party, as a member of the underwriting syndicate, underwrites the shares, corporate bonds, convertible cooperate bonds or other derivatives publicly issued by the other party;</u></p> <p><u>(iii) pursuant to resolution of the other party's general meeting, the party shall receive a dividend, bonus or remuneration;</u></p> <p><u>(iv) one party participates in the other party's public bidding or auction, except where it is difficult for the bidding or auction to form a fair price;</u></p> <p><u>(v) transactions in which the Company obtains benefits unilaterally, including receiving cash assets, obtaining debt relief, and receiving guarantees and funding;</u></p> <p><u>(vi) pricing of related transactions is stipulated by the State;</u></p> <p><u>(vii) related persons shall provide funds to the Company, and the interest rate shall not be higher than the benchmark interest rate for the loan set by the People's Bank of China for the same period, and the Company has no corresponding guarantee for this financial assistance;</u></p> <p><u>(viii) the Company provides products and services to directors, supervisors, and senior management on the same terms as non-related persons;</u></p> <p><u>(ix) other transactions that are affirmed by the Shanghai Stock Exchange.</u></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 10 Continuing connected transactions are connected transactions that are expected to be ongoing or frequent over a period of time and involve the provision of financial assistance, services or goods. In addition to judging whether the relevant transactions need to be reported, announced and approved by shareholders at the time of entering into the agreement, it is also necessary to continuously monitor its implementation and whether the amount exceeds the annual cap, and re-comply with the relevant provisions of the Hong Kong Listing Rules when there is a significant change in the terms of the agreement, the amount exceeds the annual cap or the agreement is renewed.</p>	<p>Article 14 <b><u>According to the Hong Kong Listing Rules</u></b>, continuing connected transactions are connected transactions that are expected to be ongoing or frequent over a period of time and involve the provision of financial assistance, services or goods. In addition to judging whether the relevant transactions need to be reported, announced and approved by shareholders at the time of entering into the agreement, it is also necessary to continuously monitor its implementation and whether the amount exceeds the annual cap, and re-comply with the relevant provisions of the Hong Kong Listing Rules when there is a significant change in the terms of the agreement, the amount exceeds the annual cap or the agreement is renewed.</p>
<p>Article 11 The Company is required to enter into a written agreement with connected persons on each connected transaction (including exempted connected transactions) in accordance with relevant regulations, setting out the calculation standard for payment. The term of the agreement must be fixed and reflect general commercial terms; except as permitted by the Hong Kong Listing Rules, the duration of the continuing connected transaction agreement cannot exceed three years. Each continuing connected transaction has a maximum annual amount (the “cap”) and the Company must disclose its basis of calculation. Annual caps must be expressed in monetary terms, not as a percentage of the Company’s annual revenue. When setting a cap, the Company must refer to historical transactions and data identified in its published information. If the Company has not such historical transactions, it must set caps on reasonable assumptions and disclose details of the assumptions.</p> <p>.....</p>	<p>Article 15 <b><u>According to the Hong Kong Listing Rules</u></b>, the Company is required to enter into a written agreement with connected persons on each connected transaction (including exempted connected transactions) in accordance with relevant regulations, setting out the calculation standard for payment. The term of the agreement must be fixed and reflect general commercial terms; except as permitted by the Hong Kong Listing Rules, the duration of the continuing connected transaction agreement cannot exceed three years. Each continuing connected transaction has a maximum annual amount (the “cap”) and the Company must disclose its basis of calculation. Annual caps must be expressed in monetary terms, not as a percentage of the Company’s annual revenue. When setting a cap, the Company must refer to historical transactions and data identified in its published information. If the Company has not such historical transactions, it must set caps on reasonable assumptions and disclose details of the assumptions.</p> <p>.....</p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 12 The Company’s connected transactions shall follow the following pricing principles and pricing methods:</p> <p>.....</p>	<p>Article 16 <b><u>According to the Hong Kong Listing Rules</u></b>, the Company’s connected transactions shall follow the following pricing principles and pricing methods:</p> <p>.....</p>
<p>Article 13 The management of connected transaction prices is as follows:</p> <p>.....</p>	<p>Article 17 <b><u>According to the Hong Kong Listing Rules</u></b>, the management of connected transaction prices is as follows:</p> <p>.....</p>
<p>Chapter 4 Decision-making on Connected Transactions</p> <p>Article 14 When the Company’s board of directors reviews a connected transaction, the directors who are related to the counterparty to the transaction shall abstain from voting and may not act on behalf of other directors to exercise their voting rights. Resolutions made at board meetings must be approved by more than half of non-connected directors. The term “connected directors” as mentioned in the preceding paragraph refers to directors who have significant interests in transactions under the Hong Kong Listing Rules (the “connected director”).</p>	<p>Chapter 4 Decision-making on Connected/<b><u>Related</u></b> Transactions</p> <p>Article 18 <b><u>According to the Hong Kong Listing Rules</u></b>, when the Company’s board of directors considers a connected transaction, the directors who are related to the counterparty to the transaction shall abstain from voting and may not act on behalf of other directors to exercise their voting rights. Resolutions made at board meetings must be passed by more than half of non-connected directors. The term “connected directors” as mentioned in the preceding paragraph refers to directors who have significant interests in transactions under the Hong Kong Listing Rules (the “connected director”).</p> <p><b><u>According to the STAR Market Listing Rules, when the Company’s board of directors reviews related transactions, the related directors shall abstain from voting and shall not act on behalf of other directors to exercise voting rights. Board meetings should be attended by more than half of non-related directors, and resolutions made must be approved by more than half of non-related directors. If the number of non-related directors present at the board meeting is less than 3, the Company shall submit the transaction to the general meeting for review. The term “related directors” mentioned in the preceding paragraph refers to the directors specified in the STAR Market Listing Rules.</u></b></p>



Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 15 When the Company’s general meeting reviews connected transactions, any shareholder who has significant interests in the transaction in accordance with the Hong Kong Listing Rules (the “connected shareholders”) shall abstain from voting.</p>	<p>Article 19 <b><u>According to the Hong Kong Listing Rules</u></b>, when the Company’s general meeting reviews connected transactions, any shareholder who has significant interests in the transaction in accordance with the Hong Kong Listing Rules (the “connected shareholders”) shall abstain from voting.</p> <p><b><u>According to the STAR Market Listing Rules, when the Company’s general meeting reviews related transactions, related shareholders shall abstain from voting and shall not act on behalf of other shareholders to exercise their voting rights. The term “related shareholders” mentioned in the preceding paragraph refers to the shareholders specified in the STAR Market Listing Rules.</u></b></p>
<p>Article 16 The abstaining and voting procedures of connected directors are:</p> <p>.....</p>	<p>Article 20 <b><u>According to the Hong Kong Listing Rules</u></b>, the abstaining and voting procedures of connected directors are:</p> <p>.....</p>
<p>Article 17 The abstaining and voting procedures of connected shareholders are:</p> <p>.....</p>	<p>Article 21 <b><u>According to the Hong Kong Listing Rules</u></b>, the abstaining and voting procedures of connected shareholders are:</p> <p>.....</p>
<p>Article 18 Decision-making authority for connected transactions:</p> <p>.....</p> <p>(ii) Connected transactions that shall be approved by the Company’s board of directors:</p>	<p>Article 22 <b><u>According to the Hong Kong Listing Rules</u></b>, decision-making authority for connected transactions:</p> <p>.....</p> <p>(ii) Connected transactions that shall be approved by the Company’s board of directors:</p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>In accordance with the current Hong Kong Listing Rules, the board of directors is authorized to review and approve the related connected transactions that have been partially exempted under the Hong Kong Listing Rules as amended from time to time (exempt from requirement for independent shareholder approval) when each of the above ratio is tested to be below 5%, or below 25% and the annual transaction consideration is less than <u>HK\$10 million</u>;</p> <p>.....</p> <p>(iii) Connected transactions that should be approved by the Company's general meeting:</p> <p>.....</p> <p>Where the board of directors considers that the connected transaction should be submitted for approval at the general meeting, the board of directors shall prepare the resolution for approval at the general meeting, and issue the circular for the general meeting. The circular shall clearly indicate information such as the date, venue and agenda of the general meeting, as well as the details, nature and the connected persons of the connected transaction. Independent directors shall disclose their opinions on the fairness of the connected transaction, whether it is in the interests of the Company and its shareholders, whether the annual caps of the connected transaction are fair and reasonable (in the case of continuing connected transactions) and recommendations for voting. The circular shall also disclose the opinions of independent financial advisers engaged by the independent board committee concerning the fairness of the connected transaction, whether it is in the interests of the Company and its shareholders, whether the annual caps of connected transaction are fair and reasonable (in the case of continuing connected transactions) and recommendations for voting to independent directors.</p>	<p>In accordance with the current Hong Kong Listing Rules, the board of directors is authorized to review and approve the related connected transactions that have been partially exempted under the Hong Kong Listing Rules as amended from time to time (exempt from requirement for independent shareholder approval) when each of the above ratio is tested to be below 5%, or below 25% and the annual transaction consideration is less than <u>HK\$10 million</u>;</p> <p>.....</p> <p>(iii) Connected transactions that should be approved by the Company's general meeting:</p> <p>.....</p> <p>Where the board of directors considers that the connected transaction should be submitted for approval at the general meeting, the board of directors shall prepare the resolution for approval at the general meeting, and issue the circular for the general meeting. The circular shall clearly indicate information such as the date, venue and agenda of the general meeting, as well as the details, nature and the connected persons of the connected transaction. Independent <b>non-executive</b> directors shall disclose their opinions on the fairness of the connected transaction, whether it is in the interests of the Company and its shareholders, whether the annual caps of the connected transaction are fair and reasonable (in the case of continuing connected transactions) and recommendations for voting. The circular shall also disclose the opinions of independent financial advisers engaged by the independent <b>non-executive</b> board committee concerning the fairness of the connected transaction, whether it is in the interests of the Company and its shareholders, whether the annual caps of connected transaction are fair and reasonable (in the case of continuing connected transactions) and recommendations for voting to independent <b>non-executive</b> directors.</p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
/	<p data-bbox="809 336 1359 512"><u>Article 23 According to the STAR Market Listing Rules, the Company shall perform the following review procedures according to the size and nature of the transaction amount of related transactions:</u></p> <p data-bbox="809 549 1359 938"><u>(i) Related transactions that the Company intends to reach with related natural persons with a transaction amount of more than RMB300,000, and transaction amount with related legal persons accounting for more than 0.1% of the Company's latest audited total assets or market value, and related transactions exceeding RMB3 million, shall be submitted to the board meeting for consideration.</u></p> <p data-bbox="809 974 1359 1506"><u>(ii) The transaction amount (except for providing guarantee) that the Company intends to reach with the related persons accounts for more than 1% of the Company's latest audited total assets or market value, and it exceeds RMB30 million. An assessment report or audit report should be provided and submitted to the general meeting for consideration, except for those that can be exempted from consideration in the form of related transactions in accordance with the relevant provisions. Related transactions related to daily operations may be exempt from audit or assessment.</u></p> <p data-bbox="809 1542 1359 1970"><u>For the related transactions to be submitted to the general meeting for consideration, the Company shall obtain the prior approval of the independent non-executive directors before it is submitted to the board meeting for consideration. The independent non-executive directors' prior approval opinions shall obtain the consent of more than half of all independent non-executive directors, and shall be disclosed in the related transaction announcement.</u></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
	<p><u>Before making a judgment, an independent non-executive director may appoint an independent financial advisor to issue a report as the basis for his/her judgment. The Company's audit committee should also review the related transaction, form a written opinion, submit it to the board of directors for review, and report to the board of supervisors. The audit committee may appoint an independent financial advisor to issue a report as a basis for its judgment.</u></p> <p><u>The board of supervisors of the Company shall supervise the consideration, voting, disclosure and performance of related transactions and express opinions in the annual report.</u></p>
/	<p><u>Article 24 According to the STAR Market Listing Rules, the Company that provides guarantees to related persons should have reasonable business logic, disclose them in a timely manner after review and approval by the board of directors, and submit them to the general meeting for review.</u></p> <p><u>Where the Company provides guarantees to the controlling shareholder, the de facto controller and its related parties, the controlling shareholder, the de facto controller and its related parties shall provide counter-guarantees.</u></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
/	<p>Article 25 <u>The Company should prudently provide financial assistance or entrust financial management to related parties; if it is really necessary, the amount used as the calculation standard for disclosure shall be calculated cumulatively within 12 consecutive months, and Article 23 (i) shall apply.</u></p> <p><u>Those have fulfilled relevant obligations in accordance with Article 23 (i), are no longer included in the relevant cumulative calculation range.</u></p>
/	<p>Article 26 <u>The Company shall apply Article 23 (i) to the following transactions in accordance with the principle of cumulative calculation within 12 consecutive months:</u></p> <p><u>(i) transactions with the same related person;</u></p> <p><u>(ii) transaction related to the types of transaction subjects of different related persons.</u></p> <p><u>The aforesaid same related person includes a legal person or other organization that is controlled by the same de facto controller as the related person, or has an equity controlling relationship, or is a director or senior management of the same natural person.</u></p> <p><u>Those have fulfilled relevant obligations with the Rules are no longer included in the cumulative calculation range.</u></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 19 When the Company conducts connected transactions related to daily operations with connected persons, it shall perform the corresponding review procedures in accordance with the following provisions:</p> <p>.....</p>	<p>Article 27 <b><u>According to the Hong Kong Listing Rules</u></b>, when the Company conducts connected transactions related to daily operations with connected persons, it shall perform the corresponding review procedures in accordance with the following provisions:</p> <p>.....</p>
<p>/</p>	<p>Article 28 <b><u>According to the STAR Market Listing Rules</u></b>, when the Company conducts daily related transactions with related persons, it shall disclose and perform review procedures in accordance with the following provisions:</p> <p><b><u>(i) The Company may reasonably estimate the annual amount of daily related transactions according to the category, perform the review procedures and disclose; if the amount in actual implementation exceeds the estimated amount, it shall perform the review procedures again and disclose based on the excess amounts.</u></b></p> <p><b><u>(ii) The Company’s annual report and interim report shall be classified and summarized to disclose daily related transactions.</u></b></p> <p><b><u>(iii) If the term of the daily related transaction agreement entered into between the Company and related persons exceeds 3 years, it shall re-perform relevant review procedures and disclosure obligations every 3 years.</u></b></p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
<p>Article 20 A connected transaction between a Company's subsidiary (with the meaning defined in the Hong Kong Listing Rules) and a connected party shall be deemed to be an act of the Company and shall be subject to review and approval procedures in accordance with the Rules.</p>	<p>Article 29 <b><u>According to the Hong Kong Listing Rules</u></b>, a connected transaction between a Company's subsidiary (with the meaning defined in the Hong Kong Listing Rules) and a connected party shall be deemed to be an act of the Company and shall be subject to review and approval procedures in accordance with the Rules.</p>
<p>Article 21 Documents concerning decision-making records, resolutions and others of connected transactions shall be kept by the secretary to the board of directors for a period of not less than ten years.</p>	<p>Article 30 Documents concerning decision-making records, resolutions and others of connected/<b><u>related</u></b> transactions shall be kept by the secretary to the board of directors for a period of not less than ten years.</p>
<p>Article 23 The Rules is reviewed and approved by the Company's general meeting, and the same applies when it revised. The revised draft of the Rules is effective from the date when <b><u>the H Shares to be issued by the Company</u></b> are listed on <b><u>The Stock Exchange of Hong Kong Limited. Until the completion of the H Shares offering and listing, the Company's current Rules will continue to be effective.</u></b></p>	<p>Article 32 The Rules is reviewed and approved by the Company's general meeting, and the same applies when it revised. The revised draft of the Rules is effective <b><u>and is implemented</u></b> from the date when <b><u>the Company's initial public offering of RMB ordinary shares (A Shares)</u></b> are listed on <b><u>the Science and Technology Innovation Board of the Shanghai Stock Exchange. From the effective date of the Rules, the original Decision-making Rules for the Connected Transaction of Shanghai Henlius Biotech, Inc. will automatically become invalid.</u></b></p>
<p>Article 24 Matters not covered in the Rules shall be implemented in accordance with the Articles of Association, the Hong Kong Listing Rules and other relevant <b><u>laws and regulations</u></b>. If the relevant provisions of the Rules conflict with the Articles of Association, Hong Kong Listing Rules and other relevant <b><u>laws and regulations</u></b> promulgated or modified in the future, they shall be implemented in accordance with the Articles of Association, the Hong Kong Listing Rules and other relevant <b><u>laws and regulations</u></b>.</p>	<p>Article 33 Matters not covered in the Rules shall be implemented in accordance with the Articles of Association, the STAR Market Listing Rules, the Hong Kong Listing Rules and other relevant <b><u>rules on the places of listing of the Company's shares</u></b>. If the relevant provisions of the Rules conflict with the Articles of Association, <b><u>the STAR Market Listing Rules</u></b>, Hong Kong Listing Rules and other relevant <b><u>rules on the places of listing of the Company's shares</u></b> promulgated or modified in the future, they shall be implemented in accordance with the Articles of Association, <b><u>the STAR Market Listing Rules</u></b>, the Hong Kong Listing Rules and other relevant <b><u>rules on the places of listing of the Company's shares</u></b>.</p>

Existing Decision-making Rules for the Connected/Related Transaction	Revised Decision-making Rules for the Connected/Related Transaction
/	<u>In view of the additions and deletions to the articles, the article numbers in the Decision-making Rules for the Connected/Related Transaction and the references to the articles shall be amended accordingly.</u>



Existing Articles of the Management Rules for the External Guarantee	Revised Articles of the Management Rules for the External Guarantee
<p>Article 1 In order to standardize the external guarantee of Shanghai Henlius Biotech, Inc. (the “Company”) and control the Company’s operating risks, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Property Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China (the “Guarantee Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant provisions as well as the provisions related to the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”).</p>	<p>Article 1 In order to standardize the external guarantee of Shanghai Henlius Biotech, Inc. (the “Company”) and control the Company’s operating risks, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Property Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China (the “Guarantee Law”), <b><u>the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board (the “STAR Market Listing Rules”)</u></b>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant provisions as well as the provisions related to the Articles of Association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”).</p>

Existing Articles of the Management Rules for the External Guarantee	Revised Articles of the Management Rules for the External Guarantee
<p>Article 2 The external guarantee mentioned in the Rules refers to the Company as a third party to provide guarantee for debts borne by the debtor to the creditor. When the debtor fails to perform the debt, the Company will perform the debt or assume the liability according to the agreement.</p> <p>The external guarantee mentioned in <b><u>the Rules</u></b> does not include the Company's guarantees to its controlling subsidiaries. If a controlling subsidiary also constitutes a connected person of the Company under the Hong Kong Listing Rules, these guarantees are applicable to the requirements of the Hong Kong Listing Rules. The ways of guarantee include warranty, mortgage and pledge.</p> <p>.....</p>	<p>Article 2 The external guarantee mentioned in the Rules refers to the Company as a third party to provide guarantee for debts borne by the debtor to the creditor. When the debtor fails to perform the debt, the Company will perform the debt or assume the liability according to the agreement. <b><u>In the event of an external guarantee of the Company, the Company shall perform its information disclosure obligations in a timely manner in accordance with the relevant regulatory requirements related to the information disclosure of the Company after a resolution is made by the general meeting or the board of directors.</u></b></p> <p><b><u>According to the Hong Kong Listing Rules</u></b>, the external guarantee mentioned in <b><u>the preceding paragraph</u></b> does not include the Company's guarantees to its controlling subsidiaries. If a controlling subsidiary also constitutes a connected person of the Company under the Hong Kong Listing Rules, these guarantees are applicable to the requirements of the Hong Kong Listing Rules. The ways of guarantee include warranty, mortgage and pledge.</p> <p><b><u>According to the related rules of external guarantee for A-share listed companies such as the STAR Market Listing Rules, the external guarantee mentioned in the preceding paragraph includes the Company's guarantees to its controlling subsidiaries, and the ways of guarantee include, but are not limited to, warranty, mortgage, and pledge.</u></b></p> <p>.....</p>

Existing Articles of the Management Rules for the External Guarantee	Revised Articles of the Management Rules for the External Guarantee
<p>Article 4 Subsidiaries shall report to the Company in writing 5 working days before submitting external guarantees to their boards of directors or general meetings, and notify the <b><u>securities and public affairs department</u></b> of the Company to fulfill relevant information disclosure obligations on the day when the resolutions are made by them.</p>	<p>Article 4 <b><u>According to the Hong Kong Listing Rules</u></b>, subsidiaries shall report to the Company in writing 5 working days before submitting external guarantees to their boards of directors or general meetings, and notify the <b><u>office of the secretary to the board of directors</u></b> of the Company to fulfill relevant information disclosure obligations on the day when the resolutions are made by them.</p> <p><b><u>According to the related rules of external guarantee for A-share listed companies such as the STAR Market Listing Rules, if a controlling subsidiary of the Company has an external guarantee, it will be considered and approved by the shareholder meeting (general meeting) of the controlling subsidiary or the board of directors according to the scope of authorization, and the controlling subsidiary shall report the resolution of the shareholder meeting (general meeting) or the board of directors to the Company in a timely manner, with the information disclosed by the Company.</u></b></p>
<p>Article 8 Without the consent of the general meeting or the board of directors of the Company <b><u>(or the management authorized by the board of directors)</u></b>, the Company shall not provide external guarantees.</p>	<p>Article 8 Without the consent of the general meeting or the board of directors of the Company, the Company shall not provide external guarantees.</p>
<p>Article 9 When the board of directors considers the matters related to the external guarantee, it shall be approved by more than <b><u>half of</u></b> the directors present at the meeting.</p>	<p>Article 9 When the board of directors considers the matters related to the external guarantee, <b><u>in addition to the approval of more than half of all directors</u></b>, it shall <b><u>also</u></b> be approved by more than <b><u>two-thirds</u></b> of the directors present at the <b><u>board</u></b> meeting.</p>

Existing Articles of the Management Rules for the External Guarantee	Revised Articles of the Management Rules for the External Guarantee
Article 11 When the general meeting considers the matters related to the external guarantee, it shall be approved by more than half of the voting rights held by shareholders present at the general meeting.	Article 11 <b><u>In addition to Article 13 or otherwise provided</u></b> , when the general meeting considers the matters related to the external guarantee, it shall be approved by more than half of the voting rights held by shareholders present at the general meeting.
Article 12 The following external guarantees are subject to the consideration and approval by the general meeting:  .....	Article 12 <b><u>According to the Hong Kong Listing Rules</u></b> , the following external guarantees are subject to the consideration and approval by the general meeting:  .....
/	<p>Article 13 <b><u>According to the STAR Market Listing Rules, the following external guarantees are subject to the consideration and approval by the general meeting:</u></b></p> <p><b><u>(i) the total amount of external guarantees provided by the Company and the Company's controlling subsidiaries reaches or exceeds 50% of the latest audited net assets;</u></b></p> <p><b><u>(ii) according to the principle of cumulative calculation of the guarantee amount for 12 consecutive months, the total amount of external guarantees provided by the Company reaches or exceeds 30% of the latest audited total assets;</u></b></p> <p><b><u>(iii) the guarantees for obligors with debt-to-assets ratio exceeding 70%;</u></b></p> <p><b><u>(iv) the guarantee in which the amount of a single guarantee exceeds 10% of the latest audited net assets;</u></b></p> <p><b><u>(v) the guarantees provided to the shareholders, de facto controllers and its related parties of the Company;</u></b></p>

Existing Articles of the Management Rules for the External Guarantee	Revised Articles of the Management Rules for the External Guarantee
	<p><u>(vi) other guarantees subject to the consideration and approval of the general meeting as stipulated by the stock exchanges where the Company's shares are listed or the Articles of Association of the Company.</u></p> <p><u>When the general meeting of the Company considers the matters related to the guarantee in item (ii) of the preceding paragraph, it shall be approved by more than two-thirds of the voting rights held by shareholders present at the meeting.</u></p> <p><u>If the Company provides guarantees for a wholly-owned subsidiary, or provides guarantee for a controlling subsidiary, and other shareholders of the controlling subsidiary provide equal proportions of guarantees in accordance with the rights and interests enjoyed by them without the prejudice to the interests of the Company, it may be exempted from the provisions of item (i), item (iii) and item (iv) of the first paragraph in this Article.</u></p> <p><u>Where the Company provides guarantees to related parties, it shall, with the reasonable business logic, disclose it in a timely manner after consideration and approval by the board of directors, and submit it to the general meeting for consideration.</u></p> <p><u>The Company shall collectively disclose the aforementioned guarantees in its annual report and semi-annual report.</u></p> <p><u>Where the Company provides a guarantee, the obligor fails to perform its debt repayment obligations within 15 trading days after the expiration of the debt, or the obligor becomes bankrupt, liquidated, or otherwise severely affects the ability to repay its debt, the Company shall disclose it in a timely manner.</u></p>

Existing Articles of the Management Rules for the External Guarantee	Revised Articles of the Management Rules for the External Guarantee
<p>Article 13 The following external guarantees are subject to the consideration and approval by the board of directors:</p> <p>.....</p>	<p>Article 14 <b><u>According to the Hong Kong Listing Rules</u></b>, the following external guarantees are subject to the consideration and approval by the board of directors:</p> <p>.....</p>
/	<p><b><u>Article 15 According to the STAR Market Listing Rules, external guarantees that fail to meet the requirements of Article 13 of the Rules shall be subject to the consideration and approval by the board of directors.</u></b></p>
<p>Article 14 If an external guarantee of Company and its subsidiaries is a connected transaction as defined in the Hong Kong Listing Rules, the relevant provisions of Chapter 14A of the Hong Kong Listing Rules still shall be complied and applied preferentially.</p>	<p>Article 16 <b><u>According to the Hong Kong Listing Rules</u></b>, if an external guarantee of Company and its subsidiaries is a connected transaction as defined in the Hong Kong Listing Rules, the relevant provisions of Chapter 14A of the Hong Kong Listing Rules still shall be complied and applied preferentially.</p>
<p>Article 15 If an external guarantee does not fall within the scope of Articles 12 and <b>13</b>, the board of directors authorizes the management to consider and approve it.</p>	<p>Article 17 <b><u>According to the Hong Kong Listing Rules</u></b>, if an external guarantee does not fall within the scope of Articles 12 and <b>14</b>, the board of directors authorizes the management to consider and approve it.</p>
<p>Article 16 If a series of transactions are completed within 12 months or are related to each other, the Hong Kong Stock Exchange may require the Company to calculate these transactions together as a single transaction, to determine whether it is necessary to meet the relevant requirements.</p>	<p>Article 18 <b><u>According to the Hong Kong Listing Rules</u></b>, if a series of transactions are completed within 12 months or are related to each other, the Hong Kong Stock Exchange may require the Company to calculate these transactions together as a single transaction, to determine whether it is necessary to meet the relevant requirements.</p>

Existing Articles of the Management Rules for the External Guarantee	Revised Articles of the Management Rules for the External Guarantee
<p>Article 19 The external guarantee management of Company implements a multi-layered audit system. The relevant departments involved of the Company include:</p> <p>.....</p> <p>(ii) The <b><u>department of securities and public affairs</u></b> organizes the approval procedures of the board of directors or the general meeting.</p>	<p>Article 21 The external guarantee management of Company implements a multi-layered audit system. The relevant departments involved of the Company include::</p> <p>.....</p> <p>(ii) The <b><u>office of the secretary to the board of directors</u></b> organizes the approval procedures of the board of directors or the general meeting.</p>
<p>Article 22 After accepting the application of the obligor, the finance department shall, in conjunction with the relevant departments, conduct a timely investigation and conduct a risk assessment of the creditworthiness of the obligor, after the written report is made (together with a copy of the application for the guarantee and attachments), then submitted to the <b><u>department of securities and public affairs</u></b>.</p>	<p>Article 24 After accepting the application of the obligor, the finance department shall, in conjunction with the relevant departments, conduct a timely investigation and conduct a risk assessment of the creditworthiness of the obligor, after the written report is made (together with a copy of the application for the guarantee and attachments), then submitted to the <b><u>office of the secretary to the board of directors</u></b>.</p>
<p>Article 26 The <b><u>department of securities and public affairs</u></b> shall record in details the discussion and voting of the board of directors and the general meeting in respect of the consideration of guarantees, and shall promptly perform its obligation to disclose information.</p>	<p>Article 28 The <b><u>office of the secretary to the board of directors</u></b> shall record in details the discussion and voting of the board of directors and the general meeting in respect of the consideration of guarantees, and shall promptly perform its obligation to disclose information.</p>
<p>Article 37 The term “above” mentioned in the Rules includes the given figures</p>	<p>Article 39 The terms “above” and <b><u>“below”</u></b> mentioned in the Rules include the given figures. <b><u>The terms “exceed”, “other than” and “over” do not include the given figures.</u></b></p>

Existing Articles of the Management Rules for the External Guarantee	Revised Articles of the Management Rules for the External Guarantee
<p>Article 39 The Rules <b>took</b> effect <b>on the date when the Company's H shares to be issued are listed on The Stock Exchange of Hong Kong Limited</b>. Where there is any amendment to the Rules, a draft is proposed by the board of directors, and determined upon the consideration by the general meeting.</p>	<p>Article 41 The Rules <b>will take</b> effect <b>and be implemented after the Company's initial public offering of RMB ordinary shares (A shares) are listed on the STAR Market of Shanghai Stock Exchange. From the date on which the Rules take effect, the original Management Rules for the External Guarantee of Shanghai Henlius Biotech, Inc. will automatically become invalid</b>. Where there is any amendment to the Rules, a draft is proposed by the board of directors, and determined upon the consideration by the general meeting.</p>
/	<p><b><u>In view of the additions and deletions to the articles, the article numbers in the Management Rules for the External Guarantee and the references to the articles shall be amended accordingly.</u></b></p>



<b>Existing Management Rules for the Transaction and External Investment and Financing</b>	<b>Revised Management Rules for the Transaction and External Investment and Financing</b>
<p>Article 1 In order to regulate transaction and investment and financing of Shanghai Henlius Biotech, Inc. (the “Company”), reduce transaction and investment and financing risks, and increase investment income, the Rules are formulated in accordance with the relevant provisions of the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”), and the articles of association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”).</p>	<p>Article 1 In order to regulate transaction and investment and financing of Shanghai Henlius Biotech, Inc. (the “Company”), reduce transaction and investment and financing risks, and increase investment income, the Rules are formulated in accordance with the relevant provisions of the Company Law of the People’s Republic of China (the “Company Law”), <b><u>the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board (the “STAR Market Listing Rules”)</u></b>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”), and the articles of association of Shanghai Henlius Biotech, Inc. (the “Articles of Association”).</p>
<p>Article 2 The term transaction decision-making in the Rules mainly refers to the Company’s and its subsidiaries’ management decision-making on the conduct of transactions, corporate investment, financing and asset project under Chapter 14 of the Hong Kong Listing Rules, including: transactions, external financing, external guarantees, connected transactions, etc.</p>	<p>Article 2 The term transaction decision-making in the Rules mainly refers to the Company’s and its subsidiaries’ <b><u>external investment under the STAR Market Listing Rules and relevant provisions, and</u></b> management decision-making on the conduct of transactions, corporate investment, financing and asset project under Chapter 14 of the Hong Kong Listing Rules, <b><u>and the latter includes:</u></b> transactions, external financing, external guarantees, connected/<b><u>related</u></b> transactions, etc.</p>

<b>Existing Management Rules for the Transaction and External Investment and Financing</b>	<b>Revised Management Rules for the Transaction and External Investment and Financing</b>
<p>Article 3 The trading behavior of the Company shall comply with the relevant national laws, regulations, regulatory documents, relevant national industrial policies and the Hong Kong Listing Rules, and meet the requirements of the Company's development strategy and industrial planning, which is conducive to the formation of the Company's core competitiveness, the optimal allocation of the Company's resources, and the promotion of the Company's sustainable development.</p>	<p>Article 3 The trading behavior of the Company shall comply with the relevant national laws, regulations, regulatory documents, relevant national industrial policies, <b><u>the STAR Market Listing Rules</u></b> and the Hong Kong Listing Rules, <b><u>etc.</u></b>, and meet the requirements of the Company's development strategy and industrial planning, which is conducive to the formation of the Company's core competitiveness, the optimal allocation of the Company's resources, and the promotion of the Company's sustainable development.</p>
<p>Article 4 Transaction is defined under the Hong Kong Listing Rules that apply from time to time. For illustrative purposes, including:</p> <p>.....</p>	<p>Article 4 <b><u>According to the Hong Kong Listing Rules</u></b>, transaction is defined under the Hong Kong Listing Rules that apply from time to time. For illustrative purposes, including:</p> <p>.....</p>
<p>Article 5 The Company's external financing includes equity financing and debt financing. Equity financing refers to the financing of the Company by issuing shares; debt financing refers to funds borrowed by the Company in the form of liabilities and repaid at maturity, including short-term borrowings, long-term borrowings, bonds payable, and finance lease assets.</p>	<p>Article 5 <b><u>According to the Hong Kong Listing Rules</u></b>, the Company's external financing includes equity financing and debt financing. Equity financing refers to the financing of the Company by issuing shares; debt financing refers to funds borrowed by the Company in the form of liabilities and repaid at maturity, including short-term borrowings, long-term borrowings, bonds payable, and finance lease assets.</p>

<b>Existing Management Rules for the Transaction and External Investment and Financing</b>	<b>Revised Management Rules for the Transaction and External Investment and Financing</b>
<p>Article 7 The Company's plan to issue shares for equity financing or trading shall, in addition to having obtained general mandate in accordance with the Hong Kong Listing Rules, be submitted to the Company's general meeting for approval after being proposed by the Company's board of directors and considered and approved. The Company's plan to issue bonds is applicable to the requirements of the Hong Kong Listing Rules as amended from time to time.</p>	<p>Article 7 <b><u>According to the Hong Kong Listing Rules</u></b>, the Company's plan to issue shares for equity financing or trading shall, in addition to having obtained general mandate in accordance with the Hong Kong Listing Rules, be submitted to the Company's general meeting for approval after being proposed by the Company's board of directors and considered and approved. The Company's plan to issue bonds is applicable to the requirements of the Hong Kong Listing Rules as amended from time to time.</p>
<p>Chapter 5 Decision-Making Management of Connected Transactions</p> <p>Article 9 The Company's decision-making management of connected transactions is implemented in accordance with the Company's Decision-making Rules for the Connected Transaction.</p>	<p>Chapter 5 Decision-Making Management of Connected/<b><u>Related</u></b> Transactions</p> <p>Article 9 The Company's decision-making management of connected/<b><u>related</u></b> transactions is implemented in accordance with the Company's Decision-making Rules for the Connected/<b><u>Related</u></b> Transaction.</p>
<p>Article 10 If the transaction stipulated in the Rules meets any of the following standards, it shall be approved by the board of directors, and transactions that fall short of the following standards shall be approved by the CEO:</p> <p>.....</p>	<p>Article 10 <b><u>According to the Hong Kong Listing Rules</u></b>, if the transaction stipulated in the Rules meets any of the following standards, it shall be approved by the board of directors, and transactions that fall short of the following standards shall be approved by the CEO:</p> <p>.....</p>
<p>Article 11 If the transactions stipulated in the Rules meet any of the following standards, in addition to the board of directors for consideration, the Company shall also submit them to the general meeting for consideration and decision-making:</p> <p>.....</p>	<p>Article 11 <b><u>According to the Hong Kong Listing Rules</u></b>, if the transactions stipulated in the Rules meet any of the following standards, in addition to the board of directors for consideration, the Company shall also submit them to the general meeting for consideration and decision-making:</p> <p>.....</p>

<b>Existing Management Rules for the Transaction and External Investment and Financing</b>	<b>Revised Management Rules for the Transaction and External Investment and Financing</b>
<p>Article 12 In the case of connected transactions under the Hong Kong Listing Rules, the relevant requirements of Chapter 14A of the Hong Kong Listing Rules must still be complied with and applied preferentially.</p>	<p>Article 12 <u>According to the Hong Kong Listing Rules</u>, in the case of connected transactions under the Hong Kong Listing Rules, the relevant requirements of Chapter 14A of the Hong Kong Listing Rules must still be complied with and applied preferentially. <u>According to the STAR Market Listing Rules, the relevant requirements of the STAR Market Listing Rules must be complied with if it fits under the definition of related transactions under the STAR Market Listing Rules.</u></p>
<p>Article 13 If a series of transactions are completed within 12 months or are related to each other, the Hong Kong Stock Exchange may require the Company to calculate these transactions together as a transaction to determine whether the relevant requirements need to be met.</p>	<p>Article 13 <u>According to the Hong Kong Listing Rules</u>, if a series of transactions are completed within 12 months or are related to each other, the Hong Kong Stock Exchange may require the Company to calculate these transactions together as a transaction to determine whether the relevant requirements need to be met.</p>
/	<p><u>Chapter 7 Decision-Making Management of External Investment</u></p> <p>Article 14 <u>According to the STAR Market Listing Rules, the Company's general meeting, the board of directors and the CEO are the decision-making bodies for the Company's external investment, and each of them makes decisions on the Company's external investment within its authority.</u></p> <p><u>The strategy committee of the board of directors is a special working institution set up by the Company's board of directors. It is responsible for summarizing, coordinating and organizing the analysis and research of external investment projects and providing suggestions for decision-making.</u></p>

Existing Management Rules for the Transaction and External Investment and Financing	Revised Management Rules for the Transaction and External Investment and Financing
/	<p>Article 15 <u>According to the STAR Market Listing Rules, consideration and approval of the Company’s external investment shall strictly follow the authorization procedures prescribed in the Company Law, the STAR Market Listing Rules and relevant laws and regulations, and the Articles of Association, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the General Meeting.</u></p> <p><u>(i) When the Company’s external investment reaches one of the following standards, it can only be implemented after approval by the Company’s general meeting:</u></p> <ol style="list-style-type: none"> <li><u>1. the total assets involved in the investment (where both the carrying value and the appraised value exist, whichever is higher) account for more than 50% of the Company’s latest audited total assets;</u></li> <li><u>2. the concluded investment amount (including the transaction amount paid, debts and expenses assumed) accounts for more than 50% of the Company’s market value;</u></li> <li><u>3. the net asset value of the investment subject (such as equity) in the latest fiscal year accounts for more than 50% of the Company’s market value;</u></li> <li><u>4. the operating income related to the investment subject (such as equity) in the latest fiscal year accounts for more than 50% of the Company’s audited operating income in the latest fiscal year, and the absolute amount exceeds RMB50 million;</u></li> </ol>

Existing Management Rules for the Transaction and External Investment and Financing	Revised Management Rules for the Transaction and External Investment and Financing
	<p><u>5. the profit generated by the investment accounts for more than 50% of the Company's audited net profit in the latest fiscal year and exceeds RMB5 million;</u></p> <p><u>6. the net profit related to the investment subject (such as equity) in the latest fiscal year accounts for more than 50% of the Company's audited net profit in the latest fiscal year, and the absolute amount exceeds RMB5 million;</u></p> <p><u>7. the purchase and sale of assets involves total assets or concluded transaction amounts that exceed 30% of the Company's latest audited total assets in 12 consecutive months;</u></p> <p><u>When the transaction type is "purchasing or selling assets", the higher of the total assets and the concluded transaction amount shall be used as the calculation standard, and shall be calculated cumulatively within 12 consecutive months according to the type of transaction. Matters that have been cumulatively calculated to reach 30% of the Company's latest audited total assets shall be submitted to the general meeting for consideration and approved by more than two-thirds of the voting rights held by shareholders present at the meeting. Those which have fulfilled the relevant obligations in accordance with this Article will no longer be included in the relevant cumulative calculation range.</u></p> <p><u>If the data related to the above indicators are negative, the absolute value is used in the calculation.</u></p>

Existing Management Rules for the Transaction and External Investment and Financing	Revised Management Rules for the Transaction and External Investment and Financing
	<p><u>The market value specified above refers to the arithmetic mean of the closing market value in the 10 trading days before the transaction.</u></p> <p><u>(ii) When the Company's external investment reaches one of the following standards, it must be approved by the Company's board of directors before implementation:</u></p> <ol style="list-style-type: none"> <li><u>1. the total assets involved in the investment (where both the carrying value and the appraised value exist, whichever is higher) account for more than 10% of the Company's latest audited total assets;</u></li> <li><u>2. the concluded investment amount (including the transaction amount paid, debts and expenses assumed) accounts for more than 10% of the Company's market value;</u></li> <li><u>3. the net asset value of the investment subject (such as equity) in the latest fiscal year accounts for more than 10% of the Company's market value;</u></li> <li><u>4. the operating income related to the investment subject (such as equity) in the latest fiscal year accounts for more than 10% of the Company's audited operating income in the latest fiscal year, and the absolute amount exceeds RMB10 million;</u></li> <li><u>5. the profit generated by the investment accounts for more than 10% of the Company's audited net profit in the latest fiscal year and exceeds RMB1 million;</u></li> </ol>

Existing Management Rules for the Transaction and External Investment and Financing	Revised Management Rules for the Transaction and External Investment and Financing
	<p><u>6. the net profit related to the investment subject (such as equity) in the latest fiscal year accounts for more than 10% of the Company's audited net profit in the latest fiscal year, and the absolute amount exceeds RMB1 million;</u></p> <p><u>If the data related to the above indicators are negative, the absolute value is used in the calculation.</u></p> <p><u>The approval authority of the board of directors cannot exceed the authorization of the Company's general meeting, and those exceeding the authority of the board of directors shall be approved by the general meeting.</u></p> <p><u>(iii) External investment lower than the decision standard of the board of directors of the Company in the preceding paragraph shall be determined according to the working rules of the Company's general managers.</u></p> <p><u>(iv) If the external investment of a wholly-owned subsidiary or controlling subsidiary of the Company meets the standards prescribed in the first paragraph of this Article, it shall first be considered and approved by the board of directors and general meeting of the Company, then it shall be finally approved and implemented by the wholly-owned subsidiary or controlling subsidiary in accordance with its internal decision-making procedures.</u></p> <p><u>The relevant subject-related similar investment of the Company incurred within 12 months shall apply the provisions of the first paragraph of this Article in accordance with the principle of cumulative calculation. Those that have been considered and approved in accordance with the first paragraph of this Article are no longer included in the relevant cumulative calculation range.</u></p>



<b>Existing Management Rules for the Transaction and External Investment and Financing</b>	<b>Revised Management Rules for the Transaction and External Investment and Financing</b>
<p>Article 14 The Company's transactions and external investment and financing shall strictly comply with the laws and regulations, the relevant regulations of the securities regulatory authorities and the provisions of the Articles of Association to perform its information disclosure obligations.</p>	<p>Article 16 The Company's transactions and external investment and financing shall strictly comply with the laws and regulations, the relevant regulations of the securities regulatory authorities, regulations of <b><u>the places where the Company's shares are listed</u></b> and the provisions of the Articles of Association to perform its information disclosure obligations.</p>
<p>Article 21 Matters not covered shall be implemented in accordance with the national laws, regulations, Articles of Association and relevant provisions of the Hong Kong Listing Rules.</p> <p>If the Rules are inconsistent with the national laws, regulations, the Articles of Association or the relevant provisions of the Hong Kong Listing Rules, the provisions of the relevant laws, regulations, the Articles of Association or the Hong Kong Listing Rules shall prevail.</p>	<p>Article 23 Matters not covered shall be implemented in accordance with the national laws, regulations, Articles of Association and relevant provisions of the <b><u>STAR Market Listing Rules and</u></b> the Hong Kong Listing Rules.</p> <p>If the Rules are inconsistent with the relevant laws, regulations, the Articles of Association or the relevant provisions of the <b><u>STAR Market Listing Rules</u></b> or the Hong Kong Listing Rules, the provisions of the relevant laws, regulations, the Articles of Association, <b><u>the STAR Market Listing Rules</u></b> or the Hong Kong Listing Rules shall prevail.</p>

Existing Management Rules for the Transaction and External Investment and Financing	Revised Management Rules for the Transaction and External Investment and Financing
<p>Article 23 The Rules take effect <u>on</u> the date <u>when</u> the Company's <u>proposed H Shares</u> are listed on <u>The Stock Exchange of Hong Kong Limited</u>. When the Rules are amended, a draft should be proposed by the board of directors, and it is decided after the general meeting.</p>	<p>Article 25 The Rules take effect <u>and are implemented from</u> the date <u>of</u> the Company's <u>initial public offering of RMB ordinary shares (A Shares) and</u> its listing on <u>the Science and Technology Innovation Board of the Shanghai Stock Exchange</u>. <u>As of the effective date of the Rules, the original Management Rules for the Transaction and External Investment and Financing of Shanghai Henlius Biotech, Inc. are automatically invalid.</u> When the Rules are amended, a draft should be proposed by the board of directors, and it is decided after the general meeting.</p>
/	<p><u>In view of the additions and deletions to the articles, the article numbers in the Management Rules for the Transaction and External Investment and Financing and the references to the articles shall be amended accordingly.</u></p>

Shanghai Henlius Biotech, Inc. (the “Company”) intends to apply for an initial public offering of RMB ordinary shares (A Shares) and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange (the “Offering and Listing”). The Company has prepared the Special Report on the Use of Previously Raised Proceeds as follows:

## **I. PREVIOUSLY PROCEEDS RAISED**

With the approval of China Security Regulatory Commission (Zheng Jian Xu Ke [2019] No. 1222), Shanghai Henlius Biotech, Inc. (the “Company”) issued 69,061,800 shares (including greenshoe offering) of overseas listed foreign ordinary shares (the “H Shares Offering”) in September 2019, with face value RMB1 per share. The issue price is HK\$49.6 per share, and the total proceeds is HK\$3,425,465,000; after deducting the overseas offering and listing expenses of HK\$278,465,000, the total net proceeds is HK\$3,147,000,000.

## **II. ACTUAL USE OF PREVIOUSLY PROCEEDS RAISED**

According to the resolution (the “Resolution”) approved by the Company’s general meeting on 27 November 2018, The net proceeds from the H Shares Offering are intended to pay for the ongoing clinical trials, regulatory filing and registration of core products; ongoing clinical trials, regulatory filing and registration of biosimilar candidates (including HLX11, HLX 12 and HLX 14); ongoing clinical trials, regulatory filing and registration of bio-innovative drugs and the development of immuno-oncology combination therapies; and to be used as working capital and for general corporate purposes.

As of 31 December 2019, RMB827,136,000 of the net proceeds from the H Shares Offering had been used, and the use of proceeds were consistent with the purpose disclosed in the H Shares offering.

As of 31 December 2019, the use of proceeds of the commitment projects for H Shares Offering is as follows:

No.	Committed investment project	Actual investment project	Total investment of proceeds				Total proceeds used in each year: RMB827,136,000				Differences between the actual investment and the committed investment after fund-raising
			Committed investment before fund-raising (HK\$'000)	Committed investment after fund-raising - including greenshoe (equivalent to RMB'000)	Committed investment before fund-raising (HK\$'000)	Committed investment after fund-raising - including greenshoe (equivalent to RMB'000)	Committed investment before fund-raising (HK\$'000)	Committed investment after fund-raising - including greenshoe (equivalent to RMB'000)	Actual investment (RMB'000)	Actual investment (RMB'000)	
			Total proceeds by additional H Shares (including greenshoe): HK\$3,425,465,000				Total proceeds used: RMB827,136,000				
			Deducting overseas offering and listing expenses: HK\$278,465,000				Total proceeds used in each year: RMB827,136,000				
			Total net proceeds (including greenshoe): HK\$3,147,000,000				Total proceeds used in each year: RMB827,136,000				
			Total proceeds for change of use:				Total proceeds used in each year: RMB827,136,000				
			Proportion of total proceeds for change of use:				Total proceeds used in each year: RMB827,136,000				
Investment project			Total investment of proceeds				Total proceeds used in each year: RMB827,136,000				Differences between the actual investment and the committed investment after fund-raising
No.	Committed investment project	Actual investment project	Committed investment before fund-raising (HK\$'000)	Committed investment after fund-raising - including greenshoe (equivalent to RMB'000)	Committed investment before fund-raising (HK\$'000)	Committed investment after fund-raising - including greenshoe (equivalent to RMB'000)	Actual investment (RMB'000)	Actual investment (RMB'000)	Actual investment (RMB'000)	Differences between the actual investment and the committed investment after fund-raising	
1	Clinical trials, regulatory filing and registration of HLX02	Clinical trials, regulatory filing and registration of HLX02	185,800	168,050	185,800	168,050	135,692	135,692	135,692	32,358	
2	Clinical trials, regulatory filing and registration for HLX04 for the mCRC indication	Clinical trials, regulatory filing and registration for HLX04 for the mCRC indication	247,700	224,066	247,700	224,066	98,066	98,066	98,066	126,000	
3	Development of immuno-oncology combination therapy comprised of HLX04 and HLX10 for the treatment of advanced solid tumours	Development of immuno-oncology combination therapy comprised of HLX04 and HLX10 for the treatment of advanced solid tumours	805,000	728,215	805,000	728,215	28,591	28,591	28,591	699,624	
4	Clinical trials, regulatory filing and registration for our biosimilar candidates, including HLX12, HLX11 and HLX14	Clinical trials, regulatory filing and registration for our biosimilar candidates, including HLX12, HLX11 and HLX14	464,500	420,125	464,500	420,125	158,720	158,720	158,720	261,405	

		Total proceeds by additional H Shares (including greenshoe): HK\$3,425,465,000 Deducting overseas offering and listing expenses: HK\$278,465,000 Total net proceeds (including greenshoe): HK\$3,147,000,000			Total proceeds used: RMB827,136,000		
		Total proceeds for change of use:			Total proceeds used in each year: RMB827,136,000		
		Proportion of total proceeds for change of use:			Cumulative investment of proceeds by the deadline		
Investment project		Total investment of proceeds			Differences between the actual investment and the committed investment after fund-raising		
No.	Committed investment project	Actual investment project	Committed investment before fund-raising (HK\$'000)	Committed investment after fund-raising including greenshoe (equivalent to RMB'000)	Committed investment before fund-raising (HK\$'000)	Committed investment after fund-raising including greenshoe (equivalent to RMB'000)	Actual investment after fund-raising (RMB'000)
5	HLX06	HLX06	6,200	5,602	6,200	5,602	0
6	HLX07	HLX07	133,100	120,436	133,100	120,436	26,899
7	HLX20	HLX20	6,200	5,602	6,200	5,602	791
8	HLX10 and immuno-oncology combination therapies involving HLX10 (including HLX10+HLX07)	HLX10 and immuno-oncology combination therapies involving HLX10 (including HLX10+HLX07)	938,200	848,651	938,200	848,651	293,190
9	working capital and general corporate purposes	working capital and general corporate purposes	309,600	280,083	309,600	280,083	85,187
Total			3,096,300	2,800,830	3,096,300	2,800,830	827,136

Comparison table of the benefits realized from projects invested with previously raised proceeds

Not applicable

### **III. SUMMARY**

The board of directors believes that the Company used the proceeds raised in previous H Shares offering in accordance with the use of proceeds disclosed in the H Shares offering and the above “II. Actual Use of Previously Proceeds Raised”.

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## NOTICE OF EGM

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### Shanghai Henlius Biotech, Inc.

### 上海復宏漢霖生物技術股份有限公司

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

**(Stock Code: 2696)**

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2020 second extraordinary general meeting (the “**Meeting**”) of Shanghai Henlius Biotech, Inc. (the “**Company**”) will be held at Multifunctional Hall, 3rd Floor, Renaissance Shanghai Caohejing Hotel, 397 Tianlin Road, Xuhui, Shanghai, China at 3:30 p.m. on Friday, 12 June 2020 for the purposes of considering and, if thought fit, passing the following resolutions as ordinary resolutions and special resolutions (unless otherwise indicated, capitalised terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 27 April 2020):

#### ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the undertakings on the matters in connection with the A Share Offering and Listing.
2. To consider and approve the resolution in relation to the amendments to the Rules of Independent Non-Executive Directors.
3. To consider and approve the resolution in relation to the amendments to the Decision-making Rules for the Connected/Related Transaction.
4. To consider and approve the resolution in relation to the amendments to the Management Rules for the Raised Funds.
5. To consider and approve the resolution in relation to the amendments to the Management Rules for the External Guarantee.
6. To consider and approve the resolution in relation to the Management Rules for the Transaction and External Investments and Financing.
7. To consider and approve the resolution in relation to the special report on the use of proceeds raised in previous offering.

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## NOTICE OF EGM

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### SPECIAL RESOLUTIONS

8. To consider and approve the resolutions in relation to the A Share Offering and Listing item by item:
  - (1) The public offering of Shares fulfilling requirements;
  - (2) Class of Shares;
  - (3) Nominal value;
  - (4) Offering size;
  - (5) Target subscribers;
  - (6) Offer price and pricing methodology;
  - (7) Method of offering;
  - (8) Place of listing;
  - (9) Time of listing;
  - (10) Engagement of professional agents; and
  - (11) Validity period of the resolutions.
9. To consider and approve the resolution in relation to the authorisation to the Board to deal with matters relating to the A Share Offering and Listing.
10. To consider and approve the resolution in relation to the plan for use of proceeds raised from the A Share Offering.
11. To consider and approve the resolution in relation to the accumulated profit distribution and the plan for undertaking unrecovered losses prior to the A Share Offering.
12. To consider and approve the resolution in relation to the share price stabilisation plan within three years after the A Share Offering and Listing.
13. To consider and approve the resolution in relation to the three-year dividend distribution plan after the A Share Offering.
14. To consider and approve the resolution in relation to the dilution of immediate return by the A Share Offering and recovery measures.



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## NOTICE OF EGM

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15. To consider and approve the resolution in relation to the amendments to the Articles and Rules of Procedures for the General Meeting relating to PRC regulatory updates.
16. To consider and approve the resolution in relation to the amendments to the Articles and the relevant rules of procedures relating to the A Share Offering and Listing.

On behalf of the Board  
**Shanghai Henlius Biotech, Inc.**  
**Qiyu CHEN**  
*Chairman*

Hong Kong, 27 April 2020

*As at the date of this notice, the board of directors of the Company comprises Dr. Scott Shi-Kau Liu as the executive director, Mr. Qiyu Chen as the chairman and non-executive director, Mr. Yifang Wu, Ms. Xiaohui Guan, Dr. Aimin Hui and Mr. Zihou Yan as the non-executive directors, and Mr. Tak Young So, Dr. Lik Yuen Chan, Dr. Guoping Zhao and Dr. Ruilin Song as the independent non-executive directors.*

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## NOTICE OF EGM

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*Notes:*

1. All resolutions at the Meeting will be taken by a poll pursuant to the articles of association of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Shareholders intending to attend the Meeting shall return the reply slip via hand delivery, mail or fax to the Company’s Board secretary office (for holders of domestic shares or unlisted foreign shares), or the Computershare Hong Kong Investor Services Limited (for holders of H Shares) on or before Saturday, 23 May 2020.
3. Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy (or more than one proxy if he/she holds more than one share) to attend and on a poll, vote on his/her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the form of proxy shall specify the number of shares in respect of which each such proxy is so appointed. In case of a poll every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s Board secretary office (for holders of domestic shares or unlisted foreign shares), at 9th Floor, Innov Tower (Capitaland Building), Section A, 1801 Hongmei Road, Shanghai, or the Company’s share registrar in Hong Kong (for holders of H shares), Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for the Meeting (i.e. not later than 3:30 p.m. on Thursday 11 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In order to determine the list of Shareholders who will be entitled to attend and vote at the Meeting, the registers of members of the Company will be closed from Thursday, 23 April 2020 to Friday, 12 June 2020 (both dates inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the registers of members of the Company on Friday, 12 June 2020 shall be entitled to attend and vote at the Meeting. In order to qualify for attending and voting at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Board secretary office (for holders of domestic shares or unlisted foreign shares), at 9th Floor, Innov Tower (Capitaland Building), Section A, 1801 Hongmei Road, Shanghai, PRC or the Company’s H share registrar in Hong Kong (for holders of H shares), Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by 4:30 p.m. on Wednesday, 22 April 2020.
6. Shareholders who attend the Meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. References to time and dates in this notice are to Hong Kong time and dates.

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## NOTICE OF CLASS MEETING OF H SHAREHOLDERS

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**Shanghai Henlius Biotech, Inc.**

**上海復宏漢霖生物技術股份有限公司**

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

**(Stock Code: 2696)**

### **NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the 2020 first class meeting of H shareholders (the “**H Shareholders’ Class Meeting**”) of Shanghai Henlius Biotech, Inc. (the “**Company**”) will be held after the conclusion of the 2020 first class meeting of domestic shareholders of the Company, at Multifunctional Hall, 3rd Floor, Renaissance Shanghai Caohejing Hotel, 397 Tianlin Road, Xuhui, Shanghai, China at 3:30 p.m. on Friday, 12 June 2020 for the purposes of considering and, if thought fit, passing the following resolutions as ordinary resolutions and special resolutions (unless otherwise indicated, capitalised terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 27 April 2020):

#### **ORDINARY RESOLUTION**

1. To consider and approve the resolution in relation to the undertakings on the matters in connection with the A Share Offering and Listing.

#### **SPECIAL RESOLUTIONS**

2. To consider and approve the resolutions in relation to the A Share Offering and Listing item by item:
  - (1) The public offering of Shares fulfilling requirements;
  - (2) Class of Shares;
  - (3) Nominal value;
  - (4) Offering size;
  - (5) Target subscribers;
  - (6) Offer price and pricing methodology;
  - (7) Method of offering;
  - (8) Place of listing;

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## NOTICE OF CLASS MEETING OF H SHAREHOLDERS

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- (9) Time of listing;
  - (10) Engagement of professional agents; and
  - (11) Validity period of the resolutions.
3. To consider and approve the resolution in relation to the authorisation to the Board to deal with matters relating to the A Share Offering and Listing.
  4. To consider and approve the resolution in relation to the plan for use of proceeds raised from the A Share Offering.
  5. To consider and approve the resolution in relation the accumulated profit distribution and the plan for undertaking unrecovered losses prior to the A Share Offering.
  6. To consider and approve the resolution in relation to the share price stabilisation plan within three years after the A Share Offering and Listing.
  7. To consider and approve the resolution in relation to the three-year dividend distribution plan after the A Share Offering.
  8. To consider and approve the resolution in relation to the dilution of immediate return by the A Share Offering and recovery measures.

On behalf of the Board  
**Shanghai Henlius Biotech, Inc.**  
**Qiyu CHEN**  
*Chairman*

Hong Kong, 27 April 2020

*As at the date of this notice, the board of directors of the Company comprises Dr. Scott Shi-Kau Liu as the executive director, Mr. Qiyu Chen as the chairman and non-executive director, Mr. Yifang Wu, Ms. Xiaohui Guan, Dr. Aimin Hui and Mr. Zihou Yan as the non-executive directors, and Mr. Tak Young So, Dr. Lik Yuen Chan, Dr. Guoping Zhao and Dr. Ruilin Song as the independent non-executive directors.*

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## NOTICE OF CLASS MEETING OF H SHAREHOLDERS

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*Notes:*

1. All resolutions at the H Shareholders' Class Meeting will be taken by a poll pursuant to the articles of association of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A holder of H Shares of the Company intending to attend the H Shareholders' Class Meeting shall return the reply slip via hand delivery, mail or fax to the Computershare Hong Kong Investor Services Limited on or before Saturday, 23 May 2020.
3. A holder of H Shares of the Company entitled to attend and vote at the H Shareholders' Class Meeting is entitled to appoint a proxy (or more than one proxy if he/she holds more than one share) to attend and on a poll, vote on his/her behalf. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the form of proxy shall specify the number of shares in respect of which each such proxy is so appointed. In case of a poll every Shareholder present in person or by proxy shall be entitled to one vote for each Share held by him.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for the H Shareholders' Class Meeting (i.e. not later than 3:30 p.m. on Thursday 11 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude any holder of H Shares of the Company from attending and voting in person at the H Shareholders' Class Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In order to determine the list of Shareholders who will be entitled to attend and vote at the H Shareholders' Class Meeting, the register of members of H Shares of the Company will be closed from Thursday, 23 April 2020 to Friday, 12 June 2020 (both dates inclusive). Shareholders whose names appear on the register of members of H Shares of the Company on Friday, 12 June 2020 shall be entitled to attend and vote at the H Shareholders' Class Meeting. In order to qualify for attending and voting at the H Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong (for holders of H shares), Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by 4:30 p.m. on Wednesday, 22 April 2020.
6. Shareholders who attend the H Shareholders' Class Meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. This notice of H Shareholders' Class Meeting is despatched to the holders of H Shares of the Company only.
8. References to time and dates in this notice are to Hong Kong time and dates.



**Shanghai Henlius Biotech, Inc.**

**上海復宏漢霖生物技術股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2696)**

**NOTICE OF THE 2020 FIRST CLASS MEETING OF  
DOMESTIC SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the 2020 first class meeting of domestic shareholders (the **“Domestic Shareholders’ Class Meeting”**) of Shanghai Henlius Biotech, Inc. (the **“Company”**) will be held after the conclusion of the 2020 second extraordinary general meeting of the Company, at Multifunctional Hall, 3rd Floor, Renaissance Shanghai Caohejing Hotel, 397 Tianlin Road, Xuhui, Shanghai, China at 3:30 p.m. on Friday, 12 June 2020 for the purposes of considering and, if thought fit, passing the following resolutions as ordinary resolutions and special resolutions (unless otherwise indicated, capitalised terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 27 April 2020):

**ORDINARY RESOLUTION**

1. To consider and approve the resolution in relation to the undertakings on the matters in connection with the A Share Offering and Listing.

**SPECIAL RESOLUTIONS**

2. To consider and approve the resolutions in relation to the A Share Offering and Listing item by item:
  - (1) The public offering of Shares fulfilling requirements;
  - (2) Class of Shares;
  - (3) Nominal value;
  - (4) Offering size;
  - (5) Target subscribers;
  - (6) Offer price and pricing methodology;
  - (7) Method of offering;

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## NOTICE OF CLASS MEETING OF DOMESTIC SHAREHOLDERS

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- (8) Place of listing;
  - (9) Time of listing;
  - (10) Engagement of professional agents; and
  - (11) Validity period of the resolutions.
3. To consider and approve the resolution in relation to the authorisation to the Board to deal with matters relating to the A Share Offering and Listing.
  4. To consider and approve the resolution in relation to the plan for use of proceeds raised from the A Share Offering.
  5. To consider and approve the resolution in relation to the accumulated profit distribution and the plan for undertaking unrecovered losses prior to the A Share Offering.
  6. To consider and approve the resolution in relation to the share price stabilisation plan within three years after the A Share Offering and Listing.
  7. To consider and approve the resolution in relation to the three-year dividend distribution plan after the A Share Offering.
  8. To consider and approve the resolution in relation to the dilution of immediate return by the A Share Offering and recovery measures.

On behalf of the Board  
**Shanghai Henlius Biotech, Inc.**  
**Qiyu CHEN**  
*Chairman*

Hong Kong, 27 April 2020

*As at the date of this notice, the board of directors of the Company comprises Dr. Scott Shi-Kau Liu as the executive director, Mr. Qiyu Chen as the chairman and non-executive director, Mr. Yifang Wu, Ms. Xiaohui Guan, Dr. Aimin Hui and Mr. Zihou Yan as the non-executive directors, and Mr. Tak Young So, Dr. Lik Yuen Chan, Dr. Guoping Zhao and Dr. Ruilin Song as the independent non-executive directors.*

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## NOTICE OF CLASS MEETING OF DOMESTIC SHAREHOLDERS

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*Notes:*

1. All resolutions at the Domestic Shareholders' Class Meeting will be taken by a poll pursuant to the articles of association of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A holder of Domestic Shares of the Company intending to attend the Domestic Shareholders' Class Meeting shall return the reply slip via hand delivery, mail or fax the Company's Board secretary office on or before Saturday, 23 May 2020.
3. A holder of Domestic Shares of the Company entitled to attend and vote at the Domestic Shareholders' Class Meeting is entitled to appoint a proxy (or more than one proxy if he/she holds more than one share) to attend and on a poll, vote on his/her behalf. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the form of proxy shall specify the number of shares in respect of which each such proxy is so appointed. In case of a poll every Shareholder present in person or by proxy shall be entitled to one vote for each Share held by him.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's Board secretary office, at 9th Floor, Innov Tower (Capitaland Building), Section A, 1801 Hongmei Road, Shanghai, not less than 24 hours before the time appointed for the Domestic Shareholders' Class Meeting (i.e. not later than 3:30 p.m. on Thursday 11 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude any holder of Domestic Shares of the Company from attending and voting in person at the Domestic Shareholders' Class Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In order to determine the list of Shareholders who will be entitled to attend and vote at the Domestic Shareholders' Class Meeting, the register of members of Domestic Shares of the Company will be closed from Thursday, 23 April 2020 to Friday, 12 June 2020 (both dates inclusive). Shareholders whose names appear on the register of members of Domestic Shares of the Company on Friday, 12 June 2020 shall be entitled to attend and vote at the Domestic Shareholders' Class Meeting. In order to qualify for attending and voting at the Domestic Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Board secretary office, at 9th Floor, Innov Tower (Capitaland Building), Section A, 1801 Hongmei Road, Shanghai, PRC for registration by 4:30 p.m. on Wednesday, 22 April 2020.
6. Shareholders who attend the Domestic Shareholders' Class Meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. This notice of Domestic Shareholders' Class Meeting is despatched to the holders of Domestic Shares of the Company only.
8. References to time and dates in this notice are to Hong Kong time and date.