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上海復旦張江生物醫藥股份有限公司
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 1349)

- (1) ADOPTION OF CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES;**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT) AND THE RULES OF PROCEDURE FOR THE GENERAL MEETING; AND**
- (4) PROPOSED CHANGE OF OVERSEAS AUDITOR**

ADOPTION OF CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

Since the date on which the H Shares of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.* (the “**Company**”) were listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company has been preparing its financial statements under both the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards.

According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) published by the Stock Exchange in December 2010, Mainland incorporated issuers listed in Hong Kong are allowed to prepare their financial statements in accordance with the China Accounting Standards for Business Enterprises and Mainland audit firms approved by the Ministry of Finance (the “**MOF**”) of the People’s Republic of China (the “**PRC**”) and the China Securities Regulatory Commission (the “**CSRC**”) are allowed to adopt the China Standards on Auditing in providing services to the issuers.

In view of the aforesaid arrangement and in order to facilitate the application process of the proposed issue of the A Shares of the Company, and to align the financial information disclosure of the Company in both markets, the board of directors of the Company (the “**Board**”) considered and approved a resolution on 10 January 2020 in relation to the change of its basis for preparation of the overseas financial statements from International Financial Reporting Standards to China Accounting Standards for Business Enterprises, subject to the approvals of the shareholders of the Company (the “**Shareholders**”)

* For identification purposes only

at the extraordinary general meeting (the “**EGM**”), the class meeting of holders of Domestic Shares and the class meeting of holders of H Shares to be held on 24 February 2020 (the “**Class Meetings**”) on the proposed amendments to the articles of association of the Company (the “**Articles of Association**”).

Subject to the approvals of the Shareholders of the proposed amendments to the Articles of Association, the results of the Company for the year ended 31 December 2019 are expected to be prepared in accordance with the China Accounting Standards for Business Enterprises. The Board is of the view that the adoption of China Accounting Standards for Business Enterprises will enhance efficiency and reduce disclosure costs and is in the interests of the Company and its Shareholders as a whole.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of (i) the adoption of China Accounting Standards for Business Enterprises; and (ii) the relevant provisions of the Company Law of the PRC and Reply of the State Council on the Adjustment of the Notice Period for the Holding of Shareholders’ General Meeting and Other Matters Applicable to Overseas Listed Companies (Guo Han [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)), the Board considered and approved a resolution in relation to the proposed amendments to the Articles of Association on 10 January 2020. Details of the proposed amendments to the Articles of Association are set out in Appendix I to this announcement.

The proposed amendments to the Articles of Association are subject to the approvals of the Shareholders at the EGM and the Class Meetings, respectively. Save for the amendments as set out in the proposed amendments to the Articles of Association, the other provisions of the Articles of Association will remain unchanged. The proposed amendments to the Articles of Association will become effective upon approvals by the Shareholders at the EGM and the Class Meetings, respectively.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT) AND THE RULES OF PROCEDURE FOR THE GENERAL MEETING

Reference is made to the supplemental circular of the Company dated 4 April 2019 and the announcement of the Company dated 26 April 2019 in relation to the amendments to the Articles of Association (the “**Articles of Association (Draft)**”) and the formulation of the rules of procedure for the general meeting (the “**Rules of Procedure for the General Meeting**”) considered and approved at the annual general meeting and class meetings of the Company held on 26 April 2019. The Articles of Association (Draft) and the Rules of Procedure for the General Meeting will take effect on the date of official listing of A Shares on the Sci-Tech Innovation Board of the Shanghai Stock Exchange upon approval of the issue of A Shares of the Company by the Shanghai Stock Exchange and the registration of A Shares with the CSRC.

In view of (i) the adoption of China Accounting Standards for Business Enterprises; and (ii) the relevant provisions of the Company Law of the PRC and Reply of the State Council on the Adjustment of the Notice Period for the Holding of Shareholders’ General Meeting and Other Matters Applicable to Overseas Listed Companies (Guo Han [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)), the Board considered and approved a resolution in relation to the proposed amendments to the Articles of Association (Draft) and the Rules of Procedure

for the General Meeting on 10 January 2020. Details of the proposed amendments to the Articles of Association (Draft) and the Rules of Procedure for the General Meeting are set out in Appendices II and III to this announcement.

The proposed amendments to the Articles of Association (Draft) and the Rules of Procedure for the General Meeting are subject to the approvals of the Shareholders at the EGM and the Class Meetings, respectively. Save for the amendments as set out in the proposed amendments to the Articles of Association (Draft) and the Rules of Procedure for the General Meeting, the other provisions of the Articles of Association (Draft) and the Rules of Procedure for the General Meeting will remain unchanged. Upon approvals by the Shareholders at the EGM and the Class Meetings, respectively, the proposed amendments to the Articles of Association (Draft) and the Rules of Procedure for the General Meeting will take effect on the date of official listing of A Shares on the Sci-Tech Innovation Board of the Shanghai Stock Exchange upon approval of the issue of A Shares of the Company by the Shanghai Stock Exchange and the registration of A Shares with the CSRC.

PROPOSED CHANGE OF OVERSEAS AUDITOR

PricewaterhouseCoopers currently acts as the Company's overseas auditor which is responsible for auditing the financial statements of the Company prepared in accordance with the International Financial Reporting Standards. In view of the above change to the standards in the preparation of the Company's overseas financial statements, the Board also proposed to change the Company's overseas auditor from PricewaterhouseCoopers to PricewaterhouseCoopers Zhong Tian LLP, subject to the approval of the Shareholders at the EGM.

PricewaterhouseCoopers Zhong Tian LLP is a certified public accountant firm approved by the MOF and the CSRC and is qualified to adopt the China Standards on Auditing in providing auditing services to the issues incorporated in the Mainland and listed in Hong Kong. PricewaterhouseCoopers Zhongtian LLP currently acts as domestic auditor of the Company. Subject to the approval of the Shareholders at the EGM on the proposed change of the overseas auditor, PricewaterhouseCoopers Zhong Tian LLP will become the only auditor auditing the financial statements of the Company in accordance with the Chinese Accounting Standards for Business Enterprises, and undertake the role of overseas auditor in accordance with the Rules Governing the Listing of Securities on the Stock Exchange.

PricewaterhouseCoopers confirms that there is no circumstance relating to the proposed change of auditor that needed to be brought to the attention of the Shareholders. The Board is not aware of any issues relating to the proposed change of auditor that needed to be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirm that there is no disagreement between the Company and PricewaterhouseCoopers in relation to the proposed change of auditor.

A circular containing details of, among other things, (i) the proposed amendments to the Articles of Association; (ii) the proposed amendments to the Articles of Association (Draft); (iii) the proposed amendments to the Rules of Procedure for the General Meeting; and (iv) the proposed change of auditor will be dispatched to the Shareholders of the Company on or before 7 February 2020.

By order of the Board

Wang Hai Bo

Chairman

As at the date of this announcement, the Board comprises:

Mr. Wang Hai Bo (*Executive Director*)

Mr. Su Yong (*Executive Director*)

Mr. Zhao Da Jun (*Executive Director*)

Mr. Shen Bo (*Non-executive Director*)

Ms. Yu Xiao Yang (*Non-executive Director*)

Mr. Zhou Zhong Hui (*Independent Non-executive Director*)

Mr. Lam Yiu Kin (*Independent Non-executive Director*)

Mr. Xu Qing (*Independent Non-executive Director*)

Mr. Yang Chun Bao (*Independent Non-executive Director*)

Shanghai, the PRC

10 January 2020

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APPENDIX I – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Note 1: “/” means that there is no corresponding provision in the current Articles of Association or the corresponding provision has been removed from the amended Articles of Association. The adjustment to the provision numbers due to provisions added into or removed from the amended Articles of Association is not reflected in the table below.

Note 2: If there is any inconsistency between the English and Chinese versions of the Articles of Association, the Chinese version shall prevail.

No.	Provisions of Current Articles of Association	Provisions of Amended Articles of Association
1	7. In a shareholders' annual general meeting held on June 24th, 2005, the Company amended its articles of association adopted by the special resolutions of its shareholders' annual general meeting held on June 25th, 2004 in accordance with the actual situations concerning its issue of Overseas-Listed Foreign-invested Shares; in a shareholders' Extraordinary General Meeting held on 29 October, 2010, the Company adopted the further amended articles of association of the Company; upon the authorization by special resolutions passed by the shareholders' Annual General Meeting held on 29 June, 2012, the Board approved the amendment to the articles of association of the Company on 19 March, 2013; the Board further approved this amendment to the articles of association of the Company on 9 May, 2013 and 8 August, 2013; upon the authorization by special resolution passed by the shareholders' Annual General Meeting held on 30 May, 2013, the Board approved the amendment to the articles of association of the Company on 6 December, 2013; the shareholders' Annual General Meeting held on 30 May, 2014 approved the amendment to the articles of association of the Company by special resolutions (these "Articles").	7. In a shareholders' annual general meeting held on 24 June 2005, the Company amended its articles of association adopted by the special resolutions of its shareholders' annual general meeting held on 25 June 2004 in accordance with the actual situations concerning its issue of Overseas-Listed Foreign-invested Shares; in a shareholders' Extraordinary General Meeting held on 29 October 2010, the Company adopted the further amended articles of association of the Company; upon the authorization by special resolutions passed by the shareholders' Annual General Meeting held on 29 June 2012, the Board approved the amendment to the articles of association of the Company on 19 March 2013; the Board further approved this amendment to the articles of association of the Company on 9 May 2013 and 8 August 2013; upon the authorization by special resolution passed by the shareholders' Annual General Meeting held on 30 May 2013, the Board approved the amendment to the articles of association of the Company on 6 December 2013; the shareholders' Annual General Meeting held on 30 May 2014 approved the amendment to the articles of association of the Company by special resolutions; <u>the shareholders' Extraordinary General Meeting held on 24 February 2020 approved the amendment to the articles of association of the Company by special resolutions</u> (these "Articles").

No.	Provisions of Current Articles of Association	Provisions of Amended Articles of Association
	<p>These Articles shall take effect from the date when the Company has obtained all necessary approvals. These Articles shall replace the Original Articles as of its effective date. Unless otherwise amended by the Amendment to these Articles, all the other articles of these Articles shall remain its full effect.</p>	<p>These Articles shall take effect from the date when the Company has obtained all necessary approvals. These Articles shall replace the Original Articles as of its effective date. Unless otherwise amended by the Amendment to these Articles, all the other articles of these Articles shall remain its full effect.</p>
2	<p>48. No changes which are required by reason of a transfer of shares may be made to the register of shareholders within 30 days prior to the date of a shareholders' general meeting or 5 days prior to the record date for the Company's distribution of dividends.</p>	<p>48. No changes which are required by reason of a transfer of shares may be made to the register of shareholders within 30 days prior to the date of a shareholders' general meeting or 5 days prior to the record date for the Company's distribution of dividends. <u>If the securities regulatory authorities at the place where the Company's shares are listed provides otherwise, such provisions shall prevail.</u></p>
3	<p>60. The shareholders' general meeting shall have the following functions and powers:</p> <p>..... (13) to consider resolutions raised by shareholders who represent 5% or more of the total shares of the Company carrying the right to vote;.....</p>	<p>60. The shareholders' general meeting shall have the following functions and powers:</p> <p>..... (13) to consider resolutions raised by shareholders <u>severally or jointly holding 3%</u> or more of the total shares of the Company carrying the right to vote;.....</p>
4	<p>63. When the Company convenes a shareholders' general meeting, written notice of the meeting shall be given 45 days prior to the date of the meeting to notify all shareholders registered in the register of shareholders of the matters to be considered and the date and the place of the meeting. A shareholder who intends to attend the meeting shall deliver his written reply confirming the attendance of the meeting to the Company 20 days prior to the date of the meeting.</p>	<p>63. <u>When the Company convenes a shareholders' annual general meeting, the shareholders shall be notified by way of public announcement at least twenty (20) business days prior to the date of the meeting; when the Company convenes a shareholders' extraordinary general meeting, the shareholders shall be notified by way of public announcement at least fifteen (15) days (no less than ten (10) business days) prior to the date of the meeting.</u></p> <p><u>The business day mentioned in these Articles shall mean the date on which the Hong Kong Stock Exchange opens for securities trading.</u></p>

No.	Provisions of Current Articles of Association	Provisions of Amended Articles of Association
5	<p>64. When the Company convenes a shareholders' annual general meeting, shareholders holding 5% or more of the total voting shares of the Company shall have the right to propose new motions in writing, and the Company shall place those matters in the proposed motions within the scope of the functions and powers of the shareholders' general meeting on the agenda.</p>	<p>64. When the Company convenes a shareholders' general meeting, shareholders <u>severally or jointly</u> holding 3% or more of the shares of the Company, <u>may raise the interim proposals and submit them in writing to the Board prior to the date of the shareholders' general meeting; the Board shall, within two (2) days after receipt of such proposals, notify other shareholders, and ensure to announce the content of the interim proposals ten (10) business days prior to the date of shareholders' general meeting. The contents of the interim proposals shall be within the scope of the functions and powers of the shareholders' general meeting, and contain clear issues and specific matters for resolutions.</u></p>
6	<p>65. The Company shall, based on the written replies received from shareholders 20 days prior to the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by shareholders who intend to attend the meeting is more than half of the total number of voting shares in the Company, the Company may hold the meeting; if not, then the Company shall within 5 days notify shareholders again by publishing an announcement of the matters proposed to be considered at and the date and place of the meeting. The Company may then hold the meeting after publishes such announcement.</p> <p>A shareholders' extraordinary general meeting shall not decide on any matters not stated in the notice of meeting.</p>	/

No.	Provisions of Current Articles of Association	Provisions of Amended Articles of Association
7	<p>67. Notices of shareholders' general meetings shall be served on the shareholders registered at the shareholding determining date (whether or not they are entitled to vote at the meeting) by personal delivery or prepaid mail to their addresses registered in the register of shareholders. For the holders of Domestic-Invested Shares, notices of shareholders' general meetings may also be given by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council within the interval between 45 to 50 days prior to the date of the meeting. Upon the publication of announcement, all holders of Domestic-Invested Shares shall be deemed to have received notice of the relevant shareholders' meeting.</p>	<p>67. Notices of shareholders' general meetings shall be served on the shareholders registered at the shareholding determining date (whether or not they are entitled to vote at the meeting) by personal delivery or prepaid mail to their addresses registered in the register of shareholders. For the holders of Domestic-Invested Shares, notices of shareholders' general meetings may also be given by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph <u>shall be published in one or more newspapers designated by the securities regulatory authority of the State Council.</u> Upon the publication of announcement, all holders of Domestic-Invested Shares shall be deemed to have received notice of the relevant shareholders' meeting.</p>
8	<p>68. The accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by any person entitled to receive notice shall not invalidate that meeting and the resolutions passed at that meeting.</p>	<p>68. <u>When the Company gives the notice of the shareholders' general meeting in the way as required by the stock exchanges where the Company's shares are listed or relevant regulatory authorities,</u> the accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by any person entitled to receive notice shall not invalidate that meeting and the resolutions passed at that meeting.</p>

No.	Provisions of Current Articles of Association	Provisions of Amended Articles of Association
9	<p>94. Written notice of a class meeting shall be given by the Company 45 days prior to the date of the meeting to notify all the registered shareholders holding shares of that class of the matters to be considered at the meeting and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver a written reply confirming his attendance at the class meeting to the Company 20 days prior to the date of the meeting.</p> <p>If the number of shares carrying voting rights at the meeting represented by the shareholders who intends to attend the class meeting is more than half of the voting shares at the class meeting, the Company may hold the class meeting; if not, the Company shall within 5 days notify the shareholders of that class again by a public announcement of the matters to be considered at the meeting, the date and place of the meeting. The Company may then hold the class meeting after such public announcement is made.</p>	<p>94. <u>Public announcement or written notice</u> of a class meeting <u>shall be given by the Company at least twenty (20) business days prior to the date of the shareholders' annual general meeting, fifteen (15) days (no less than ten (10) business days) prior to the date of the shareholders' extraordinary general meeting</u> to notify all the registered shareholders holding shares of that class of the matters to be considered at the meeting and the date and place of the meeting.</p>
10	<p>147. The financial statements of the Company shall, in addition to being prepared in accordance with the Chinese accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place outside China where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the aforesaid accounting standards, such difference shall be stated and explained in the financial statements. For the purposes of distribution of the Company's after- tax profits in a financial year, the lower of the after- tax profits as shown in the different set of financial statements shall be adopted.</p>	<p>147. The financial statements of the Company <u>shall be prepared in accordance with the China Accounting Standards for Business Enterprises and the requirements of applicable laws and regulations.</u></p>

No.	Provisions of Current Articles of Association	Provisions of Amended Articles of Association
11	148. Any interim results or financial information announced or disclosed by the Company must also be prepared and presented in accordance with the Chinese accounting standards and regulations as well as in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.	148. Any interim results or financial information announced or disclosed by the Company must also <u>be prepared and presented in accordance with the China Accounting Standards for Business Enterprises and the requirements of applicable laws and regulations.</u>
12	/	189. <u>If these Articles are inconsistent with the applicable laws and regulations, the requirements of the relevant laws and regulations shall prevail.</u>

APPENDIX II – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)

Note 1: “/” means that there is no corresponding provision in the current Articles of Association (Draft) or the corresponding provision has been removed from the amended Articles of Association (Draft). The adjustment to the provision numbers due to provisions added into or removed from the amended Articles of Association (Draft) is not reflected in the table below.

Note 2: If there is any inconsistency between the English and Chinese versions of the Articles of Association (Draft), the Chinese version shall prevail.

No.	Provisions of Current Articles of Association (Draft)	Provisions of Amended Articles of Association (Draft)
1	7. In a shareholders’ annual general meeting held on June 24th, 2005, the Company amended its articles of association adopted by the special resolutions of its shareholders’ annual general meeting held on June 25th, 2004 in accordance with the actual situations concerning its issue of Overseas-Listed Foreign-invested Shares; in a shareholders’ Extraordinary General Meeting held on 29 October, 2010, the Company adopted the further amended articles of association of the Company; upon the authorization by special resolutions passed by the shareholders’ Annual General Meeting held on 29 June, 2012, the Board approved the amendment to the articles of association of the Company on 19 March, 2013; the Board further approved this amendment to the articles of association of the Company on 9 May, 2013 and 8 August, 2013; upon the authorization by special resolution passed by the shareholders’ Annual General Meeting held on 30 May, 2013, the Board approved the amendment to the articles of association of the Company on 6 December, 2013; the shareholders’ Annual General Meeting held on 30 May, 2014 approved the amendment to the articles of association of the Company by special resolutions; the shareholders’ Annual General Meeting held on 26 April, 2019 approved the amendment to the articles of association of the Company by special resolutions (these “Articles”).	7. In a shareholders’ annual general meeting held on 24 June 2005, the Company amended its articles of association adopted by the special resolutions of its shareholders’ annual general meeting held on 25 June 2004 in accordance with the actual situations concerning its issue of Overseas-Listed Foreign-invested Shares; in a shareholders’ Extraordinary General Meeting held on 29 October 2010, the Company adopted the further amended articles of association of the Company; upon the authorization by special resolutions passed by the shareholders’ Annual General Meeting held on 29 June 2012, the Board approved the amendment to the articles of association of the Company on 19 March 2013; the Board further approved this amendment to the articles of association of the Company on 9 May 2013 and 8 August 2013; upon the authorization by special resolution passed by the shareholders’ Annual General Meeting held on 30 May 2013, the Board approved the amendment to the articles of association of the Company on 6 December 2013; the shareholders’ Annual General Meeting held on 30 May 2014 approved the amendment to the articles of association of the Company by special resolutions; the shareholders’ Annual General Meeting held on 26 April 2019 approved the amendment to the articles of association of the Company by special resolutions; <u>the shareholders’ Extraordinary General Meeting held on 24 February 2020 approved the amendment to the articles of association of the Company by special resolutions</u> (these “Articles”).

No.	Provisions of Current Articles of Association (Draft)	Provisions of Amended Articles of Association (Draft)
	<p>Upon approval through a special resolution at the general meeting of the Company and by relevant state departments, these Articles shall take effect on the date of initial public issue of the RMB ordinary shares (A shares) by the Company and listing of such shares on the Sci-Tech Innovation Board of the Shanghai Stock Exchange.</p>	<p>Upon approval through a special resolution at the general meeting of the Company and by relevant state departments, these Articles shall take effect on the date of initial public issue of the RMB ordinary shares (A shares) by the Company and listing of such shares on the Sci-Tech Innovation Board of the Shanghai Stock Exchange.</p>
	<p>These Articles shall replace the Original Articles as of its effective date. Unless otherwise amended by the Amendment to these Articles, all the other articles of these Articles shall remain its full effect.</p>	<p>These Articles shall replace the Original Articles as of its effective date. Unless otherwise amended by the Amendment to these Articles, all the other articles of these Articles shall remain its full effect.</p>
2	<p>73. When the Company is to hold a shareholders' general meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders that intend to attend the shareholders' general meeting shall, within 20 days prior to the meeting, deliver a written reply to the Company on meeting attendance.</p>	<p>73. When the Company is to hold <u>a shareholders' annual general meeting, it shall inform the shareholders by way of public announcement of the matters to be examined at the meeting as well as the date and place of the meeting at least twenty (20) business days prior to the meeting; when the Company is to hold an extraordinary general meeting, it shall inform the shareholders by way of public announcement at least fifteen (15) days (no less than ten (10) business days) prior to the date of the meeting.</u></p>
		<p><u>The business day mentioned in these Articles shall mean the date on which the Hong Kong Stock Exchange opens for securities trading.</u></p>

No.	Provisions of Current Articles of Association (Draft)	Provisions of Amended Articles of Association (Draft)
3	<p>74. At general meetings of the Company, the Board, the Supervisory Committee, and shareholder(s) individually or jointly holding 3% or more of the total voting shares of the Company shall have the right to propose motions in writing to the Company. The Company shall place those matters in the proposed motions within the scope of the functions and powers of the shareholders' general meeting on the agenda.</p> <p>The content of a proposal shall be determined by the general meeting, have definite topics and specific issues for resolution, and shall comply with the related provisions of the laws, administrative regulations and the Articles of Association.</p> <p>Shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit a written provisional motion to the convener 10 days before a general meeting is convened; the convener shall issue a supplementary notice of general meeting within 2 days after receipt of the said provisional motion, to announce the content of a proposal.</p> <p>Except as provided in the preceding paragraph, after the convener issues a public notice of the general meeting, he/she shall not change the proposals or add any new proposal in the notice of the general meeting.</p> <p>Proposals not set out in the notice of general meeting or not complying with the provision herein shall not be voted on or resolved at the general meeting.</p>	<p>74. At general meetings of the Company, the Board, the Supervisory Committee, and shareholder(s) individually or jointly holding 3% or more of the total voting shares of the Company shall have the right to propose motions in writing to the Company. The Company shall place those matters in the proposed motions within the scope of the functions and powers of the shareholders' general meeting on the agenda.</p> <p>The content of a proposal shall be within the functions and powers of the general meeting, have definite topics and specific issues for resolution, and shall comply with the related provisions of the laws, administrative regulations and the Articles.</p> <p>Shareholder(s) individually or jointly holding more than 3% of the Company's shares <u>may submit a written provisional motion to the convener before a general meeting is convened; the convener shall notify other shareholders within two (2) days after receipt of the said provisional motion, and ensure to announce the content of the said provisional motion ten (10) business days prior to the date of shareholders' general meeting.</u></p> <p>Except as provided in the preceding paragraph, after the convener issues a public notice of the general meeting, he/she shall not change the proposals or add any new proposal in the notice of the general meeting.</p> <p>Proposals not set out in the notice of general meeting or not complying with the provision herein shall not be voted on or resolved at the general meeting.</p>

No.	Provisions of Current Articles of Association (Draft)	Provisions of Amended Articles of Association (Draft)
4	<p>75. Based on the written replies received from the shareholders 20 days prior to a shareholders' general meeting, the Company shall calculate the number of voting shares held by each shareholder who intend to attend the meeting. If the total number of voting shares held by shareholders intending to attend the meeting account for more than half of the total issued and outstanding voting shares, the Company may hold the shareholders' general meeting. If not, the Company shall within five days inform all the shareholders once again of the matters to be considered at the meeting as well as the date and venue of the meeting in the form of the announcement. After the announcement is issued, the Company may hold the shareholders' general meeting.</p> <p>Extraordinary shareholders' general meetings shall not resolve on any matters not listed in the public notice.</p>	/
5	<p>77. Notices of shareholders' general meetings shall be served to the shareholders registered on the date of registration (whether or not they are entitled to vote at the meeting) by personal delivery or prepaid mail to their addresses registered in the register of shareholders. For the holders of A Shares, notices of shareholders' general meetings may also be given by way of public announcement.</p> <p>The public announcement referred in the preceding paragraph shall be published in one or more newspapers designated by the CSRC within the interval between 45 to 50 days prior to the date of the meeting. Upon the publication of announcement, all holders of A Shares shall be deemed to have received the notice related to the shareholders' meeting.</p>	<p>77. Notices of shareholders' general meetings shall <u>be delivered by any methods as permitted by the stock exchanges where the Company's shares are listed (including but not limited to post, email, fax, announcement or release on the websites of the Company or the website of the stock exchanges of where the Company's shares are listed) to shareholders (whether or not they are entitled to vote at the meeting). In case of delivery by post, the address of the recipient registered in the share register shall prevail.</u></p> <p>The public announcement referred in the preceding paragraph shall <u>be published in one or more newspapers designated by the CSRC prior to the date of the meeting.</u> Upon the publication of announcement, all holders of A Shares shall be deemed to have received the notice related to the shareholders' meeting.</p>

No.	Provisions of Current Articles of Association (Draft)	Provisions of Amended Articles of Association (Draft)
6	<p>78. If a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void.</p>	<p>78. <u>When the Company gives the notice of the shareholders' general meeting by the way as required by the relevant stock exchanges of where the Company's shares are listed or regulatory authorities</u>, if a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void.</p>
7	<p>127. The Company may convene a class shareholders' meeting with 45 days prior written notice specifying the matters to be considered and the date as well as the venue of such meeting to all registered shareholders of that class. Shareholders who intend to attend the meeting shall send a written reply confirming his or her attendance to the Company 20 days before the relevant meeting.</p> <p>If the number of the shares with voting rights represented by the shareholders who intend to attend the meeting exceeds one half of the total number of shares of that class with voting rights, the Company may convene the class meeting; otherwise the Company shall, within five days, notify the shareholders again of the matters to be considered at the meeting, the date and venue of the meeting by way of public announcement. After such public announcement, the Company may convene the class meeting.</p>	<p>127. The Company may convene a class shareholders' meeting <u>with at least twenty (20) business days prior to the date of the shareholders' annual general meeting, at least fifteen (15) days (no less than ten (10) business days) prior to the date of the shareholders' extraordinary general meeting</u> to notify all registered shareholders of that class of the matters to be considered at the meeting and the date and place of the meeting by way of public announcement or written notice.</p>

No.	Provisions of Current Articles of Association (Draft)	Provisions of Amended Articles of Association (Draft)
8	<p>211. The financial statements of the Company shall, in addition to being prepared in accordance with the Chinese accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place outside China where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the aforesaid accounting standards, such difference shall be stated and explained in the financial statements. For the purposes of distribution of the Company's after- tax profits in a financial year, the lower of the after- tax profits as shown in the different set of financial statements shall be adopted.</p>	<p>211. The financial statements of the Company <u>shall be prepared in accordance with the China Accounting Standards for Business Enterprises and the requirements of applicable laws and regulations.</u></p>
9	<p>212. Any interim results or financial information announced or disclosed by the Company must also be prepared and presented in accordance with the Chinese accounting standards and regulations as well as in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.</p>	<p>212. Any interim results or financial information announced or disclosed by the Company must also <u>be prepared and presented in accordance with the China Accounting Standards for Business Enterprises and the requirements of applicable laws and regulations.</u></p>
10	<p>264. If a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void.</p>	/

APPENDIX III – PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

Note 1: If there is any inconsistency between the English and Chinese versions of the Rules of Procedure for the General Meeting, the Chinese version shall prevail.

No.	Provisions of Rules of Procedure	Provisions of Amended Rules of Procedure
1	<p>Article 15 Shareholders individually or jointly holding more than 3% of the Company's shares may make an interim proposal in writing to the convener 10 days before convening the general meeting of the Company. The convener shall issue a supplementary notice for the general meeting of the Company within 2 days upon receipt of the proposal, specifying the contents of the interim proposal.</p> <p>Except the stipulation mentioned above, the convener shall not modify the proposal listed in the notice for the general meeting of the Company or add new proposals after issuing the notice for the general meeting of the Company.</p> <p>The general meeting of the Company shall not vote on and make a resolution on the proposals that are not listed in the notice for the general meeting of the Company or that violate the provisions in Article 14 hereof.</p>	<p>Article 15 Shareholders individually or jointly holding more than 3% of the Company's shares <u>may make an interim proposal in writing to the convener before convening the general meeting of the Company. The convener shall notify other shareholders within two (2) days upon receipt of the interim proposal, and ensure to specify the contents of the interim proposal ten (10) business days prior to the date of the general meeting of the Company.</u></p> <p>Except <u>as provided</u> above, the convener shall not modify the proposal listed in the notice for the general meeting of the Company or add new proposals after issuing the notice for the general meeting of the Company.</p> <p>The general meeting of the Company shall not vote on and make a resolution on the proposals that are not listed in the notice for the general meeting of the Company or that violate the provisions in Article 14 hereof.</p>

No.	Provisions of Rules of Procedure	Provisions of Amended Rules of Procedure
2	<p data-bbox="225 176 839 506">Article 16 Where a general meeting is convened by the Company, a written notice shall be sent to all shareholders in the form of announcements at least 45 days prior to the meeting. Shareholders who intend to attend the general meeting shall deliver their written replies to the Company at least 20 days prior to the meeting.</p> <p data-bbox="225 561 839 1321">The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting based on the written replies which have been received as of the date which is 20 days prior to the date of the general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting is no less than one half of the total number of the Company's voting shares, the Company may hold the general meeting. If not, the Company shall within 5 days notify the shareholders again by public announcement of the matters to be considered as well as the date and place of the meeting. After such notification by the public announcement, the Company may hold the general meeting.</p> <p data-bbox="225 1376 839 1534">The day on which the general meeting is convened by the Company shall be excluded from calculating the starting period of the prior notice.</p>	<p data-bbox="871 176 1522 591">Article 16 <u>When an annual general meeting is convened by the Company, the shareholders shall be notified in the form of announcements at least twenty (20) business days prior to the meeting; when an extraordinary general meeting is convened by the Company, the shareholders shall be notified in the form of announcements at least fifteen (15) days (no less than ten (10) business days) prior to the meeting.</u></p> <p data-bbox="871 646 1522 804"><u>The business day mentioned in this Rules of Procedure shall mean the date on which the Hong Kong Stock Exchange opens for securities trading.</u></p> <p data-bbox="871 859 1522 1017">The day on which the general meeting is convened by the Company shall be excluded from calculating the starting period of the prior notice.</p>

No.	Provisions of Rules of Procedure	Provisions of Amended Rules of Procedure
3	<p>Article 61 When the Company is to hold a class meeting, it shall issue a written notice, at least 45 days prior to the meeting, to all shareholders who are registered as shareholders of that class in the share register, stating the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the meeting shall, at least 20 days prior to the day of the meeting, deliver their written replies to the Company of their attendance.</p>	<p>Article 61 When the Company is to hold a class meeting, <u>it shall issue a public announcement or a written notice, at least twenty (20) business days prior to the annual general meeting, fifteen (15) days (no less than ten (10) business days) prior to the extraordinary general meeting,</u> to all shareholders who are registered as shareholders of that class in the share register, stating the matters to be considered at the meeting as well as the date and place of the meeting.</p>

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