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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 or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Changmao Biochemical Engineering Company Limited***, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to Changmao Biochemical Engineering Company Limited. 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 in this circular misleading.*



常茂生物化學工程股份有限公司
Changmao Biochemical Engineering Company Limited*

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

(Stock Code: 954)

**GENERAL MANDATE TO ISSUE NEW SHARES
AND
ELECTION OF DIRECTORS AND SUPERVISORS
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

Notice convening the AGM to be held at 10:30 a.m. on Wednesday, 25 May 2022 at Room 54, 5/F, New Henry House, 10 Ice House Street, Central, Hong Kong are set out on pages 15 to 19 of this circular.

Proxy form for use at the AGM are enclosed and are also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cmbec.com.hk).

Whether or not you are able to attend the AGM, you are advised to complete the enclosed proxy form in accordance with the instructions printed thereon and return it, in the case of holders of Domestic Shares and Foreign Shares, to the principal place of business of the Company in Hong Kong at Room 54, 5th Floor, New Henry House, 10 Ice House Street, Central, Hong Kong, and, in the case of holders of H Shares, to the Company's H share registrar, being Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as practicable and in any event no later than 24 hours before the time appointed for the holding of the AGM.

Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meetings thereof should you so wish.

This circular will be published on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.cmbec.com.hk.

* For identification purpose only

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DEFINITIONS

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

“Articles Amendments”	the amendments proposed to be made to the Articles of Association, details of which are set out in the paragraph headed “4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION” in this circular
“Articles of Association”	the articles of association of the Company prevailing from time to time
“AGM”	the annual general meeting of the Company to be held on Wednesday, 25 May 2022 at 10:30 a.m. at Room 54, 5/F, New Henry House, 10 Ice House Street, Central, Hong Kong, notice of which is set out on pages 15 to 19 of this circular
“Board”	the board of Directors
“Company”	常茂生物化學工程股份有限公司 (Changmao Biochemical Engineering Company Limited*), a joint stock limited company incorporated in the PRC with the H Shares currently listed on the Stock Exchange (stock code: 954)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) with a par value of RMB0.10 each in the capital of the Company which is(are) subscribed for in RMB by PRC citizens and/or entities
“Foreign Share(s)”	ordinary share(s) with a par value of RMB0.10 each in the capital of the Company which is(are) subscribed for in a currency other than RMB by non-PRC citizens and/or entities
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the capital of the Company which is(are) subscribed for and traded in HK\$ and listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

* For identification purpose only

DEFINITIONS

“Lianyungang Changmao”	Changmao Biochemical Lianyungang Company Limited, a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	collectively, Domestic Share(s), Foreign Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Domestic Shares, Foreign Shares and H Shares with an aggregate nominal amount of up to but not exceeding 20% of the aggregate nominal amount of each of the Domestic Shares, Foreign Shares and/or H Shares respectively in issue as at the date of passing of the proposed special resolution
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time or otherwise modified
“Shanghai Changmao”	Shanghai Changmao Biochemical Engineering Company Limited, a subsidiary of the Company
“Shanghai Life Sci”	Shanghai Medical Life Science Research Centre Limited, a subsidiary of the Company
“Supervisor(s)”	Supervisor(s) of the Company
“Supervisory Committee”	Supervisory Committee of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

LETTER FROM THE BOARD



常茂生物化學工程股份有限公司
Changmao Biochemical Engineering Company Limited*

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

(Stock Code: 954)

Executive Directors:

Mr. Rui Xin Sheng (*Chairman*)

Mr. Pan Chun

Non-executive Directors:

Mr. Zeng Xian Biao

Mr. Yu Xiao Ping

Ms. Leng Yi Xin

Mr. Wang Jian Ping

Independent non-executive Directors:

Prof. Ouyang Ping Kai

Ms. Wei Xin

Ms. Au Fung Lan

Head office and legal address:

No. 1228 Chang Jiang Bei Road

New North Zone

Changzhou City

Jiangsu Province, 213034

The PRC

Principal place of business

in Hong Kong:

Room 54, 5th Floor

New Henry House

10 Ice House Street

Central

Hong Kong

21 April 2022

To the Shareholders

Dear Sir/Madam

**GENERAL MANDATE TO ISSUE NEW SHARES
AND
ELECTION OF DIRECTORS AND SUPERVISORS
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and information regarding resolutions to be proposed at the AGM, including but not limited to the Share Issue Mandate, the election of Directors and Supervisors and the proposed amendments to the Articles of Association.

* For identification purpose only

LETTER FROM THE BOARD

2. SHARE ISSUE MANDATE

At the AGM, a special resolution will be proposed to renew the unconditional general mandate given to the Directors to issue, allot and deal with additional Domestic Shares, Foreign Shares and/or H Shares respectively thereof not exceeding 20% of the aggregate nominal amount of each of the Domestic Shares, Foreign Shares and/or H Shares in issue on the date of passing of the special resolution in relation to the Share Issue Mandate.

The Share Issue Mandate will be valid from the date of the passing of the special resolution in relation to the Share Issue Mandate until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by law to be held; or
- (iii) the date on which the powers granted by the special resolution in relation to the Share Issue Mandate is revoked or varied by a special resolution of the Company in general meeting.

As at the Latest Practicable Date, there were in issue in aggregate of 2,500,000 Domestic Shares, 343,500,000 Foreign Shares and 183,700,000 H Shares. Assuming no additional Domestic Shares, Foreign Shares and/or H Shares will be allotted or issued and no existing Domestic Shares, Foreign Shares and/or H Shares are repurchased by the Company after the Latest Practicable Date but prior to the date of the AGM, if the Share Issue Mandate is fully exercised, the Company will be authorised to issue an additional of 500,000 Domestic Shares, 68,700,000 Foreign Shares and 36,740,000 H Shares respectively. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Share Issue Mandate. The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to issue Shares at such time as the Directors think fit without the need to convene a general meeting to approve issue of Shares.

3. ELECTION OF DIRECTORS AND SUPERVISORS

Reference is made to the announcement of the Company dated 21 April 2022 in relation to, among other things, the change of Supervisors and independent non-executive Directors.

Election of Supervisors

The terms of the seventh session of the Supervisors who are the representatives of the Shareholders will expire on 17 June 2022. Ms. Zhou Rui Juan is eligible and will offer herself for re-election at the AGM. Mr. Zhou Zhi Wei proposed to resign as the independent Supervisor with effect from 18 June 2022 as he would offer himself for election as independent non-executive Director in the AGM. Mr. Zhou Zhi Wei has confirmed that he has no disagreement with the Board in any respect and, there is no other matter in relation to his resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange. The Nomination Committee of the Company and the Board have considered and approved the proposal to elect Ms. Rui Li Qin and Ms. Zhou Rui Juan as the Supervisors, for a term of three years from 18 June 2022 to 17 June 2025.

LETTER FROM THE BOARD

Election of Directors

The terms of the seventh session of the Directors will expire on 17 June 2022. Except for Prof. Ouyang Ping Kai, Ms. Wei Xin and Ms. Au Fung Lan, who decided not to offer themselves for re-election, all other retiring Directors are eligible and will offer themselves for re-election at the AGM.

Prof. Ouyang Ping Kai, Ms. Wei Xin and Ms. Au Fung Lan, proposed to resign as independent non-executive Directors and from their respective positions in the committee under the Board with effect from 18 June 2022, as each of them has served as independent non-executive Directors for more than 9 years. Each of Prof. Ouyang Ping Kai, Ms. Wei Xin and Ms. Au Fung Lan has confirmed that he/she has no disagreement with the Board in any respect and, there is no other matter in relation to his/her resignation that needs to be brought to the attention of the Shareholders or Stock Exchange.

The Nomination Committee of the Company and the Board have considered and approved the proposal to re-elect the following retiring Directors at the AGM, namely Mr. Rui Xin Sheng and Mr. Pan Chun as the executive Directors, Mr. Zeng Xian Biao, Mr. Yu Xiao Ping, Ms. Leng Yi Xin and Mr. Wang Jian Ping as the non-executive Directors, for a term of three years from 18 June 2022 to 17 June 2025.

Having taken into account the Board Diversity Policy of the Company, the views, skills and experience of Mr. Zhou Zhi Wei and Mr. Shu Rong Xin and the contribution they may bring to the Company, the Nomination Committee of the Company and the Board have considered and approved the proposal to elect Mr. Zhou Zhi Wei and Mr. Shu Rong Xin as the independent non-executive Directors for a term of three years from 18 June 2022 to 17 June 2025, at the AGM.

Further information on the candidates of Directors and Supervisors who are representatives of Shareholders are set out in Appendix I to this circular.

Ordinary resolutions in relation to the election of Directors and Supervisors will be proposed at the AGM for the approval by the Shareholders.

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In response to the requirements of the State Administration for Industry and Commerce, the Company propose to amend the articles in the Articles of Association as follows: (1) to specify the number of Directors and Supervisors; (2) after the Company's Changzhou plant has stopped producing maleic anhydride (Note), it is required to revise the business scope specified in the Articles of Association. The Directors confirm that the actual principal business of the Group will remain unchanged.

(Note: The Company has to close and relocate certain production lines in its Changzhou production plant in the affected area to cope with the changes in government policies. The Group ceased the production of maleic anhydride in June 2020. For details, please refer to the announcements of the Company dated 24 June 2020, 28 September 2020 and 2 December 2020 in relation to the relocation of production lines and possible construction of new production plant. The Group is constructing a new production plant in Changxingdao, Dalian City, Liaoning Province, the PRC and relocating the maleic anhydride production lines of the Changzhou production plant and Lianyungang production plant to the new production plant in Changxingdao, Dalian City. The Board expects that the production of maleic anhydride of the Group will return to normal after the Dalian production plant is put into operation.)

LETTER FROM THE BOARD

The Articles Amendments are as follows (insertions are underlined while deletions are crossed-out):

Original Articles of Association	Amended Articles of Association
<p>Article 12 The principal business scope of the Company is: dangerous chemicals (according to the operating scope of production licence), food additives (according to the operating scope of production licence), pharmaceutical adjuvants (according to the operating scope of production licence), chemical products (nonhazardous chemicals), pharmaceutical intermediaries, bio-chemical products, active pharmaceutical ingredients (according to the operating scope of production licence), feed additives, additive premixed feeds (according to the operating scope of production licence), nutraceutical products, biological products, new materials, the development, production, processing and sales of the above products. The import and export of all types of goods and techniques by itself or as an agent, other than those restricted from being operated or prohibited from being imported or exported by the State. (Subject to the approval of the Administration for Industry and Commerce; business activities which are subject to approval according to the laws may commence only after obtaining approval from the relevant authorities).</p>	<p>Article 12 The principal business scope of the Company is: dangerous chemicals (according to the operating scope of production <u>business</u> licence), food additives (according to the operating scope of production licence), pharmaceutical adjuvants (according to the operating scope of production licence), chemical products (nonhazardous chemicals), pharmaceutical intermediaries, bio-chemical products, active pharmaceutical ingredients (according to the operating scope of production licence), feed additives, additive premixed feeds (according to the operating scope of production licence), nutraceutical products, biological products, new materials, the development, production, processing and sales of the above products. The import and export of all types of goods and techniques by itself or as an agent, other than those restricted from being operated or prohibited from being imported or exported by the State. (Subject to the approval of the Administration for Industry and Commerce; business activities which are subject to approval according to the laws may commence only after obtaining approval from the relevant authorities).</p>
<p>Article 96 There shall be a board of directors comprising 9 to 19 members, one of the directors will be elected as the chairman of the board. The board of directors shall comprise executive directors, non-executive directors and at least 3 independent non-executive directors.</p>	<p>Article 96 There shall be a board of directors comprising 9 to 19 members, one of the directors will be elected as the chairman of the board. The board of directors shall comprise executive directors, non-executive directors and at least 3 independent non-executive directors.</p>
<p>Article 116 The supervisory committee shall consist of 3 to 5 supervisors. The term of office is 3 years. They may be re-elected and serve consecutive terms.</p>	<p>Article 116 The supervisory committee shall consist of 3 to 5 supervisors. The term of office is 3 years. They may be re-elected and serve consecutive terms.</p>

Note: Contents which are shown as “.....” above are provisions in the Articles of Association but are intentionally omitted for the purpose of this circular as they are not subject to the Articles Amendments.

LETTER FROM THE BOARD

Save for the above amendments, the other articles in the existing Articles of Association will remain unchanged.

Shareholders should note that the Articles of Association are available only in Chinese. The English translation provided is for reference only. In case of any inconsistency, the Chinese version shall prevail.

A special resolution in relation to the Articles Amendments will be proposed at the AGM for the approval by the Shareholders. The Articles Amendments are conditional upon obtaining (i) the Shareholders' approval at the AGM; and (ii) any required approval or endorsement from or registration with the relevant regulatory authorities in the PRC.

5. AGM

The AGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolutions relating to the election of Directors and Supervisors and the ordinary businesses of the Company, and the special resolutions in relation to the Share Issue Mandate and proposed amendments to the Articles of Association.

Notices convening the AGM to be held at 10:30 a.m. on Wednesday, 25 May 2022 at Room 54, 5/F, New Henry House, 10 Ice House Street, Central, Hong Kong are set out on pages 15 to 19 of this circular.

Proxy form for use at the AGM are enclosed and are also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cmbec.com.hk).

Whether or not you are able to attend the AGM, you are advised to complete the enclosed proxy form in accordance with the instructions printed thereon and return it, in the case of holders of Domestic Shares and Foreign Shares, to the principal place of business of the Company in Hong Kong at Room 54, 5th Floor, New Henry House, 10 Ice House Street, Central, Hong Kong, and, in the case of holders of H Shares, to the Company's H share registrar, being Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as practicable and in any event no later than 24 hours before the time appointed for the holding of the AGM.

Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meetings thereof should you so wish.

6. VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

7. CLOSURE OF REGISTER OF MEMBERS

Holders of H Shares are advised that the register of members of the Company will close from 18 May 2022 to 25 May 2022 (both days inclusive), during which time no transfer of H Shares will be effected and registered. Shareholders whose names appear on the register of members of the Company at the close of business on 17 May 2022 are entitled to attend the AGM. In order to qualify for attendance at the AGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's share registrar and transfer office for H shares, Computershare Hong Kong Investor Services Limited, by 4:30 p.m. on 17 May 2022.

8. RECOMMENDATIONS

The Board considers that the Share Issue Mandate, the election of Directors and Supervisors and the proposed amendments to the Articles of Association and all other resolutions set out in the notice of AGM are all in the best interest of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of all the resolutions set out in the notice of AGM.

By order of the Board
Changmao Biochemical Engineering Company Limited*
Rui Xin Sheng
Chairman

* *For identification purpose only*

DIRECTORS**Candidates for Executive Directors**

Mr. Rui Xin Sheng (芮新生), aged 65, is the chairman of the Board, an executive Director and the compliance officer of the Company. He is a researcher and a senior engineer of the Company. He was one of the founders of the Company in December 1992. He is also the director of Shanghai Life Sci, director and authorised representative of Shanghai Changmao and the director of Changmao (Hong Kong) Company Limited. Mr. Rui graduated from Jiangsu Institute of Technology (江蘇化工學院) with a bachelor degree in organic synthesis in 1982. He obtained an executive master of business administration in the Nanjing University (南京大學) in 2005. He is the vice chairman of the Committee of Biochemical Engineering of the Chemical Industry and Engineering Society of China (中國化工學會生物化工專業委員會), the deputy managing director of the Association of Biochemistry of China (中國生物化工協會), the deputy managing director of Jiangsu Commission of Biotechnology (江蘇省生物技術協會) and a part-time professor at the Nanjing University of Technology (南京工業大學). Owing to his significant achievement in the field of biochemistry, Mr. Rui received numerous awards including the First Class Award of Scientific Development and Technology Improvement in Changzhou (常州市技術改造一等獎) and the Second Prize of Changzhou City Scientific and Technological Achievement (常州市科技進步二等獎) in 1997. The Concurrent Production Technology invented by Mr. Rui, Ms. Leng Yi Xin and Mr. Jiang Jun Jie obtained patent in the PRC in 1998. Other awards obtained by Mr. Rui include the Fourth Annual Excellent Scientists of Changzhou City (常州市第四屆傑出科技人員) in 1999, DuPont Innovation Award and Youth Expert with Excellent Contribution in Jiangsu Province (江蘇省有突出貢獻的中青年專家) in 2000, the First Class Award of State Technological Achievement (國家科技進步一等獎) in 2001, Innovative Entrepreneur of Jiangsu Province (江蘇省創新創業人才獎), the Second Class Award of Petrol Chemical Industry Technological Achievement in the PRC (中國石油化學工業行業科技進步二等獎) in 2003 and the First Class Award of Jiangsu Province Technological Achievement (江蘇省科學技術進步一等獎) in 2005. Mr. Rui is the spouse of Ms. Leng Yi Xin (a non-executive Director).

Mr. Rui will be entitled to (in addition to his determined annual salary of RMB480,000) an annual director's fee (on the basis of 12 calendar months per year) of RMB320,000 for 2022, subject to an increment of not more than 10% per annum for each of the subsequent calendar years. The remuneration payable to Mr. Rui is determined by the Remuneration Committee of the Company (the "Remuneration Committee"), with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Rui will be entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

As of the Latest Practicable Date, Mr. Rui is interested in 2,500,000 Domestic Shares (representing 100% of the shareholding in the Domestic Shares), 135,000,000 (representing 39.30% of the shareholding in the Foreign Shares), and 3,820,000 H Shares (representing 2.08% of the shareholding in the H Shares), which in aggregate represent approximately 26.68% of shareholding in the registered capital of the Company.

Mr. Pan Chun (潘春), aged 52, is an executive Director and the general manager (chief executive officer) of the Company. He is also the director and authorised representative of Lianyungang Changmao and Changmao (Dalian) New Material Company Limited. He obtained a bachelor degree in industrial analysis from the department of applied chemistry of the Nanjing University of Technology (南京工業大學) in 1993. Mr. Pan is recognised as a senior engineer by the Jiangsu Provincial Personnel Department (江蘇省人事廳). Mr. Pan is responsible for the management of production, safety, environment protection, equipment management, purchasing and domestic sales of the Company. Mr. Pan received the First Class Award of Changzhou Technological Achievement (常州市技術改造一等獎) in 1997. Mr. Pan received the First Class Award of Technological Invention (技術發明一等獎) from China Petroleum and Chemical Industry Association (中國石油和化學工業協會) in 2003, May 1st Labour Medal of Changzhou City (常州市五一勞動獎章) in 2011 and Model Worker of China Light Industry (中國輕工行業勞動模範) in 2012. Mr. Pan joined the Company in August 1993.

Mr. Pan will be entitled to (in addition to his determined salary of RMB500,000) an annual director's fee (on the basis of 12 calendar months per year) of RMB100,000 for 2022, subject to an increment of not more than 10% per annum for each of the subsequent calendar years. The remuneration payable to Mr. Pan is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Pan will be entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Candidates for Non-executive Directors

Mr. Zeng Xian Biao (曾憲彪), aged 79, is a non-executive Director. Mr. Zeng graduated from Nanjing Petrochemistry School (南京石油工業學校) in 1961. He has extensive experience engaging in research, development and production management in the field of chemistry. Mr. Zeng received various awards including the Golden Prize of Technological Improvement-Maleic Anhydride 2000t/a (順酐2000t/a技改省金牛獎) from the State Economic Commission (國家經濟委員會), Maleic Anhydride 3000t/a Technology Improvement (3000t/a順酐重點技改先進個人), Municipal Contribution Award for the Ninth Five-year Period and the Millennium (市九五跨世紀奉獻獎) and the Second Annual State Award for Technological Development (省第二次合理化建議科技成果獎). Mr. Zeng joined the Company in December 1992.

Mr. Zeng will for the year 2022 (on the basis of 12 calendar months each year) be paid an annual director's fee of RMB60,000, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Zeng is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Zeng will be entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Mr. Yu Xiao Ping (虞小平), aged 66, is a non-executive Director. Mr. Yu graduated from East China Normal University (華東師範大學) with a bachelor degree in English in 1977. He holds directorships in various pharmaceutical and investment companies in the PRC. Besides his experience in trading of pharmaceutical products, he has experience in promoting and facilitating the inspection and approval from the U.S. Food and Drug Administration for various PRC pharmaceutical products, of which he became the executive agent for these pharmaceutical products and has established a trading business in the United States of America. Mr. Yu joined the Company in December 1992.

Mr. Yu will for the year 2022 (on the basis of 12 calendar months each year) be paid an annual director's fee of RMB60,000, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Yu is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Yu will be entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

As of the Latest Practicable Date, Mr. Yu is interested in 66,000,000 Foreign Shares (representing 19.21% of the shareholding in the Foreign Shares) and 2,620,000 H Shares (representing 1.43% of the shareholding in the H Shares), which in aggregate represent approximately 12.95% of shareholding in the registered capital of the Company.

Ms. Leng Yi Xin (冷一欣), aged 60, is a non-executive Director. She is also the director of Shanghai Life Sci and general manager of Shanghai Changmao. She graduated from the Jiangsu Institute of Technology (江蘇化工學院) with a bachelor degree in organic synthesis in 1982 and subsequently obtained a master degree in chemical engineering from Nanjing University of Technology (南京工業大學) in 1996 and obtained a doctorate in bio-chemical engineering from Nanjing University of Technology in 2005. She is also a professor of the department of chemical engineering of the School of Petrochemical Engineering in Changzhou University (常州大學石油化工學院). Ms. Leng has participated in various research projects and published more than 50 theses. As mentioned above, Ms. Leng is one of the inventors of the Concurrent Production Technology. She obtained the Second Class Award of Technological Invention (技術發明二等獎) from China Petroleum and Chemical Industry Association (中國石油和化學工業協會) in 2004. She also obtained the First Class Award of Jiangsu Province Technological Achievement (江蘇省科學技術進步一等獎) in 2005 and the Third Class Award of Jiangsu Province Technological Achievement (江蘇省科學技術進步三等獎) in 2010. She is the spouse of Mr. Rui (the chairman of the Board and an executive Director). She joined the Company in June 2001.

Ms. Leng will for the year 2022 (on the basis of 12 calendar months each year) be paid an annual director's fee of RMB60,000, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Ms. Leng is determined by the Remuneration Committee, with reference to her contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Ms. Leng will be entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

As of the Latest Practicable Date, Ms. Leng is interested in 2,500,000 Domestic Shares (representing 100% of the shareholding in the Domestic Shares), 135,000,000 (representing 39.30% of the shareholding in the Foreign Shares), and 3,820,000 H Shares (representing 2.08% of the shareholding in the H Shares), which in aggregate represent approximately 26.68% of shareholding in the registered capital of the Company.

Mr. Wang Jian Ping (王建平), aged 60, is a non-executive Director. He graduated from Shanghai Jiao Tong University (上海交通大學) with a bachelor of engineering degree in 1983 and subsequently obtained a master of engineering degree from Shanghai Jiao Tong University (上海交通大學) in 1986. Mr. Wang is currently a general manager of Shanghai Technology Entrepreneur Investment Company Limited (上海科技創業投資股份有限公司). Mr. Wang has been a director of the 704 Research Centre of the Seventh Institute of the China Shipping Company (中國船舶總公司七院704研究所) and a visiting scholar of the department of energy in the University of Leeds. Mr. Wang was first appointed as a non-executive Director in June 2007.

Mr. Wang will for the year 2022 (on the basis of 12 calendar months each year) be paid an annual director's fee of RMB60,000, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Wang is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Wang will be entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Candidates for Independent non-executive Directors

Mr. Zhou Zhi Wei (周志偉), aged 67, is an independent Supervisor. He was formerly the Deputy Director and Chief Engineer of Wuxi Building Materials Science Research Institute (無錫市建築材料科學研究所). He graduated from the current Department of Chemistry, Changzhou University with a Bachelor's degree in 1982. He was an engineer, senior engineer, deputy director, and chief engineer respectively at the Wuxi Building Materials Science Research Institute from 1982 to 1996. He served as Deputy General Manager in Wuxi Dayu Coating New Technology Development Co., Ltd. (大愚塗層新技術開發有限公司) from 1996 to 2012. Mr. Zhou was first appointed as an independent Supervisor in June 2020.

Mr. Zhou will for the year 2022 (on the basis of 12 calendar months each year) be paid an annual director's fee of RMB80,000, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Zhou is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters.

Mr. Shu Rong Xin (束榮新), aged 68, is an associate researcher (senior engineer). He graduated from Jiangsu Institute of Chemical Technology with a bachelor degree in 1982, and stayed to work at the school afterwards. He served as the deputy director and director of the General Affairs Department of Jiangsu Institute of Chemical Technology from 1984 to 1992. He served as the director of the Jiangsu Petrochemical Bloodline Party Committee Office and the director of the President's Office from 1992 to 1998. He served as Secretary of the Party Branch of the Chemical Engineering Department of Jiangsu Institute of Technology from 1998 to 2002. He served as Executive Dean of Huaide College (Independent College) of Jiangsu Institute of Technology from 2002 to 2007. He served as the director of the Audit Office and the deputy secretary of the Disciplinary Committee of Changzhou University from 2007 to 2013.

Mr. Shu will for the year 2022 (on the basis of 12 calendar months each year) be paid an annual director's fee of RMB80,000, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Shu is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters.

SUPERVISORS

Candidates for Supervisors nominated by Shareholders

Ms. Rui Li Qin (芮麗琴), aged 47, holds a bachelor's degree and is an engineer. She graduated from Changzhou Chemical School in 1994, majoring in basic organic chemical engineering. She graduated from Changzhou Staff University in 2006, majoring in computer information management. She graduated from Changzhou University in 2015, majoring in pharmaceutical engineering. She served as a technician of the Company from August 1994 to September 2000. Since October 2000, she served as the team leader and deputy section chief of quality control, chief of technical quality inspection section, manager representative, vice chairman of the labor union, and medicine quality authoriser of the Company. She has been the head of the technical quality inspection department of the Company in April 2012. She has been the medicine quality authoriser of the Company and the vice chairman of the Company's labor union since 2016.

The remunerations payable to Ms. Rui Li Qin is determined by the Remuneration Committee, with reference to her contribution of time, effort and expertise on the Company's matters. Ms. Rui Li Qin is entitled to (in addition to her remuneration in respect of her office with the Company which shall not, in any event, exceed RMB400,000 per annum) an annual Supervisor's fee (on the basis of 12 calendar month per year) of RMB15,000 for the calendar year 2022, subject to adjustment of not more than 10% per annum for each of the subsequent calendar years.

Ms. Zhou Rui Juan (周瑞娟), aged 67, is a Supervisor and the chairman of the supervisory committee of the Company. She is also the supervisor of Shanghai Changmao. She graduated from Changzhou Light Industrial School (常州輕工學校) majoring in corporate management in 1988. Ms. Zhou passed the State Examination for Assistant Accountant in 1997. She was a financial accountant, the vice manager of the labour department and the director of the administrative department of the Company. Ms. Zhou was recognised as an activist of the labour union (工會積極分子) and an advanced worker (先進生產者) of the Company. She joined the Company in January 1993.

Ms. Zhou will be entitled to an annual supervisor's fee (on the basis of 12 calendar month per year) of RMB6,000 for 2022, subject to an increment of not more than 10% per annum for each of the subsequent calendar years. The remuneration payable to Ms. Zhou is determined by the Remuneration Committee, with reference to her contribution of time, effort and expertise on the Company's matters.

Each of Mr. Rui Xin Sheng, Mr. Pan Chun and Ms. Rui Li Qin will enter into a service agreement with the Company for a term from 18 June 2022 to 17 June 2025. Save as disclosed above, there will be no service contract between other Directors/Supervisors and the Company.

As at the Latest Practicable Date, save as disclosed above, each of the candidates of Directors and Supervisors (i) does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; (ii) is not connected with the controlling shareholder, any Director, any Supervisor, any senior management member or substantial shareholder of the Company. Each of the candidates of Directors or Supervisors does not hold any directorship in any other listed company in the last three years. Save as disclosed above, there is no other information relating to the candidates of Directors and the Supervisors, which needs to be disclosed pursuant to Rule 13.51(2) of the Main Board Listing Rules or need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



常茂生物化學工程股份有限公司
Changmao Biochemical Engineering Company Limited*

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

(Stock Code: 954)

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM”) of Changmao Biochemical Engineering Company Limited (“Company”) will be held at 10:30 a.m. on Wednesday, 25 May 2022 at Room 54, 5/F, New Henry House, 10 Ice House Street, Central, Hong Kong for the following purposes:

As ordinary resolutions:

1. To receive the audited consolidated financial statements of the Company, together with the report of the Directors, the report of the Supervisory Committee and the international independent auditor’s report for the year ended 31 December 2021.
2. To consider and approve the resignation of Prof. Ouyang Ping Kai, Ms. Wei Xin and Ms. Au Fung Lan as the independent non-executive directors of the Company with effect from 18 June 2022 (each as a separate resolution).
3. To consider and elect the directors of the eighth session of the board (“Board”) of directors of the Company (“Directors”), namely Mr. Rui Xin Sheng and Mr. Pan Chun as the executive Directors, Mr. Zeng Xian Biao, Mr. Yu Xiao Ping, Ms. Leng Yi Xin and Mr. Wang Jian Ping as the non-executive Directors, Mr. Zhou Zhi Wei and Mr. Shu Rong Xin as the independent non-executive Directors, for a term of three years from 18 June 2022 to 17 June 2025, and to authorise the Board to fix their remuneration (each as a separate resolution).
4. To consider and elect the supervisors who are representatives of the shareholders of the Company for the eighth session of the supervisory committee of the Company, namely Ms. Rui Li Qin and Ms. Zhou Rui Juan as the supervisors of the Company, for a term of three years from 18 June 2022 to 17 June 2025, and to authorise the Board to fix their remuneration (each as a separate resolution).
5. To consider the re-appointment of PricewaterhouseCoopers as the international auditor of the Company and PricewaterhouseCoopers Zhong Tian LLP as the domestic auditor of the Company; and to authorise the Board to fix their remunerations.
6. To transact any other business.

NOTICE OF ANNUAL GENERAL MEETING

As special resolutions:

1. To consider granting a general mandate to the Board to exercise the right to allot and issue new shares of the Company:

“THAT:

- (a) subject to the limitations imposed by (c) and (d) below and in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), the Company Law of the People’s Republic of China (“PRC”), and other applicable laws and regulations (in each case as amended from time to time), a general unconditional mandate be and is hereby granted to the board of directors to exercise once or more during the “Relevant Period” (as defined below) all the powers of the Company to allot and issue new shares on such terms and conditions the board of directors may determine and that, in the exercise of their powers to allot and issue shares, the authority of the board of directors shall include (without limitation):
 - (i) the determination of the class and number of the shares to be allotted;
 - (ii) the determination of the issue price of the new shares;
 - (iii) the determination of the opening and closing dates of the issue of new shares;
 - (iv) the determination of the class and number of new shares (if any) to be issued to the existing shareholders;
 - (v) to make or grant offers, agreements and options which might require the exercise of such powers; and
 - (vi) in the case of an offer or issue of shares to the shareholders of the Company, excluding shareholders who are residents outside the PRC or the Hong Kong Special Administrative Region, on account of prohibitions or requirements under overseas laws or regulations or for some other reasons which the board of directors consider expedient;
- (b) upon the exercise of the powers granted under paragraph (a), the board of directors of the Company may during the “Relevant Period” make or grant offers, agreements and options which might require the shares relating to the exercise of the authority there under being allotted and issued after the expiry of the “Relevant Period”;
- (c) the aggregate amount of the Domestic Shares, Foreign Shares and/or overseas listed foreign shares (“H Shares”) to be allotted or conditionally or unconditionally agreed to be allotted (whether pursuant to the exercise of options or otherwise) by the board of directors of the Company pursuant to the authority granted under paragraph (a) above (excluding any shares which may be allotted upon the conversion of the common reserve (公積金) into capital in accordance with the Company Law of the PRC or the Articles of Association of the Company) shall not exceed twenty per cent (20%) of the amount of the Domestic Shares, Foreign Shares and/or H Shares of the Company separately in issue as at the date of passing of this Resolution;

NOTICE OF ANNUAL GENERAL MEETING

- (d) the board of directors of the Company in exercising the powers granted under paragraph (a) above shall (i) comply with the Company Law of the PRC, other applicable laws and regulations of the PRC, and the Listing Rules (in each case, as amended from time to time) and (ii) be subject to the approvals of the China Securities Regulatory Commission and relevant authorities of the PRC (if any);
- (e) for the purposes of this Resolution: “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by law to be held; or
 - (iii) the date on which the powers granted by this Resolution is revoked or varied by a special resolution of the Company in general meeting;
- (f) the board of directors shall, subject to the relevant approvals of the relevant authorities and the exercise of the power granted under paragraph (a) above in accordance with the Company Law and other applicable laws and regulations of the PRC, increase the Company’s registered capital corresponding to the relevant number of shares allotted upon the exercise of the powers granted under paragraph (a) of this Resolution, provided that the registered capital of the Company shall not exceed 120% of the amount of registered capital of the Company as at the date of passing of this Resolution;
- (g) the board of directors be and they are hereby authorised to amend, as they may deem appropriate and necessary, relevant articles of the Articles of Association of the Company to reflect the change in the share capital structure of the Company in the event of an exercise of the powers granted under paragraph (a) to allot and issue new shares.”

NOTICE OF ANNUAL GENERAL MEETING

2. **“THAT**

- (a) subject to the required approval or endorsement from or registration with the relevant regulatory authorities in the PRC, the proposed amendments to the Articles of Association of the Company (details of which are set out in the paragraph headed “4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION” in the circular of the Company dated 21 April 2022) (the “Articles Amendments”) be and are hereby approved and confirmed;
- (b) the Board be and is hereby authorised to execute all such documents and do all such other acts and things as it may, in its absolute discretion, consider necessary, desirable or expedient to effect the Articles Amendments and any of the foregoing.”

By order of the Board
Rui Xin Sheng
Chairman

The PRC, 21 April 2022

Notes:

1. Holders of H Shares are advised that the register of members of the Company will close from 18 May 2022 to 25 May 2022 (both days inclusive), during which time no transfer of H Shares will be effected and registered. Shareholders whose names appear on the register of members of the Company at the close of business on 17 May 2022 are entitled to attend the AGM. In order to qualify for attendance at the AGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company’s share registrar and transfer office for H shares, Computershare Hong Kong Investor Services Limited, by 4:30 p.m. on 17 May 2022.
2. Every shareholder who has the right to attend and vote at the AGM is entitled to appoint one or more proxies, whether or not they are shareholders of the Company, to attend and vote on his behalf at the AGM.
3. A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person’s seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited, in the case of holders of Domestic Shares and Foreign Shares, at the Company’s principal place of business in Hong Kong; in the case of holders of H Shares, at the Company’s H share registrar not less than 24 hours before the time appointed for the holding of the AGM. If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy, in the case of holders of Domestic Shares and Foreign Shares, at the Company’s principal place of business in Hong Kong; in the case of holders of H Shares, at the Company’s H share registrar.
4. The purpose of having special resolution number 1 is to grant a general power to the Board to allot and issue new shares subject to applicable laws, regulations and rules.
5. Shareholders and their proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.
6. According to the Article 63 of the Articles of Association of the Company, when the Company convenes a shareholders’ annual general meeting, shareholder(s) holding 3% or more of the total shares carrying voting rights of the Company are entitled to propose new matters in writing to be considered and the Company shall include in the agenda of that meeting those matters contained in the proposal which are within the scope of the duties of the general meeting provided that the proposal is delivered to the Company 10 working days prior to the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

7. The address of Computershare Hong Kong Investor Services Limited is:
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel No.: (852) 2862 8555
Fax No.: (852) 2865 0990

The address of the Company's principal place of business in Hong Kong is:
Room 54, 5th Floor, New Henry House, 10 Ice House Street, Central, Hong Kong
Tel No.: (852) 2525 2242
Fax No.: (852) 2525 6994

8. If tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons or a black rainstorm warning is in effect at any time after 7:00 am on the AGM date, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
9. Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), Shareholders are strongly encouraged not to attend the AGM in person and to vote by way of proxy instead. The Company will implement the following prevention and control measures at the AGM against the epidemic to protect the Shareholders from the risk of infection:
- Compulsory body temperature check and health declarations will be conducted for every member or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue;
 - Every Shareholder or proxy is required to wear surgical facial mask throughout the meeting; and
 - No distribution of corporate gifts and no refreshments will be served.

Furthermore, the Company wishes to advise the members, particularly the members who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the meeting as a proxy to vote on the resolutions, instead of attending the meeting in person.