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

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**If you have sold or transferred** all your shares in **Shanghai HeartCare Medical Technology Corporation Limited**, you should at once hand this circular with the enclosed forms of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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**Shanghai HeartCare Medical Technology  
Corporation Limited**

**上海心璋醫療科技股份有限公司**

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

**(Stock Code: 6609)**

- (1) PROPOSED ISSUE OF A SHARES AND LISTING ON THE  
SCI-TECH BOARD AND OTHER ANCILLARY RESOLUTIONS;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES;  
(3) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR;  
(4) PROPOSED APPOINTMENT OF SUPERVISORS;  
AND  
(5) NOTICES OF EGM AND CLASS MEETINGS**

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Capitalized terms used in this cover page shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 4 to 29 of this circular. Notices convening the EGM and Class Meetings to be held at HeartCare Hall, 2/F, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC on November 9, 2022 at 10:00 a.m. are set out on pages N-1 to N-19 of this circular. A form of proxy for the EGM and the Class Meetings for use by the Shareholders is enclosed with this circular. Whether or not you are able to attend the EGM and Class Meetings in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for H Shareholders) or the Company's registered office at Floor 1 and 3, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC (for holders of Unlisted Shares) as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM and the Class Meetings or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM and Class Meetings or any adjourned meeting thereof (as the case may be) if they so wish and in such event, the form of proxy shall be deemed to be revoked. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the EGM and the Class Meetings in person.**

Reference to times and dates in this circular are to Hong Kong local times and dates.

October 24, 2022

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## CONTENTS

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		<i>Page</i>
<b>DEFINITIONS</b> .....		1
<b>LETTER FROM THE BOARD</b> .....		4
<b>APPENDIX I</b>	<b>- ANALYSIS ON DILUTION ON IMMEDIATE RETURN BY THE INITIAL PUBLIC OFFERING OF A SHARES AND RECOVERY MEASURES FOR THE IMMEDIATE RETURN</b> .....	I-1
<b>APPENDIX II</b>	<b>- THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS AFTER THE INITIAL PUBLIC OFFERING OF A SHARES AND THE LISTING ON THE SCI-TECH BOARD</b> .....	II-1
<b>APPENDIX III</b>	<b>- PLAN FOR STABILIZATION OF PRICE OF SHARES AFTER THE INITIAL PUBLIC OFFERING OF A SHARES AND THE LISTING ON THE SCI-TECH BOARD.</b> .....	III-1
<b>APPENDIX IV</b>	<b>- PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION.</b> .....	IV-1
<b>APPENDIX V</b>	<b>- PROPOSED FORMULATION OF THE RULES OF PROCEDURES FOR THE MEETING OF SHAREHOLDERS</b> .....	V-1
<b>APPENDIX VI</b>	<b>- PROPOSED FORMULATION OF THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS.</b> .....	VI-1
<b>APPENDIX VII</b>	<b>- PROPOSED FORMULATION OF THE RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE.</b> .....	VII-1
<b>APPENDIX VIII</b>	<b>- PROPOSED FORMULATION OF THE TERMS OF REFERENCE FOR THE INDEPENDENT DIRECTORS.</b> .....	VIII-1
<b>APPENDIX IX</b>	<b>- PROPOSED FORMULATION OF THE MANAGEMENT POLICIES FOR RAISED PROCEEDS.</b> .....	IX-1

---

## CONTENTS

---

<b>APPENDIX X</b>	<b>- PROPOSED FORMULATION OF THE MANAGEMENT POLICIES FOR RELATED TRANSACTIONS . . . . .</b>	<b>X-1</b>
<b>APPENDIX XI</b>	<b>- PROPOSED AMENDMENT TO THE MANAGEMENT POLICIES FOR EXTERNAL GUARANTEES . . . . .</b>	<b>XI-1</b>
<b>APPENDIX XII</b>	<b>- PROPOSED AMENDMENT TO THE DECISION- MAKING POLICIES FOR EXTERNAL INVESTMENT . . . . .</b>	<b>XII-1</b>
	<b>NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING . . . .</b>	<b>N-1</b>
	<b>NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS . . .</b>	<b>N-8</b>
	<b>NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS . . . . .</b>	<b>N-14</b>

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## DEFINITIONS

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

“A Share(s)”	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company proposed to be allotted, issued and listed on the Sci-Tech Board
“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time
“Board of Directors” or “Board”	the board of Directors of the Company
“China” or the “PRC”	the People’s Republic of China, for the purpose of this circular, excluding the regions of Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Class Meetings”	the class meeting of holders of H Shares and the class meeting of holders of Domestic Shares and Unlisted Foreign Shares to be held, the notices of which are set out in pages N-8 to N-19 of this circular
“Company”	Shanghai HeartCare Medical Technology Corporation Limited (上海心瑋醫療科技股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 6609)
“Core Products”	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purposes of this circular, our Core Products refer to Captor™ thrombectomy device and LAA occluder
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by domestic investors and are not listed on any stock exchange
“EGM”	the 2022 first extraordinary general meeting of the Company to be held, the notice of which is set out in pages N-1 to N-7 of this circular

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## DEFINITIONS

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“Global Offering”	as defined in the Prospectus
“Group”, “the Group”, “our Group”, “we” or “us”	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong Dollars and listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	October 20, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Proposed Issue of A Shares”, “Issue of A Shares” or “Issue”	the proposed initial public issue of not more than 13,000,000 A Shares, which will be listed on the Sci-Tech Board
“Prospectus”	the prospectus of the Company dated August 10, 2021
“R&D”	research and development
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Sci-Tech Board”	the Science and Technology Innovation Board of the Shanghai Stock Exchange
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising Domestic Share(s), Unlisted Foreign Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares

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## DEFINITIONS

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“STI Underwriting Guidelines”	Guidelines on the Issuance and Underwriting of Shares on the Sci-Tech Innovation Board on the Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷業務指引》)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Track Record Period”	the period comprising the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022
“Unlisted Foreign Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid for in currency other than RMB by foreign investors and are not listed on any stock exchange
“Unlisted Share(s)”	Domestic Shares and Unlisted Foreign Shares

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LETTER FROM THE BOARD

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**Shanghai HeartCare Medical Technology  
Corporation Limited**

**上海心璋醫療科技股份有限公司**

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

**(Stock Code: 6609)**

*Executive Directors:*

Mr. WANG Guohui (*Chairman*)

Ms. ZHANG Kun

Mr. WEI Jiawei

*Registered office and headquarters in  
the PRC:*

Floor 1 and 3, Building 38

No. 356, Zhengbo Road Lingang New District  
Pilot Free Trade Zone Shanghai, PRC

*Non-executive Director:*

Mr. DING Kui

*Principal place of business in  
Hong Kong:*

*Independent Non-executive Directors:*

Mr. GUO Shaomu

Mr. FENG Xiangqian

Mr. GONG Ping

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

October 24, 2022

*To the Shareholders:*

Dear Sir/Madam,

- (1) PROPOSED ISSUE OF A SHARES AND LISTING ON THE  
SCI-TECH BOARD AND OTHER ANCILLARY RESOLUTIONS;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES;  
(3) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR;  
(4) PROPOSED APPOINTMENT OF SUPERVISORS;  
AND  
(5) NOTICES OF EGM AND CLASS MEETINGS**

**I. INTRODUCTION**

Reference is made to the Company's announcement dated October 10, 2022 in relation to, among others, the Proposed Issue of A Shares and proposed amendments to the Articles.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with the Notice of the EGM, the Notices of the Class Meetings and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM and the Class Meetings.

### II. DETAILS OF THE RESOLUTIONS

#### 1. Proposed Issue of A Shares

The Company proposed to apply to the relevant regulatory authorities in the PRC for the allotment and issue of not more than 13,000,000 A Shares and proposed to apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the Sci-Tech Board.

The Issue of A Shares will be subject to, among other things, the approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings, as well as the approvals by the CSRC and the Shanghai Stock Exchange.

If the Issue of A Shares as set out in resolutions 1 (i) to (x) of the Notice of the EGM and resolutions 1 (i) to (x) of the Notices of the Class Meetings is not approved by the Shareholders, the Issue of A Shares will not proceed, and the ancillary matters as set out in resolutions 2 to 11 of the Notice of the EGM and resolutions 2 to 10 of the Notices of the Class Meetings will not proceed.

#### *Details of the Issue of A Shares*

##### *(1) Class of new Shares to be issued*

Ordinary Shares with a nominal value of RMB1.00 each (A Shares).

Except as otherwise stipulated in laws, regulations, other regulatory documents and the Articles, the A Shares to be issued will rank *pari passu* in all respects with the issued Domestic Shares, Unlisted Foreign Shares and H Shares.

##### *(2) Place of listing*

All A Shares will be listed and traded on the Sci-Tech Board.

##### *(3) Nominal value of new Shares to be issued*

RMB1.00 each.



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## LETTER FROM THE BOARD

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### *(4) Issue size*

The Company proposes to issue not more than 13,000,000 new A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option), representing approximately 33.48% of the share capital of the Company as of the Latest Practicable Date, and approximately 25.08% of the enlarged share capital upon completion of the Issue of A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option). The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing Shareholders. The Issue of A Shares can adopt the over-allotment option, which shall not exceed 15% of the Shares initially available under the Issue of A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter(s) according to the authorization (if granted at the EGM and the Class Meetings), and be subject to final number of A Shares registered by the CSRC.

Please refer to “III. OTHER INFORMATION IN RELATION TO THE PROPOSED ISSUE OF A SHARES – 2. Effects of the Issue of A Shares on the Shareholding Structure of the Company” below for effects on shareholding structure.

### *(5) Target subscribers*

Qualified price consultation participants, PRC natural person, legal persons and other investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).

If any of the target subscribers is a connected person of the Company, the Company will comply with the relevant requirements, including (if applicable) reporting, announcement and independent shareholders’ approval, under the Listing Rules.

As of the Latest Practicable Date, none of the connected person(s) of the Company has indicated to the Company that he/she/it intends to participate in the subscription of the A Shares.

### *(6) Method of issuance*

The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities (including but not limited to offering to strategic investors). To the best knowledge of the Directors, there is currently no other methods of issuance other than through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors.

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## LETTER FROM THE BOARD

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*(7) Method of underwriting*

The Issue of A Shares will be underwritten by the lead underwriter(s) by way of standby commitment.

*(8) Pricing methodology*

The issue price for the A Shares will be determined by the Company and the lead underwriter(s) in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.

Pursuant to the Administrative Measures on Registration of Initial Public Offering of Shares on the Sci-Tech Board (for Trial Implementation) (《科創板首次公開發行股票註冊管理辦法(試行)》), the issue price of A Shares shall be determined through price inquiry with professional institutional investors (such as securities firms, fund management companies, trust companies, finance companies, insurance companies, qualified foreign institutional investors and private fund managers). The Company and the lead underwriter may then determine the issue price of A Shares through the initial price inquiry or through cumulative bidding inquiry after an issue price range has been determined from the initial price inquiry.

Based on the Company Law of the PRC (《中華人民共和國公司法》), the issue price of the A Shares shall not be lower than the nominal value of the Shares of the Company, i.e. RMB1.00 per Share. There is no other legal or regulatory requirements stipulating the price floor in the Issue of A Shares. As at June 30, 2022, the net asset value per share of the Company was approximately RMB33.36. The Company does not intend to issue the A Shares at a price lower than the latest audited net asset value per share prior to the Proposed Issue of A Shares.

*(9) Schedule of issuance*

The Company will proceed with the Issue within 12 months after the Shanghai Stock Exchange issues the approval opinion and CSRC approves the Issue. The Board and the lead underwriter(s) will determine the listing date for the A Shares after the CSRC agrees to the registration of the A Shares and after completion of the offering.

*(10) Validity period of the resolutions*

The resolutions in respect of the Issue of A Shares will be valid for a period of 12 months from the date of approval at the EGM and the Class Meetings. If the Company fails to complete the Proposed Issue of A Shares within 12 months from the date of approval at the EGM and the Class Meetings, the Company will seek further approvals at extraordinary general meeting and class meetings for the Proposed Issue of A Shares. This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolutions.

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## LETTER FROM THE BOARD

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### 2. Other Resolutions related to the Issue of A Shares

If the Issue of A Shares as set out in resolutions 1 (i) to (x) of the Notice of the EGM and resolutions 1 (i) to (x) of the Notices of the Class Meetings is not approved by the Shareholders, the Issue of A Shares will not proceed, and the ancillary matters as set out in this section (i.e., resolutions 2 to 11 of the Notice of the EGM and resolutions 2 to 10 of the Notices of the Class Meetings) will not proceed.

***(1) Authorization to the Board of Directors to fully handle matters in connection with the Issue of A Shares and listing on the Sci-Tech Board***

A special resolution will be proposed at the EGM and the Class Meetings to authorize the Board of Directors to fully handle the relevant matters in connection with the Issue of A Shares and listing on the Sci-Tech Board. The authorization proposed to be granted to the Board shall include without limitation:

- (a) The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as issue size, target subscribers, method of issuance, timing of issuance, pricing methodology, issue price, and method of subscription in accordance with laws and regulations, the relevant requirements of securities regulatory authorities and the securities market conditions, and within the framework and in accordance with the principles adopted by the Shareholders at the EGM and the Class Meetings.
- (b) The performance of all procedures relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board, including the procedures relating to registration, approval, registration, review, filing with the relevant regulatory authorities, and to sign, execute, amend and complete all necessary documents to be submitted to the government, authority and organization.
- (c) The appropriate adjustment to the specific matters relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board within the effective period for the Issue of A Shares, including the amendment and submission of listing application materials as required by a change of policies or market circumstances.
- (d) The preparation, amendment, signing, submission, publication, disclosure, implementation, suspension and termination of all agreements, contracts, announcement or other documents relating to this issuance and listing (including but not limited to the prospectus for the Issue of A Shares and listing on the Sci-Tech Board, sponsoring agreement, underwriting agreement, listing agreement, engagement agreements of intermediaries), the engagement of sponsor(s), underwriter(s), legal adviser(s), auditing firm(s), asset valuer(s), receiving bank(s) and other involved intermediaries in this issuance and listing, and the determination and payment of all expenses relating to this issuance and listing.

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## LETTER FROM THE BOARD

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- (e) The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company, “Analysis on Dilution on Immediate Return by the Initial Public Offering of A Shares and Recovery Measures for the Immediate Return”, the “Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board”, the “Plan for Stabilization of Price of Shares after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board”, and other application documents and undertakings by the Company according to the applicable laws and regulations, requirements and suggestions of the relevant securities regulatory authorities or according to the actual conditions of this issuance.
- (f) The appropriate adjustments to be made to the relevant matters of the investment projects funded by the proceeds raised according to the implementation process of this issuance and listing, market conditions, policy adjustments and comments of the relevant securities regulatory authorities, including but not limited to the confirmation of the process of the investment projects, the allocation of funds when applying the proceeds raised, the confirmation of a special deposit account for the proceeds raised, etc., so long as such adjustments comply with applicable laws.
- (g) After the completion of the Issue of A Shares and listing on the Sci-Tech Board, the amendments of the Articles, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- (h) According to the implementation process of this issuance, in accordance with the undertakings of each Shareholder, handling the matters of listing of the A Shares on the Shanghai Stock Exchange and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd. (including but not limited to the registration, circulation and lock-up of shares).
- (i) The authorization to handle matters in relation to the opening of the depository account for the funds raised.
- (j) To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

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

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## LETTER FROM THE BOARD

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(2) *The use of proceeds raised from the Issue of A Shares and the listing on the Sci-Tech Board*

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the projects to be funded by the proceeds raised from the Issue of A Shares.

The proceeds raised by the Company from the Proposed Issue of A Shares will be used for the following projects (the “**Projects**”) after deducting the issuance expenses:

No.	Project name	Proposed amount from proceeds raised (RMB) (million)
1	Manufacture and R&D facility of high-end medical device <sup>(1)</sup>	839.7
2	Marketing and branding <sup>(2)</sup>	192.2
3	Working Capital	400.0
	<b>Total</b>	<b>1,431.9</b>

*Notes:*

- (1) The proceeds will be used to fund the construction of a new manufacture and R&D facility of high-end medical device in Lingang New District Pilot Free Trade Zone, Shanghai (the “**Project Facility**”). The Project Facility is planned to be built in the target area covering approximately 33 thousand square meters near the Company’s current manufacture facility in Lingang and designated to support the Company’s further expansion of capacity and R&D activities.

So far, the Company is preparing to acquire the land-use right of the target area and apply for government approval in relation to the construction of Project Facility. The Company plans to use the proceeds from the Proposed Issue of A Shares to fund the project in around the next three or four years.

- (2) The proceeds will be used for the expansion of sales network and improvement of brand reputation including: (i) expansion our sales and marketing team dedicated to the commercialization of our products; and (ii) engagement in academic and marketing activities aiming to enhance the brand awareness in a broadly penetrated market.

The project is in the preliminary preparation stage at present, and no investment has been made by now. The Company plans to use the proceeds from the proposed Issue of A Shares to fund the project in around the next three or four years.

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds according to the needs of the Projects. As at the Latest Practicable Date, the Projects are in the preliminary preparation stage, and no investment has been made by now. The Company will not use the IPO proceeds from H Shares offering for the construction or implementation of these Projects. After the proceeds raised are in place, the Company can replace the initial investment funds with the proceeds raised from the Issue of A Shares.

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## LETTER FROM THE BOARD

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After the proceeds raised from the Issue of A Shares are in place, if the proceeds raised from this issuance cannot meet the capital requirements of the above proposed Projects, the Company will invest according to the priority of the Projects, the shortfall shall be covered by the Company with its own raised funds. If the proceeds raised from this issuance exceeds the capital requirements of the above Projects, the surplus amount will be mainly used to supplement working capital and other projects relating to the main business.

If the Proposed Issue of A Shares does not proceed, the Projects may be negatively impacted. For instance, without the proceeds from the Proposed Issue of A Shares, the Company may need to finance its investment with cash balance and cash from operating activities through future commercialization of the Group's pipeline products and bank borrowings, and thereby reducing the cashflow available and/or increasing the gearing ratio of the Company. However, the failure to proceed with the Proposed Issue of A Shares is not expected to cause any material adverse impact to the operations and the financial positions of the Company as the Company has obtained sufficient funds to support its operations and working capital in the near term as a result of the proceeds obtained from the Global Offering, and the Company may seek further funding by way of other financing means. If the Proposed Issue of A Shares does not proceed, the Company will continue to proceed with the Projects and if further funding is required, the Company may raise funds by taking out bank loans, conducting placement of Shares or debt financing, etc..

The Company believes that there are good prospects for Projects which are complementary to the current businesses of the Company. The Projects are also in line with the relevant national policies, environmental policies and other relevant laws and regulations. The Projects and amounts of proceeds are appropriate for the current business size, financial status, technology standard and management capability of the Company. The proposed use of proceeds are in the interests of the Company and the Shareholders as a whole and are feasible.

***(3) Proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares and Listing on the Sci-Tech Board***

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

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit or unrecovered losses before the Issue of A Shares and listing on the Sci-Tech Board, it is proposed that the new and existing Shareholders shall share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

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## LETTER FROM THE BOARD

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***(4) The impact of dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the impact of dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures.

In order to protect the interests of minority shareholders, the Company has conducted sufficient analysis on the impact of dilution on immediate return by the Issue of A Shares and has formulated the "Analysis on Dilution on Immediate Return by the Initial Public Offering of A Shares and Recovery Measures for the Immediate Return". Full text of the analysis and proposed recovery measures are set out in Appendix I to this circular.

***(5) The three-year dividend distribution plan for Shareholders and profit distribution policy after the Company's initial public offering of A Shares and listing on the Sci-Tech Board***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the "Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board". Full text of the plan is set out in Appendix II to this circular.

***(6) The share price stabilization plan after the Company's initial public offering of A Shares and the listing on the Sci-Tech Board***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the "Plan for Stabilization of Price of Shares After the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board". Full text of the plan is set out in Appendix III to this circular.

***(7) Confirmation of the Company's related party transactions during the Track Record Period***

Apart from the related party transactions that have fulfilled the internal decision-making procedures of the Company, the Board of Directors has confirmed the status of the following major transactions with related parties during the Track Record Period that need to be submitted to the general meeting of Shareholders for consideration (according to the "Management Policies for Related Transactions" set out in Appendix X of this circular), and considered that such related party transactions were in line with commercial principles, true, legal, valid, fairly and reasonably priced, conducted according to relevant national laws and regulations, and did not diminish the interest of the Company and its Shareholders:

- (a) On December 20, 2021, the Company signed a share transfer agreement with Ms. Hu Xiaoping (胡小萍) to acquire its 23.36% equity interest in Nanjing SealMed Medical Technology Corporation Limited ("**Nanjing SealMed**", 南京思脈德醫療科技有限公司) at a consideration of RMB44.13 million, of which RMB35,304,000 was settled on December 31, 2021, and RMB8,826,000 was settled subsequently. After the acquisition, the Company holds 100% equity interest of Nanjing SealMed.



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## LETTER FROM THE BOARD

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A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the confirmation of the above related party transactions.

***(8) Undertakings and restraining measures relating to the Company's Issue of A Shares and listing on the Sci-Tech Board***

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and combining the review for listing on the Sci-Tech Board in practice and the actual situation of the Company.

Details of the undertakings and restraining measures are as follows:

***(a) Undertakings on Share Repurchase in the event of Fraudulent Issuance***

There is no fraudulent issuance in the Company's initial public offering and listing of A Shares on the Sci-Tech Board.

In case of fraudulent issuance and registration due to non-fulfilment of listing conditions with relevant shares already issued and listed, the Company shall commence the relevant procedures for repurchase of all new shares of the Company under the public offering within five business days from the date on which relevant competent authority, such as the CSRC, determines conclusively that the aforementioned events occurred within the Company.

***(b) Undertakings on Restraining Measures Proposed by the Company for the Purpose of the Initial Public Offering and Listing of A Shares on the Sci-Tech Board***

If the Company fails to timely, fully and effectively perform the undertakings due to the reasons other than changes in relevant laws and regulations or policies, natural disasters or other force majeure events, the Company shall take the following measures:

- (1) timely and sufficiently disclose the reasons for not performing the undertakings and apologize to the Shareholders and public investors;
- (2) propose supplemental or alternative undertakings in order to protect the Company's and the investors' interests;
- (3) present the abovementioned supplemental or alternative undertakings to the Shareholders for their consideration and approval.



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## LETTER FROM THE BOARD

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If the Company fails to timely, fully and effectively perform the undertakings due to changes in relevant laws and regulations or policies, natural disasters or other force majeure events, the Company shall take the following measures:

- (1) timely and sufficiently disclose the reasons for not performing the undertakings;
- (2) propose supplemental or alternative undertakings in order to protect the Company's and the investors' interests.

If the Company's failure to perform the undertakings resulted in losses suffered by the investors when dealing in securities, and the relevant authorities such as the securities regulatory authority or the People's Court has reached a final or effective judgment on the same, the Company shall compensate the investors for their losses in accordance with the laws. The restraining measures are subject to the undertakings made by the Company which clearly stipulate relevant measures.

*(c) Undertakings on the Restraining Measures Proposed by the Company in relation to the Price Stabilization Plan*

During the three years from the date of listing of the Company, the Company and the relevant entities will actively implement relevant share price stabilization measures when the closing price of the Company's A shares is lower than the latest audited net assets per share of the Issuer for 20 consecutive trading days (net assets per share is equal to total equity attributable to the ordinary shareholders of the parent company in the combined financial statements divided by total shares of the Company at the end of the year; after the reference date of the latest audit, should there be any change in the net assets or the total number of shares as a result of profit allocation, capitalization from capital public reserve, and issuance of additional shares and placing, the net assets per share should be adjusted accordingly) while the requirements of laws, regulations and regulatory documents regarding the repurchase and the increase being satisfied.

- (1) Specific measures of repurchasing shares of the Company by the Company
  - i. The Company shall repurchase public shares of the Company by call auction, offer or other methods recognized by the securities regulatory authorities through stock exchanges within 90 calendar days from the date of the announcement of share price stabilization plan. The repurchase price shall not be higher than the latest audited net assets per share of the Company, with a single repurchase of not more than 2% of the Company's total number of shares, and with a single repurchase of not less than RMB10 million in capital. Besides, the total amount of funds used by the Company to repurchase shares shall not exceed the total amount of funds raised

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## LETTER FROM THE BOARD

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by the Company from initial public offering of new shares. The equity distribution of the Company after repurchase shall be satisfied with the qualification for listing. The repurchase and disclosure of information as well as the disposal of shares after the repurchase shall comply with the requirements of the Company Law of the PRC (《中華人民共和國公司法》), the Securities Law of the PRC (《中華人民共和國證券法》) and other related laws and administrative regulations.

- (2) Specific measures of increasing the shareholding in the Company by the actual controllers

The actual controller of the Company shall increase the shareholding of public shares of the Company by call auction, offer or other methods recognized by the securities regulatory authorities through stock exchanges within 90 calendar days from the date of the announcement of share price stabilization plan. The price for increasing the shareholding shall not be higher than the latest audited net assets per share of the Company. The total amount of a single increase in shareholding shall not be less than 20% of the after-tax cash dividends received from the Company in the previous accounting year, and the number of shares to be increased shall not be more than 2% of the total number of shares of the Company (if the Company has a repurchase plan at the same time, the number of shares involved in the repurchase plan will be deducted). The shares to be increased shall not be sold within 6 months after the completion of the increase in shareholding plan. The equity distribution of the Company after the increase in shareholding shall be satisfied with the qualification for listing. The increase in shareholding and disclosure of information as well as the disposal of shares after the increase in shareholding shall comply with the requirements of the Company Law, the Securities Law and other related laws and administrative regulations.

- (3) Specific measures of increasing the shareholding in the Company by the Directors (except independent Directors) and senior management

Remunerated Directors (except independent Directors) and senior management who hold office in the Company shall increase the shareholding of public shares of the Company by call auction, offer or other methods recognized by the securities regulatory authorities through stock exchanges within 90 calendar days from the date of the announcement of share price stabilization plan. The price for increasing the shareholding shall not be higher than the latest audited net assets per share of the Company. The monetary fund for a single share increase of the Company and/or that in twelve consecutive months shall be no less than 20% of the total remuneration (after tax) received by such Directors and senior management during the preceding year. The shares to be

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## LETTER FROM THE BOARD

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increased shall not be sold within 6 months after the completion of the increase in shareholding plan. The equity distribution of the Company after the increase in shareholding shall be satisfied with the qualification for listing. The increase in shareholding and disclosure of information as well as the disposal of shares after the increase in shareholding shall comply with the requirements of the Company Law, the Securities Law and other related laws and administrative regulations.

(4) Circumstances of terminating the share price stabilization plan

Within 90 calendar days from the date of the announcement of the share price stabilization plan, if any of the following circumstances occur, it is deemed that the implementation of the share price stabilization measures is completed and the undertakings are fulfilled, and the implementation of the announced share price stabilization plan shall be terminated:

1. The closing price of the Company's shares is higher than the latest audited net assets per share for 10 consecutive trading days;
2. Continuation of repurchasing shares or increasing the shareholding in the Company shall cause the equity distribution of the Company not being satisfied with the qualification for listing.

### RESTRICTIVE MEASURES FOR FAILING TO IMPLEMENT THE SHARE PRICE STABILIZATION PLAN OF THE COMPANY

In the absence of specific measures to stabilize the share price, the Company will apologize to its shareholders and public investors by publicly stating the specific reasons for the non-compliance at the shareholders' meeting and in the press.

In the absence of specific measures to stabilize the share price, the actual controller of the Company will apologize to shareholders and public investors by publicly stating the specific reasons for the non-compliance at the shareholders' meeting of the Company and in the press designated by the CSRC. He/She will cease to receive dividends from shareholders within 5 business days from the date of occurrence of the aforementioned events, and at the same time, his/her shares in the Company will not be transferred until the corresponding measures to stabilize the share price are taken and implemented.

In the absence of specific measures to stabilize the share price, the remunerated Directors (except independent Directors) and senior management of the Company will apologize to shareholders and public investors by publicly stating the specific reasons for the non-compliance at the shareholders' meeting of the Company and in the press designated by the CSRC. He/She will cease to receive remuneration or allowances from the Issuer within 5 business days from the date of occurrence of the aforementioned events, and at the same time, his/her shares in the Company will not be transferred until the corresponding measures to stabilize the share price are taken and implemented.

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## LETTER FROM THE BOARD

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*(d) Undertakings in relation to the Dividend Distribution Plan*

After the Issue of A Shares and listing on the Sci-Tech Board, the Company will strictly implement the profit distribution policy in accordance with the Articles of Association applicable after the Issue of A Shares and listing and listing, the prospectus of Issue of A Shares and listing, and as disclosed in the three-year dividend distribution plan after the Issue of A Shares and listing, so as to fully safeguard the interests of Shareholders.

In the event of any breach of the above undertakings, the Company will assume corresponding responsibility according to the regulations of CSRC and the Shanghai Stock Exchange.

The above undertakings are the expression of the real intentions of the Company. The Company is voluntarily subject to the supervision of regulatory agencies, self-regulatory organizations and the public. If the Company violates the above undertakings, it will bear corresponding responsibilities according to law.

*(e) Undertakings in relation to the impact of dilution on immediate return*

Upon the Issue of A Shares and listing, the scale of share capital and net assets of the Company will increase. However, because the establishment of Projects requires a certain period of time, and it takes time for the raised proceeds to generate benefits, the operating income and net profits of the Company during the period are mainly from existing business. It is expected that indicators such as the Company's earnings per share and return on net assets may be diluted within a certain period after the issuance. In order to fully protect the minority interests, the Company will take various measures in preventing exposures to dilution on current returns and enhancing its profitability. Details are set out below:

1. Consolidate and Expand the Company's Business and Improve the Company's Sustainable Profitability

The Company will continue to enhance its innovation capability and research and development capabilities, further optimise its product structure, strengthen its cost management, improve its core competitiveness, increase the market share of its products and enhance its profitability to bring sustainable returns to its shareholders.

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## LETTER FROM THE BOARD

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### 2. Strengthen Proceeds Management and Enhance the Effectiveness of the Use of Proceeds

According to the requirements of relevant regulations, the Company has formulated the Management Policies for Raised Proceeds of Shanghai HeartCare Medical Technology Corporation Limited (《上海心瑋醫療科技股份有限公司募集資金管理制度》), which clearly stipulates the deposit, use, change of use, management and supervision of the proceeds. In order to ensure that the Company will utilize the proceeds in a compliant and effective manner, after the proceeds from the public offering are received, the Board of the Company will continue to strengthen the company's management of the proceeds, deposit such proceeds into a separate account ensuring that the proceeds are applied to the designated investment projects. It will also carry out internal auditing on proceeds on a regular basis and collaborate with the supervising banks and sponsors to inspect and monitor the utilization of proceeds so as to assure reasonable and compliant utilization of proceeds and reasonably avoid risks in the use of proceeds.

With the availability of the proceeds from the Offering, the Company will actively promote the construction and implementation of the proceeds-funded projects, enhance the effectiveness of the use of proceeds, realize the project profits as soon as possible, improve corporate performance and safeguard the interests of all shareholders of the Company.

### 3. Improve the Profit Distribution Policy and Enhance Investor Return Mechanism

In order to ensure the interests of shareholders, determine the returns to new and existing Shareholders after the initial public offering and listing of the Company, implement the relevant requirements of the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies” (《上市公司監管指引第3號–上市公司現金分紅》), further refine the provisions on profit distribution principles in the Articles of Association of Shanghai Heartcare Medical Technology Corporation Limited (Draft) (《上海心瑋醫療科技股份有限公司章程(草案)》) and strengthen the transparency, predictability and operability of decision making of dividend distribution for convenient supervision of operation and distribution of the Company by Shareholders, the Company formulates the Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board by Shanghai HeartCare Medical Technology Corporation Limited (《上海心瑋醫療科技股份有限公司上市後三年股東分紅回報規劃》). The Company will continue to pay attention to the reasonable return of investors, strictly comply with the relevant requirements, ensure the sustainability and continuity of the profit distribution policy and practically protect the legitimate interest of investors to enhance the protection mechanism for the interest of investors.

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## LETTER FROM THE BOARD

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#### 4. To Continuously Improve Corporate Governance and Provide Institutional Guarantee for Corporate Development

The Company will strictly follow the requirements of the Company Law of the PRC (《中華人民共和國公司法》), the Securities Law of the PRC (《中華人民共和國證券法》), the Code of Governance of Listed Companies (《上市公司治理準則》) and other laws, regulations and regulatory documents, continuously improve the corporate governance structure to ensure that Shareholders can fully exercise their rights, to ensure that the Board of Directors exercise their powers and responsibilities in accordance with laws, regulations and the Articles of Association, to make a scientific, timely and prudent business decisions, to ensure that independent Directors earnestly perform their duties, and safeguard the overall interests of the Company, especially the legitimate interests of minority Shareholders, to ensure that the Supervisory Committee can independently and effectively exercise supervision and inspection rights to Directors, managers and other senior management and corporate finance, and lay a foundation for the development of the Company.

#### *(9) The resolution on the Proposed Amendments to the Articles*

In order to prepare for the Proposed Issue of A Shares and listing on the Sci-Tech Board and comply with the relevant CSRC and Shanghai Stock Exchange rules, to further improve and regulate the Articles and to satisfy the relevant requirements of laws, regulations and regulatory documents, including the Company Law of the PRC (《中華人民共和國公司法》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) and the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), to bring its existing Articles to be in line with the relevant requirements of the applicable laws of the Listing Rules, in particular Appendix 3 to the Listing Rules regarding the core shareholder protection standards which became effective on 1 January 2022, to make other miscellaneous and housekeeping changes, and taking the practical circumstances of the Company into consideration, the Board resolved to amend the existing Articles.

Following the Company having obtained approval from the Shanghai Stock Exchange and registered with the CSRC for the Issue of A Shares, the amended Articles in respect of the Issue of A Shares shall become effective on the date of listing of the Company's A Shares on the Sci-Tech Board and replace the Company's then effective Articles.

The details of the proposed amendments to the Articles of Association, which were prepared in the Chinese language, is set out in Appendix IV to this circular. In the event of any discrepancy between the English translation and the Chinese version of the proposed amendments to the Articles of Association, the Chinese version shall prevail.

The legal advisers to the Company as to Hong Kong laws have confirmed that the amended Articles conform with the requirements of the Listing Rules, where applicable, and the legal advisers to the Company as to the laws of the PRC have confirmed that the

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## LETTER FROM THE BOARD

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amended Articles conform with the relevant requirements under the laws of the PRC. The Company also confirms that there is nothing unusual about the amended Articles for a company listed in Hong Kong.

The proposed amendments have been approved by the Board, and are subject to the approval by the Shareholders by way of special resolutions at the EGM.

***(10) Amendment and/or adoption of the internal management policies of the Company***

The Company intends to revise the following internal management policies:

- (a) the “Rules of Procedures for the Meeting of Shareholders”;
- (b) the “Rules of Procedures for the Board of Directors”;
- (c) the “Rules of Procedures for the Supervisory Committee”;
- (d) the “Terms for Reference of the Independent Directors”;
- (e) the “Rules of Procedures of the Secretary to the Board of Directors”;
- (f) the “Management Policies for Raised Proceeds”;
- (g) the “Management Policies for Related Transactions”;
- (h) the “Management Policies for External Guarantees”;
- (i) the “Decision-Making Policies for External Investments”;
- (j) the “Administrative Measures on Disclosure of Information”;
- (k) the “Registration and Management Policies for Insiders”;
- (l) the “Investor Relations Management Policies”;
- (m) the “Implementation Rules for the Mechanism of Separate Votes Counting of Minority Investors”; and
- (n) the “Policies on Liability for Major Errors in Information Disclosure in Annual Reports”.

The above internal management policies will come into effect on the date of completion of the Issue of A Shares and listing on the Sci-Tech Board. Until then, the current internal management policies will continue to apply.



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## LETTER FROM THE BOARD

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The Board of Directors agreed to propose to the Shareholders at the EGM to authorize the Board of Directors and its authorized persons to adjust and amend the above internal management policies which will become effective from the date of completion of the Issue of A Shares and listing on the Sci-Tech Board in accordance with the provisions of the relevant laws, regulations and regulatory documents, and the requirements and suggestions from the relevant domestic and overseas government authorities and regulatory institutions, and taking into consideration the actual situation of this Proposed Issue of A Shares and listing.

An ordinary resolution will be proposed at the EGM to consider and approve the amendments to and/or adoption each of the “Rules of Procedures for the Meeting of Shareholders”, the “Rules of Procedures for the Board of Directors”, the “Rules of Procedures for the Supervisory Committee”, the “Terms of Reference for Independent Directors”, the “Management Policies for Raised Proceeds”, the “Management Policies for Related Transactions”, the “Management Policies for External Guarantees” and the “Decision-Making Policies for External Investment”, full texts of which are set out in Appendices V to XII to this circular respectively.

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

### **3. Proposed Appointment of Non-executive Director**

Reference is made to the announcement of the Company dated August 31, 2022 in relation to, among other things, the proposed appointment of non-executive Director of the current session of the Board.

Mr. Chen Shaoxiong (陳少雄) has been nominated as a non-executive Director of the Company. Such appointment is subject to the approval by the Shareholders at the EGM.

An ordinary resolution is being proposed at the EGM to consider and approve the proposed appointment of Mr. Chen Shaoxiong as a non-executive Director with the term of office commencing from the effective date of his appointment and ending upon the expiry of the current session of the Board.

The biographical details of Mr. Chen Shaoxiong are set out below:

Mr. Chen Shaoxiong, aged 60, has worked at the Shanghai Biopharmaceutics Industry Association (“SBIA”) since May 2003 and is currently serving as the secretary general and executive president of SBIA. Prior to joining SBIA, Mr. Chen Shaoxiong worked at Shanghai No.1 Biochemical and Pharmaceutical Co., Ltd. and its predecessor, Shanghai Biochemical Pharmaceutical Factory, between July 1984 and April 2003. Mr. Chen Shaoxiong has also



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## LETTER FROM THE BOARD

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served as the secretary general of the award committee of the C.C. Tan Life Science Award since May 2008 and the vice president of the Shanghai Federation of Industrial Economics: Shanghai Federation of Economic Organization since January 2010.

Mr. Chen Shaoxiong obtained his bachelor's degree in agriculture from the School of Agriculture and Biology of Shanghai Jiao Tong University (formerly known as Shanghai School of Agriculture) in July 1984, and he further obtained his executive master's degree in business administration from Antai College of Economics and Management at Shanghai Jiao Tong University in June 2010, and his doctorate of business administration from the Grenoble Ecole De Management in France in February 2018. Mr. Chen Shaoxiong has also been a qualified principal senior engineer since December 2018.

Mr. Chen Shaoxiong was a director of Shanghai Wangji Biotechnology Development Co., Ltd ("**Shanghai Wangji**") which was incorporated in the PRC on 17 September 2004. The business license was revoked by Shanghai Administration for Industry and Commerce on 15 February 2011. It is confirmed by Mr. Chen Shaoxiong that the business license was revoked as a result of Shanghai Wangji's failure to initiate operations following its establishment. As at the Latest Practicable Date, the business license of Shanghai Wangji remained revoked according to the National Enterprise Credit Information Publicity System, and is in the process of dissolution without any outstanding debts or claims.

Subject to the approval by the Shareholders of Mr. Chen Shaoxiong's appointment as a non-executive Director, Mr. Chen Shaoxiong will enter into an appointment letter with the Company for a term of service running from the date of his appointment until the end of the term of the current session of the Board. He shall be eligible for re-election upon the expiry of his term of office. Pursuant to such proposed appointment letter, as a non-executive Director, Mr. Chen Shaoxiong will be entitled to receive an annual fee of RMB120,000 (equivalent to approximately HK\$136,212). Such remuneration is determined with reference to his duties and responsibilities as well as the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chen Shaoxiong does not and has not held any directorships in any other listed public companies in the last three years prior to the Latest Practicable Date, of which the securities are listed on any securities market in Hong Kong or overseas, and nor does he have other major appointments and professional qualifications. Furthermore, Mr. Chen Shaoxiong does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, nor does he have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Also, Mr. Chen Shaoxiong does not hold any other positions in the Company or other members of the Group.

Save as disclosed above and to the best of the knowledge, information and belief of the directors having made all reasonable enquiries, there are no other matters in relation to the proposed appointment of Mr. Chen Shaoxiong that need to be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

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## LETTER FROM THE BOARD

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### 4. Proposed Appointment of Supervisors

Reference is made to the announcement of the Company dated August 31, 2022 in relation to, among other things, the proposed appointment of Supervisors.

On August 31, 2022, the Supervisory Committee received the resignation letters from Mr. Zhou Baolei (周寶磊) and Mr. Mei Jianghua (梅江華), in which they tendered their resignation as Supervisors due to their other personal commitments. The said resignation shall become effective immediately upon the Shareholders' approval of the proposed appointment of the new Supervisors at the EGM. Mr. Zhou Baolei and Mr. Mei Jianghua have both confirmed that they each have no disagreement with the Supervisory Committee and the Company, and that there are no other matters relating to their resignation that need to be brought to the attention of the Shareholders or the Stock Exchange.

The Supervisory Committee has nominated Mr. Jiang Xinbei (姜心貝) and Ms. Jiang Xue (姜雪) as Supervisors in replacement of Mr. Zhou Baolei and Mr. Mei Jianghua, respectively, and their appointment as Supervisors shall take effect from the date of approval by the Shareholders at the EGM.

An ordinary resolution is being proposed at the EGM to consider and approve the proposed appointment of Ms. Jiang Xue and Mr. Jiang Xinbei as Supervisors with the term of office commencing from the date of obtaining approval at the EGM and ending upon the expiry of the current session of the Supervisory Committee.

The biographical details of Mr. Jiang Xinbei (姜心貝) and Ms. Jiang Xue (姜雪) are set out below:

Mr. Jiang Xinbei, aged 30, serves as an investment manager at Shanghai Sharewin Equity Fund Management Co., Ltd from April 2021 and is primarily responsible for equity investment management and consulting.

Mr. Jiang Xinbei was a technical salesperson at Covidien Medical Equipment International Trade (Shanghai) Co., Ltd from July 2018 to May 2019, and he then served as an investment manager at Jiangsu Tianhui Hongyou Investment Management Co., Ltd from September 2019 to April 2021.

Mr. Jiang Xinbei received his bachelor's degree in pharmaceutical engineering from China Pharmaceutical University in the PRC in July 2015 and his master's degree in medicinal chemistry from Peking Union Medical College in the PRC in July 2018.

Ms. Jiang Xue, aged 36, joined our Company in October 2021 as a legal manager and was primarily responsible for monitoring and handling legal affairs of the Company.

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## LETTER FROM THE BOARD

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Ms. Jiang Xue was a patent engineer at Shanghai Sinyang Semi-conductor Material Co., Ltd from September 2012 to July 2013, and she then served as a patent manager at Daicel Chiral Technologies (Shanghai) Co., Ltd from November 2013 to April 2018. Ms. Jiang Xue was an associate at Shanghai Ryser & Associates from May 2018 to September 2021.

Ms. Jiang Xue received her bachelor's degree in applied chemistry (fine chemicals) and her master's degree in chemical engineering and technology from the Dalian University of Technology in the PRC in July 2008 and July 2011, respectively. Ms. Jiang Xue is also licensed to practice law and is a qualified patent agent in China.

It is proposed that Mr. Jiang Xinbei and Ms. Jiang Xue, if appointed, will not receive any remuneration as Supervisors from the Company during their term of office, their appointment as Supervisors shall take effect from the date of approval by the Shareholders at the upcoming general meeting of the Shareholders until the end of the term of the current session of the Supervisory Committee.

Save as disclosed above, as at the Latest Practicable Date, Mr. Jiang Xinbei and Ms. Jiang Xue do not and have not held any directorships in any other listed public companies in the last three years, of which the securities are listed on any securities market in Hong Kong or overseas, nor do either of them have other major appointments and professional qualifications. Furthermore, Mr. Jiang Xinbei and Ms. Jiang Xue do not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company, nor do they have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Also, save as disclosed above, Mr. Jiang Xinbei and Ms. Jiang Xue do not hold any other positions in the Company or other members of the Group.

Save as disclosed above and to the best of the knowledge, information and belief of the directors having made all reasonable enquiries, there are no other matters in relation to the proposed appointment of Mr. Jiang Xinbei and Ms. Jiang Xue that need to be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

### **III. OTHER INFORMATION IN RELATION TO THE PROPOSED ISSUE OF A SHARES**

#### **1. Reasons for the Issue of A Shares and listing on the Sci-Tech Board**

The Company considers that the listing on the Sci-Tech Board would be beneficial to the Company and its Shareholders as a whole and is beneficial to strengthen the sustainable development of the Company.

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## LETTER FROM THE BOARD

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### *Branding and benefits as a dual listed company*

Following the listing of the H Shares of the Company in August 2021, the Issue of A Shares would allow the Company to become a dual listed company and further enrich its capital base and develop both domestic and international financing platforms. Listing domestically in the PRC would also enable the Company to further enhance its brand image and influence in the domestic market.

As a dual listed company, the Company will be required to comply with the listing rules of both the Hong Kong Stock Exchange and the Shanghai Stock Exchange, which further optimize the Company's corporate governance structure and provide higher level of corporate transparency to Shareholders and potential investors, which is more conducive to protecting the interests of all shareholders as a whole.

Since the establishment of the Sci-Tech Board, it has attracted a lot of companies with strong technological capabilities. Listing on the Sci-Tech Board is beneficial to promoting the value and interests of our Company and Shareholders as a whole.

### *Further funding needs to be met by proceeds from Proposed Issue of A Shares*

While the proceeds raised from the Global Offering provide strong support for the R&D and commercialization of the Company's Core Products and other key products in its product pipeline, the proceeds from the Issue of A Shares will enable the Company to support the manufacture and R&D facility of the Company's high-end medical device at medical headquarters.

Amongst the net proceeds of approximately HK\$1,014.8 million raised from the Global Offering, approximately HK\$459.7 million is allocated to our Core Products and approximately HK\$404.9 million is allocated to other product candidates in our pipeline. As disclosed in the Prospectus, the Company has a broad portfolio of four commercialized products and 19 approved products and product candidates, so the Company needs to raise further funds to support the development of its other product candidates.

In addition, although approximately HK\$48.7 million from the proceeds from the Global Offering is allocated to fund improvements to our R&D capacities, further funding is required to expand our product portfolio through R&D.

## **2. Effects of the Issue of A Shares on the Shareholding Structure of the Company**

Upon completion of the issue and listing of A Shares, all of the existing Domestic Shares and Unlisted Foreign Shares will be converted into A Shares and be listed on the Sci-Tech Board. Such converted A Shares will be deposited in China Securities Depository and Clearing Corporation Limited and subject to lock-up periods as required under relevant PRC laws and regulations.

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## LETTER FROM THE BOARD

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Assuming that a total of 13,000,000 new A Shares are to be issued, the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Issue of A Shares is as follow (assuming there is no other change in the share capital of the Company from the Latest Practicable Date up to and including the date of completion of the Issue of A Shares):

	<b>As at the Latest Practicable Date</b>	<b>Immediately after the completion of the Issue of A shares</b>
<b>Substantial shareholders, Directors, Supervisors, chief executive and their respective associate</b>		
(1) Domestic Shares	5,537,506	–
(2) Unlisted Foreign Shares	266,862	–
(3) A Shares to be converted from Domestic Shares	–	5,537,506
(4) A Shares to be converted from Unlisted Foreign Shares	–	266,862
(5) H Shares	15,799,681	15,799,681
	21,604,049	21,604,049
<b>Sub-total</b>	(55.63% of the total issued Shares)	(41.68% of the total issued Shares)
<b>Other Shareholders</b>		
(1) Domestic Shares	1,194,384	–
(2) Unlisted Foreign Shares	269,852	–
(3) A Shares to be converted from Domestic Shares	–	1,194,384
(4) A Shares to be converted from Unlisted Foreign Shares	–	269,852
(5) H Shares	15,766,123	15,766,123
<b>New A Shares proposed to be issued</b>	–	13,000,000
<b>Total</b>	38,834,408	51,834,408

Assuming a maximum of 13,000,000 A Shares are issued, it is expected that a total of 30,230,359 Shares of the Company, representing 58.32% of the then total issued Shares of the Company will be held by the public (including H Shares and A Shares held by the public but excluding any Shares held by the Company's substantial shareholders, Directors, Supervisors, chief executive and their respective close associates) following the completion of the Proposed Issue of A Shares. As such, the Company would still be able to meet the minimum requirement on public float percentage under the Listing Rules. The Company will closely monitor the shareholdings of the controlling Shareholders and other core connected persons to monitor its public float percentage (including H Shares and A Shares held by the public) to maintain the minimum percentage of listed securities as prescribed by Rule 8.08 of the Listing Rules at all times, including during the stabilization period for the newly issued A shares, in public hands. The Company will also ensure its compliance with relevant requirements on public float as stipulated under the Listing Rules and will promptly notify the Stock Exchange of any changes in the Company's public float.

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## LETTER FROM THE BOARD

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### 3. Fund raising activities in the past twelve months

The Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the Latest Practicable Date.

### IV. THE EGM AND THE CLASS MEETINGS

The EGM, the Class Meeting of H Shareholders and the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders will be held at HeartCare Hall, 2/F, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC at 10:00 a.m. on November 9, 2022, immediately after the conclusion of the EGM and immediately after the conclusion of the Class Meeting of H Shareholders respectively, on November 9, 2022. Notice convening the EGM and Notices of the Class Meetings are set out in pages N-1 to N-19 of this circular and are available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.heartcare.com.cn](http://www.heartcare.com.cn)).

### V. CLOSURE OF REGISTER OF MEMBERS OF H SHARES AND ASCERTAINING OF ELIGIBILITY FOR ATTENDING THE EGM AND THE CLASS MEETING OF H SHAREHOLDERS

The register of members of H Shares of the Company will be closed from November 4, 2022 to November 9, 2022, both days inclusive, during which no transfer of H Shares will be registered.

In order to qualify for attending the EGM and the Class Meeting of H Shareholders and vote for all resolutions to be submitted thereat, all transfer instruments of the H Shares together with the relevant share certificates shall be lodged with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on November 3, 2022 for registration.

### VI. PROXY ARRANGEMENT

Enclosed herewith is the proxy form for the EGM and Class Meetings.

If you intend to appoint a proxy to attend the EGM and/or the Class Meetings, you are required to complete and return the proxy form in accordance with instructions printed thereon and return them to the Company's H shares registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the Company's headquarters at Floor 1 and 3, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC (in case of holders of Domestic Shares and Unlisted Foreign Shares) as soon as possible and in any event no later than 24 hours before the time appointed for the EGM (i.e. no later than 10:00 a.m. on November 8, 2022) or any adjournment thereof (for the proxy form (if any)). Completion and return of the proxy form will not preclude you from attending and voting at the EGM and/or the Class Meetings or any adjournment thereof in person if you so wish. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the EGM and/or the Class Meetings in person.**

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## LETTER FROM THE BOARD

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### VII. VOTING BY POLL

Any vote of Shareholders at the EGM and the Class Meetings must be taken by poll except where the chairman of each of the EGM and the Class Meetings, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules. Accordingly, the chairman of the EGM and the Class Meetings will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the EGM and the Class Meetings.

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

### VIII. PRECAUTIONARY MEASURES FOR THE EGM

During the period for the prevention and control of the coronavirus disease (COVID-19) in China and overseas, the Company will strictly comply with the requirements regarding the pandemic prevention and control stipulated by government departments, and take relevant prevention and control measures. Shareholders attending the EGM and/or the Class Meetings shall pay early attention to and comply with the relevant regulations and requirements regarding health report, quarantine and observation during the pandemic prevention and control period in Shanghai. The Company will strictly comply with the requirements regarding the pandemic prevention and control stipulated by government departments, and take relevant prevention and control measures including monitoring the temperatures of shareholders attending the EGM and/or the Class Meetings. Shareholders having a fever or other symptoms, not wearing a surgical mask as required, or failing to comply with the relevant regulations and requirements regarding the pandemic prevention and control will not be able to enter the venue of the EGM and/or the Class Meetings. If the number of shareholders attending the EGM and/or the Class Meetings reaches the maximum (if any) stipulated by the relevant government departments at the date of the EGM and/or the Class Meetings in accordance with the regulations and requirements regarding the pandemic prevention and control, shareholders shall be admitted on a "first-come-first-served" basis, and shareholders subsequently arriving may not be able to enter the venue of the EGM and/or the Class Meetings. The Company reminds attendees that they should carefully consider the risks of attending the EGM and/or the Class Meetings, taking into account their own personal circumstances. Shareholders are reminded that physical attendance at the EGM and/or the Class Meetings is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the EGM and/or the Class Meetings instead of attending the EGM and/or the Class Meetings in person, by completing and returning the form of proxy. The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the EGM and/or the Class Meetings.



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## LETTER FROM THE BOARD

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### IX. RESPONSIBILITY STATEMENT

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

### X. RECOMMENDATION

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

### XI. ADDITIONAL INFORMATION

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

There is no assurance that the Issue of A Shares will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares will be disclosed by the Company in due course.

By Order of the Board  
**Shanghai HeartCare Medical Technology Corporation Limited**  
**WANG Guohui**  
*Chairman of the Board*



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**APPENDIX I                      ANALYSIS ON DILUTION ON IMMEDIATE RETURN BY THE  
INITIAL PUBLIC OFFERING OF A SHARES AND RECOVERY  
MEASURES FOR THE IMMEDIATE RETURN**

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**Shanghai HeartCare Medical Technology Corporation Limited**

**ANALYSIS ON DILUTION ON IMMEDIATE  
RETURN BY THE INITIAL PUBLIC OFFERING  
OF SHARES AND RECOVERY MEASURES  
FOR THE IMMEDIATE RETURN**

In accordance with the Opinions on Further Strengthening the Protection of Minority Investors' Legitimate Rights and Interests in the Capital Market (《關於進一步加強資本市場中小投資者合法權益保護工作的意見》) (Guo Ban Fa [2013] No. 110) issued by the General Office of the State Council and the Guiding Opinions on Matters Relating to the Dilution of Current Returns by Initial Public Offering, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (CSRC announcement [2015] No. 31) issued by CSRC, Shanghai HeartCare Medical Technology Corporation Limited (hereinafter referred to as the “**Company**”) has conducted a careful analysis on the impact of initial public offering of shares (hereinafter referred to as the “**Offering**”) on the dilution on immediate returns and formulated remedial measures for immediate returns. The Company's substantial shareholders, Directors and senior management have also given their related undertakings with details as follows:

**I. THE IMPACT OF THE OFFERING ON THE DILUTION ON IMMEDIATE RETURNS**

Before the Offering, the total share capital of the Company is 38,834,408 shares. The total number of shares to be issued will not exceed 13,000,000, and the total share capital of the Company will increase to 51,834,408 shares after the completion of the Offering. Taking into account the time when the proceeds from the Offering will be received, and the fact that the utilization efficiency of the newly added assets may not immediately obtain that of the original assets after the proceeds are received, and excluding the impact of other factors other than the Offering and raising funds on the basic earnings per share and diluted earnings per share of the Company, the basic earnings per share and diluted earnings per share for the Offering year may decrease to a certain extent as compared to the year prior to the Offering. That is, there may still be a risk that the Offering may dilute the immediate returns.

**II. NECESSITY AND RATIONALITY OF THE INITIAL PUBLIC OFFERING OF SHARES AND THE PROCEEDS-FUNDED PROJECTS**

**1. Necessity and Rationality of the Initial Public Offering of Shares**

The Company mainly raises funds through its own operating accumulation and bank loans, which is a relatively single financing channel. This public offering of shares will provide strong financial support for the Company's expansion of production capacity and research and development innovation, further consolidate and enhance the Company's market position,

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**APPENDIX I                      ANALYSIS ON DILUTION ON IMMEDIATE RETURN BY THE  
INITIAL PUBLIC OFFERING OF A SHARES AND RECOVERY  
MEASURES FOR THE IMMEDIATE RETURN**

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strengthen the Company’s core competitiveness and improve the Company’s profitability to lay a solid foundation for the Company’s future development. At the same time, the size of the total assets and net asset of the Company will increase significantly, its asset structure and financial position will be further optimised and the Company’s risk resistance will be greatly enhanced.

Through years of focused operation, the Company has developed a relatively obvious competitive advantage in the market. During the Reporting period, the Company had healthy asset quality, a reasonable asset and liability structure, strong profitability and normal cash flows. The Company has established a corporate governance structure that meets the requirements for a listed company through shareholding system reformation. The Directors, Supervisors and senior management of the Company have participated in the listing-related counseling training and have understood the laws and regulations relevant to the issuance and listing of shares, and are aware of the statutory obligations and responsibilities of a listed company and its directors, supervisors and senior management. The Company has met the relevant requirements for the initial public offering of shares. The public offering of the shares not only meets the needs of the Company’s business development, but also has strong rationality.

**2. The Relationship Between the Proceeds-funded Projects and the Company’s Existing Businesses**

The net amount of the proceeds after deducting the issuance expenses will be invested in the following projects:

<b>No.</b>	<b>Proceeds-funded Projects</b>	<b>Total Investment Value (RMB million)</b>	<b>Utilization The Proceeds (RMB million)</b>	<b>Main Implementation Entity</b>
1	Manufacture and R&D facility of high-end medical device	839.7	839.7	Company
2	Marketing and branding	192.2	192.2	Company
3	Working capital	400.0	400.0	Company
	<b>Total</b>	<b><u>1,431.9</u></b>	<b><u>1,431.9</u></b>	<b>-</b>

Based on the Company’s existing businesses and core technology, and combined with the Company’s development plan and industry development trend, the proceeds-funded projects are determined after careful study of the feasibility.

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**APPENDIX I                      ANALYSIS ON DILUTION ON IMMEDIATE RETURN BY THE  
INITIAL PUBLIC OFFERING OF A SHARES AND RECOVERY  
MEASURES FOR THE IMMEDIATE RETURN**

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Through the construction of the proceeds-funded projects, the Company will effectively integrate various resources such as research and development and production at the headquarters, comprehensively enhance and optimize the Company's operating conditions, improve the efficiency of inter-departmental collaboration, further strengthen the Company's core strengths and enhance the continuous innovation capability of technology and products.

Supplementing working capital has a positive effect on guaranteeing the Company's capital turnover and maintaining the effective operation of the business; at the same time, it provides financial support for the Company to realize its marketing network strategy, customer service strategy and talent training strategy.

The proceeds-funded projects have consistency and continuity with the existing businesses, which can consolidate and enrich the existing businesses and product lines, improve the Company's production capacity, and lay the foundation for the Company's future technology research and development innovation and strategy implementation.

**3. Reserves in Terms of Personnel, Markets, etc. for the Proceeds-funded Projects**

- (1) The construction of the project conforms to the national industrial policy and national environmental protection standards.
- (2) The Company attaches great importance to the cultivation of talents. After years of development, it has established a technical research and development team with rich experience and reasonable professional structure, which has driven the continuous development of the Company's research and development capability and innovation. The Company has actively strengthened training and technical exchanges for employees to better meet the needs of its strategic development. Adequate reserves of technical research and development personnel will ensure the smooth implementation of the proposed project.
- (3) The technologies involved in the proceeds-funded projects are currently at the stage of mass industrial production and the Company has its own intellectual property rights and will continue to use and optimize the various production technologies in the future. Through continuous improvement of production technology and production efficiency, the Company is able to leverage its accumulated technical and customer resources to provide a good market access basis for the implementation of the project.
- (4) The market for the project is very promising and the national policy support also provides the policy basis for the implementation of the project.

**III. REMEDIAL MEASURES FOR DILUTION ON IMMEDIATE RETURNS OF THE  
COMPANY'S INITIAL PUBLIC OFFERING OF SHARES**

In order to safeguard the interests of the majority of investors, reduce the risk of dilution of immediate returns and enhance returns to shareholders' interests, the Company intends to take various measures to cover immediate returns:

**1. Consolidate and Expand the Company's Business and Improve the Company's Sustainable Profitability**

The Company will continue to enhance its innovation capability and research and development capabilities, further optimise its product structure, strengthen its cost management, improve its core competitiveness, increase the market share of its products and enhance its profitability to bring sustainable returns to its shareholders.

**2. Strengthen Proceeds Management and Enhance the Effectiveness of the Use of Proceeds**

According to the requirements of relevant regulations, the Company has formulated the Management Policies for Raised Proceeds of Shanghai HeartCare Medical Technology Corporation Limited (《上海心瑋醫療科技股份有限公司募集資金管理制度》), which clearly stipulates the deposit, use, change of use, management and supervision of the proceeds. In order to ensure that the Company will utilize the proceeds in a compliant and effective manner, after the proceeds from the public offering are received, the Board of the Company will continue to strengthen the company's management of the proceeds, deposit such proceeds into a separate account ensuring that the proceeds are applied to the designated investment projects. It will also carry out internal auditing on proceeds on a regular basis and collaborate with the supervising banks and sponsors to inspect and monitor the utilization of proceeds so as to assure reasonable and compliant utilization of proceeds and reasonably avoid risks in the use of proceeds.

With the availability of the proceeds from the Offering, the Company will actively promote the construction and implementation of the proceeds-funded projects, enhance the effectiveness of the use of proceeds, realize the project profits as soon as possible, improve corporate performance and safeguard the interests of all shareholders of the Company.

**3. Improve the Profit Distribution Policy and Enhance Investor Return Mechanism**

In order to ensure the interests of shareholders, determine the returns to new and existing Shareholders after the initial public offering and listing of the Company, implement the relevant requirements of the Listed Companies Regulatory Guidance No.3 – Cash Dividends Distribution of Listed Companies” (《上市公司監管指引第3號–上市公司現金分紅》), further refine the provisions on profit distribution principles in the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (Draft) (《上海心瑋醫療科技股份有限公司章程(草案)》) and strengthen the transparency, predictability and operability of decision making of dividend distribution for convenient supervision of operation and distribution of the Company by Shareholders, the Company formulates the Three Years Dividend Distribution Plan after the Listing by Shanghai HeartCare Medical Technology Corporation Limited (《上海心瑋醫療科技股份有限公司上市後三年股東分紅回報規劃》). The Company will continue to pay attention to the reasonable return of investors, strictly comply with the relevant requirements, ensure the sustainability and continuity of the profit distribution policy and practically protect the legitimate interest of investors to enhance the protection mechanism for the interest of investors.

**4. To Continuously Improve Corporate Governance and Provide Institutional Guarantee for Corporate Development**

The Company will strictly follow the requirements of the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Code of Governance of Listed Companies (《上市公司治理準則》) and other laws, regulations and regulatory documents, continuously improve the corporate governance structure to ensure that Shareholders can fully exercise their rights, to ensure that the Board of Directors exercise their powers and responsibilities in accordance with laws, regulations and the Articles of Association, to make a scientific, timely and prudent business decisions, to ensure that independent directors earnestly perform their duties, and safeguard the overall interests of the Company, especially the legitimate interests of minority Shareholders, to ensure that the Supervisory Committee can independently and effectively exercise supervision and inspection rights to Directors, managers and other senior management and corporate finance, and lay a foundation for the development of the Company.

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**APPENDIX II      THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS  
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES  
AND THE LISTING ON THE SCI-TECH BOARD**

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**Shanghai HeartCare Medical Technology Corporation Limited**

**THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS AFTER  
THE LISTING ON THE SCI-TECH BOARD**

In order to protect the interests of shareholders, clarify the dividend distribution return of new and old Shareholders' equity after the initial public offering and listing of Shanghai HeartCare Medical Technology Corporation Limited (hereinafter referred to as the "Company"), and in order to further specify the provisions in respect of profit distribution principles under the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (Draft), improve the transparency, predictability and operability of profit distribution decisions and facilitate the supervision of Company's operation and distribution by shareholders in accordance with the Regulatory Guideline for Listed Companies No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號-上市公司現金分紅》) issued by China Securities Regulatory Commission (hereinafter referred to as the "CSRC") and other relevant requirements, the Company has formulated the following three-year dividend distribution plan for shareholders after the listing.

**I. GENERAL PRINCIPLES OF PROFIT DISTRIBUTION**

According to the provisions of the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》) and the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (Draft) (hereinafter referred to as the "Articles of Association"), all of Shares of the Company are ordinary Shares.

The Company will distribute dividends to Shareholders in proportion to their shareholdings of the Shares of the Company under the principle of "the same shares entitled to the same rights and dividend".

The Company adopts consistent and stable dividend distribution policy and shall attach importance to the reasonable investment returns to investors and the sustainable development of the Company in its dividends distribution. The Company will actively distribute dividends by way of cash, shares when the Company does not occur such matters as major investment plan or significant cash expenditure, provided that the working capital requirements in the Company's daily operation are fulfilled.

**II. CONSIDERATIONS OF DIVIDEND DISTRIBUTION PLAN**

The Company formulated the dividend distribution plan, focusing on the long-term and sustainable development of the Company. Based on the comprehensive analysis of the actual operation and development of the Company, the requirements and wishes of shareholders, social capital cost, external financing environment and other factors, the Company fully

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**APPENDIX II      THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS  
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES  
AND THE LISTING ON THE SCI-TECH BOARD**

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considered its current and future profit scale, cash flow status, development stage, project investment capital need, the initial public offering and listing financing of the Company, bank credit and debt financing environment, etc., established a continuous, stable and scientific return mechanism for investors, so as to maintain the continuity and stability of profit distribution policy.

### **III. DIVIDEND DISTRIBUTION POLICY**

Taking into account the above factors, the Company's proposed dividend distribution policy is as follows:

#### **1. Principles of profit distribution**

The Company adopts consistent and stable dividend distribution policy and shall attach importance to the reasonable investment returns to investors and the sustainable development of the Company in its dividends distribution. The Company will actively distribute dividends by way of cash, shares when the Company does not occur such matters as major investment plan or significant cash expenditure, provided that the working capital requirements in the Company's daily operation are fulfilled.

#### **2. Manner of profit distribution**

The Company may distribute dividends by way of cash, shares or a combination of both and shall give priority to cash dividends.

#### **3. Sequence of profit distribution**

Within the scope of distributable profits of the Company, the Company shall pay full attention to the needs of investors and distribute the profits after income tax in the following sequence according to relevant laws, regulations and the Articles of Association:

- (1) When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.
- (2) Where the statutory reserve fund of the Company is insufficient to make up for the losses of the Company incurred during the previous years, before making allocation to the statutory reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.



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**APPENDIX II      THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS  
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES  
AND THE LISTING ON THE SCI-TECH BOARD**

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- (3) After making allocation to the statutory reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a general meeting, also allocate funds from the after-tax profits to the discretionary reserve fund.
- (4) After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits shall be distributed to the shareholders in proportion to their respective shareholdings, except for those distributions not pursuant to the ratio of the shareholding as provided by the Articles of Association.

If the general meeting has, in violation of the provisions of the preceding paragraph, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company.

The Company shall not be entitled to any distribution of profits in respect of the shares held by it.

**4. Intervals of profit distribution**

Subject to the condition of profit distribution, the Company may make profit distributions once a year. The Board of the Company may propose to the Company to make payment of an interim profit distributions by way of cash, shares or a combination of both according to the working capital conditions of the Company.

**5. Conditions and percentages of cash dividend distribution**

The profit distributed by the Company by way of cash shall not be less than 10% of the distributable profits achieved in that year when the Company does not occur such matters as major investment plan or significant cash expenditure. The specific conditions for the Company to distribute cash dividends are as follows:

- (1) When the Company's distributable profit (i.e. the after-tax profit after the Company has made up for losses and made allocations to the reserve fund) for the year is positive, and the Company has sufficient cash flow such that the distribution of cash dividends will not affect the Company's continuous operation in the future;
- (2) the audit firm has issued a standard audit report with unqualified opinion on the financial report of the Company for the year;
- (3) the Company has no major investment plan or significant cash expenditure (excluding projects of raising proceeds). Major investment plan, significant cash expenditure and substantial capital expenditure arrangement refer to: the proposed external investment and acquisition of assets by the Company in the coming 12 months with accumulated expenses amounting to or exceeding 25% of the latest audited net assets of the Company and exceeding RMB50 million.



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**APPENDIX II      THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS  
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES  
AND THE LISTING ON THE SCI-TECH BOARD**

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Meanwhile, the Board of Directors shall comprehensively take into account of the features of the industry where the Company operates, its stage of development, its own business model, and profitability and the factors such as whether there is substantial capital expenditure arrangement in distinguishing the following situations and form differentiated cash dividend policies in accordance with the procedures as stipulated in the Articles of Association:

- (1) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when profits are distributed;
- (2) Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when profits are distributed;
- (3) Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when profits are distributed;
- (4) Where it is difficult to identify the development stage of the Company but there is substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when profits are distributed.

**6. Conditions for distributing dividends in shares**

When profits and cashflow can meet the requirements for normal operation and long-term development of the Company, dividends shall be distributed in the way of cash. If the Board of Directors believes that the Company's future growth potential is relatively good, that the net asset value per share is relatively high, that the Company's share price does not match with its share capital or that distributing share dividends conforms to the overall interests of all shareholders of the Company, it may draw up share dividend distribution proposals according to its cash dividend policies.

**7. Use of undistributed profits**

The remaining undistributed profits of the Company after distribution in the current year will be mainly used to ensure the working capital required by the Company to conduct normal operations, supplement the Company's capital to enhance the Company's capital strength, and be used for the investment required for the reasonable business expansion and other special circumstances according to the actual development and needs of the Company in the current year. The specific plan and arrangement for use of undistributed profits shall be formulated by the Board of Directors according to the Company's development plan and development goals in the current year in principle.

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**APPENDIX II      THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS  
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES  
AND THE LISTING ON THE SCI-TECH BOARD**

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**8. Procedures for decision making of the profit distribution plan**

- (1) When the Company distributes dividends, the Board of the Company shall formulate distribution plan and present to the Shareholders' Meeting for consideration and approval.
- (2) During the course of drawing up the proposal in relation to profit distribution, the Board shall actively and adequately listen to the opinions of external and independent directors. The proposal on profit distribution shall be approved by more than one-half of all the Directors' votes and one-half of the Independent Directors' votes of the Board of the Company. Independent Directors shall express independent opinions on the proposal of profit distribution. The independent Directors shall seek the opinions of the minority shareholders, devise a dividend distribution proposal accordingly and present it directly to the Board of Directors for consideration.
- (3) The proposal in relation to profit distribution submitted by the Board of Directors shall be considered by the Supervisory Committee and is subject to one-half of all members of the Supervisory Committee's votes.
- (4) When the proposal on profit distribution is approved by the Board of Directors and the Supervisory Committee, it shall be subject to the approval of the Shareholders' Meeting. Prior to the consideration of the profit distribution proposal by the shareholders at the general meeting, the Company shall communicate and exchange ideas with shareholders, especially minority Shareholders through multiple channels (including but not limited to providing online voting, holding meetings of exchange with investors and inviting minority Shareholders to attend general meetings etc.), attentively listen to the opinions and demands of the minority shareholders and give timely response to the issues that concern them.
- (5) When no profit distribution plan of that year can be determined based on the vested cash dividend distribution policy or the minimum cash dividend distribution percentage under special circumstances, the Board of Directors shall disclose the specific reasons in a special report which shall be submitted to Shareholders' meeting for deliberation after Independent Directors expressed their opinion and shall be approved by votes of more than two-thirds voting rights represented by Shareholders attending Shareholders' meeting. The Company shall disclose the specific reason and clear opinions of independent Directors in the annual report. In case of the situation above, the Company shall provide an online voting platform when convening Shareholders' Meeting.

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**APPENDIX II      THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS  
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES  
AND THE LISTING ON THE SCI-TECH BOARD**

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**9. The implementation of the dividend distribution plan**

The specific plan for dividend distribution of the Company is put forward by the Board of the Company and shall be implemented upon the approval of the Shareholders' Meeting. After the dividend distribution plan has been resolved at the Shareholders' meeting of the Company, the Board of the Company shall complete dividend (or share) distribution within two months after holding such meeting.

If the shareholders of the Company fraudulently dispose of the Company's funds, the Company shall deduct the distribution of cash profits from the shareholders in order to repay the amount of disposed funds.

**10. Adjustment in profit distribution policy**

- (1) While the Company adjusts profit distribution policy as a result of actual operation, investment planning, and needs of long-term development or material changes in external operating situation, it shall collaborate the opinions of shareholders, especially minority Shareholders, independent directors and the Supervisory Committee and decide to make proper and necessary adjustment to the profit distribution policy. The adjusted profit distribution policy shall not be in violation with the relevant requirements of CSRC and the Shanghai Stock Exchange.
- (2) The proposal on the adjustment in profit distribution policy is drawn up by the Board of Directors with reference to the operating conditions of the Company and relevant requirements of CSRC upon special research and evaluation. During the course of drawing up the profit distribution policy, the Board of Directors shall actively and adequately listen to the opinions of independent directors and minority Shareholders. The proposal on profit distribution policy shall be approved by more than one-half of all the Directors' votes when it has been considering in the Board. The independent opinion expressed by Independent Directors shall be disclosed in a timely manner.
- (3) The proposal in relation to profit distribution policy submitted by the Board of Directors shall be considered by the Supervisory Committee and is subject to one-half of all members of the Supervisory Committee's votes.
- (4) The adjusted profit distribution policy shall be considered and approved by the Shareholders' Meeting and voting shall be conducted through online voting system provided by the Company. The policy shall be approved by votes of more than two-thirds voting rights represented by Shareholders attending Shareholders' meeting.

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**APPENDIX II      THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS  
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES  
AND THE LISTING ON THE SCI-TECH BOARD**

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**IV. CYCLE OF FORMULATION OF DIVIDEND DISTRIBUTION PLAN**

The Board of the Company shall review the dividend distribution plan every three years in accordance with the profit distribution policy formulated or revised by the shareholders' meeting and the future profit and cash flow forecast of the Company. If there is a material changes in the Company's external operating situation or the existing profit distribution policy affects the Company's sustainable operation, the Board of the Company shall make appropriate and necessary revisions and adjustments to the Company's dividend distribution plan. The Board of the Company will propose the future adjustment plan for the dividend distribution plan by referring to the specific operating information and fully taking into account the following factors, such as the Company's current external economic environment, profit scale, cash flow status, development stage, expected major investment and capital needs and other factors. The adjusted dividend distribution policy shall focus on protecting the interests of shareholders, and the Board of the Company shall demonstrate and explain the reasons in detail in the adjustment plan, and strictly implement the relevant decision-making procedures.

**V. SPECIFIC DIVIDEND DISTRIBUTION PLAN WITHIN THREE YEARS FROM THE DATE OF LISTING OF THE COMPANY**

If the Company has no major investment plan or significant cash expenditure within three years from the date of listing of the Company, the annual cash dividend distribution percentage shall not be less than 10% of the distributable profits achieved in that year. If the Company's net profit keeps continuous growth within three years from the date of listing of the Company, the Company may increase cash dividend distribution percentage or conduct share dividend distribution to enhance the return to investors.

**VI. OTHER MATTERS**

The matters not covered in this Plan shall be implemented in accordance with the provisions of the relevant laws, regulations and regulatory documents of the People's Republic of China and the Articles of Association.

This Plan shall be interpreted by the Board of the Company. Upon consideration and approval by the Board of Directors and the shareholders' meeting, this Plan shall take effect on the date of the offering and listing of shares of the Company on the Shanghai Stock Exchange.

**Shanghai HeartCare Medical Technology Corporation Limited****PLAN FOR STABILIZATION OF PRICE OF COMPANY'S SHARES  
AFTER THE LISTING**

In order to uphold the interests of investors, Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”) hereby formulated the plan regarding share price stabilization within three years after the listing of the Company (the “**Plan**”) in accordance to the Opinions of the CSRC on Further Promoting the IPO System Reform issued by China Securities Regulatory Commission (“**CSRC**”), details of which are as follows:

Within three years from the date of the listing of the Company, if it is not caused by force majeure events, the closing prices of the shares of the Company for 20 consecutive trading days are lower than the latest audited net assets per share of the Company (if there occurs any activities resulting in the change in the Company’s net assets or total number of shares, such as profit distribution, conversion of capital reserve into share capital, issuance of new shares or rights issue, etc., the value of net assets per share shall be adjusted accordingly, the same hereinafter), the Company and the relevant entity will take one or more of the following measures to stabilize the Company’s share price.

1. Repurchase of shares by the Company;
2. Increase the shares of the Company held by actual controller of the Company;
3. Increase the shares of the Company held by the directors (excluding independent directors) and senior management members of the Company;
4. Other methods permitted by the securities regulatory authorities.

The Board of the Company will formulate or require the actual controller of the Company to propose a specific implementation plan (including at least one of the above items 1 and 2) for stabilizing share price within five working days from the date when the Company’s share price stabilization measures are triggered, implement those measures after completing relevant internal decision-making procedures and external approval/filing procedures (if required), and announce such action in accordance with the requirements for information disclosure of listed companies.

The Company shall announce the implementation of the stabilization measures within 2 trading days after the completion of the implementation of the measures and the fulfillment of the undertakings. After the completion of the implementation of the measures and the fulfillment of the undertakings of the Company, if the Company’s share price triggers the conditions for launching share price stabilization measures again, the Company, the actual controller of the Company, directors, senior management and other relevant responsible

entities will continue to perform the obligations in according with above undertakings. Within 90 calendar days from the date of the announcement of the share price stabilization plan, if the conditions for terminating the share price stabilization plan are not satisfied, the share price stabilization plan formulated by the Board of the Company will once again take effect immediately. The Company, the actual controller of the Company, directors, senior management and other relevant responsible entities will continue to implement the share price stabilization measures; or the Board of the Company will immediately propose and implement a new share price stabilization plan until the conditions for terminating the existing share price stabilization plan are satisfied.

**(I) SPECIFIC MEASURES OF REPURCHASING SHARES OF THE COMPANY BY THE COMPANY**

The Company shall repurchase public shares of the Company by call auction, offer or other methods recognized by the securities regulatory authorities through stock exchanges within 90 calendar days from the date of the announcement of share price stabilization plan. The repurchase price shall not be higher than the latest audited net assets per share of the Company, with a single repurchase of not more than 2% of the Company's total number of shares, and with a single repurchase of not less than RMB10 million in capital. Besides, the total amount of funds used by the Company to repurchase shares shall not exceed the total amount of funds raised by the Company from initial public offering of new shares. The equity distribution of the Company after repurchase shall be satisfied with the qualification for listing. The repurchase and disclosure of information as well as the disposal of shares after the repurchase shall comply with the requirements of the Company Law of the PRC ("**the Company Law**"), the Securities Law of the PRC ("**the Securities Law**") and other related laws and administrative regulations.

The Directors of the Company undertake that will vote for relevant resolutions on the Share Repurchase Plan promised by the Company at the board meeting convened by the Company on the issue of share repurchase.

The actual controller of the Company undertakes that will vote for relevant resolutions on the Share Repurchase Plan promised by the Company at the Shareholders' meeting convened by the Company on the issue of share repurchase.

If the relevant resolution is not passed at the Shareholders' meeting of the Company, in the event that the actual controller of the Company has no original plan to increase the shareholding, the actual controller shall notify the Board of the Company in writing within three working days of his/her plan to increase the shareholding of the Company and the Company shall announce the same.

**(II) SPECIFIC MEASURES OF INCREASING THE SHAREHOLDING IN THE  
COMPANY BY THE ACTUAL CONTROLLERS**

The actual controller of the Company shall increase the shareholding of public shares of the Company by call auction, offer or other methods recognized by the securities regulatory authorities through stock exchanges within 90 calendar days from the date of the announcement of share price stabilization plan. The price for increasing the shareholding shall not be higher than the latest audited net assets per share of the Company. The total amount of a single increase in shareholding shall not be less than 20% of the after-tax cash dividends received from the Company in the previous accounting year, and the number of shares to be increased shall not be more than 2% of the total number of shares of the Company (if the Company has a repurchase plan at the same time, the number of shares involved in the repurchase plan will be deducted). The shares to be increased shall not be sold within 6 months after the completion of the increase in shareholding plan. The equity distribution of the Company after the increase in shareholding shall be satisfied with the qualification for listing. The increase in shareholding and disclosure of information as well as the disposal of shares after the increase in shareholding shall comply with the requirements of the Company Law, the Securities Law and other related laws and administrative regulations.

**(III) SPECIFIC MEASURES OF INCREASING THE SHAREHOLDING IN THE  
COMPANY BY THE DIRECTORS (EXCEPT INDEPENDENT DIRECTORS) AND  
SENIOR MANAGEMENT**

Remunerated Directors (except independent Directors) and senior management of the Company shall increase the shareholding of public shares of the Company by call auction, offer or other methods recognized by the securities regulatory authorities through stock exchanges within 90 calendar days from the date of the announcement of share price stabilization plan. The price for increasing the shareholding shall not be higher than the latest audited net assets per share of the Company. The monetary fund for a single share increase of the Company and/or that in twelve consecutive months shall be no less than 20% of the total remuneration (after tax) received by such Directors and senior management during the preceding year. The shares to be increased shall not be sold within 6 months after the completion of the increase in shareholding plan. The equity distribution of the Company after the increase in shareholding shall be satisfied with the qualification for listing. The increase in shareholding and disclosure of information as well as the disposal of shares after the increase in shareholding shall comply with the requirements of the Company Law, the Securities Law and other related laws and administrative regulations.



**(IV) CIRCUMSTANCES OF TERMINATING THE SHARE PRICE STABILIZATION PLAN**

Within 90 calendar days from the date of the announcement of the share price stabilization plan, if any of the following circumstances occur, it is deemed that the implementation of the share price stabilization measures is completed and the undertakings are fulfilled, and the implementation of the announced share price stabilization plan shall be terminated:

1. The closing price of the Company's shares is higher than the latest audited net assets per share for 10 consecutive trading days;
2. Continuation of repurchasing shares or increasing the shareholding in the Company shall cause the equity distribution of the Company not being satisfied with the qualification for listing.

**(V) RESTRICTIVE MEASURES FOR FAILING TO IMPLEMENT THE SHARE PRICE STABILIZATION PLAN OF THE COMPANY**

In the absence of specific measures to stabilize the share price, the Company will apologize to its shareholders and public investors by publicly stating the specific reasons for the non-compliance at the shareholders' meeting and in the press.

In the absence of specific measures to stabilize the share price, the actual controller of the Company will apologize to shareholders and public investors by publicly stating the specific reasons for the non-compliance at the shareholders' meeting of the Company and in the press designated by the CSRC. He/She will cease to receive dividends from shareholders within 5 business days from the date of occurrence of the aforementioned events, and at the same time, his/her shares in the Company will not be transferred until the corresponding measures to stabilize the share price are taken and implemented.

In the absence of specific measures to stabilize the share price, the remunerated Directors (except independent Directors) and senior management of the Company will apologize to shareholders and public investors by publicly stating the specific reasons for the non-compliance at the shareholders' meeting of the Company and in the press designated by the CSRC. He/She will cease to receive remuneration or allowances from the Issuer within 5 business days from the date of occurrence of the aforementioned events, and at the same time, his/her shares in the Company will not be transferred until the corresponding measures to stabilize the share price are taken and implemented.



**(VI) OTHER RELATED ITEMS**

1. The implementation of the repurchase measures by the Company shall comply with the requirements of the relevant laws and regulations such as the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies (No. 7) – Repurchase of Shares (《上海證券交易所上市公司自律監管指引第7號-回購股份》) and the Rules on Share Repurchases by Listed Companies.
2. The Directors (except independent Directors) and senior management of the Company who hold office in and receive remuneration from the Company shall meet the requirements of relevant laws and regulations to increase their shareholdings of Company.
3. The Company shall announce the specific implementation plan before the implementation date of the repurchase measures by the Company or the implementation of the measures for increasing the shareholding by the actual controller, Directors (except independent Directors) and senior management.

COMPARISON TABLE OF AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION

Before amendment	After amendment
<p><b>Article 1</b> In order to protect the legal interests of Shanghai HeartCare Medical Technology Corporation Limited (the “<b>Company</b>”), its shareholders and creditors and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “<b>Company Law</b>”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “<b>Special Provisions</b>”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong jointly promulgated by the overseas listing department of the China Securities Regulatory Commission and the production system department of the former State Commission for Restructuring the Economic System, the Opinions on Further Assistance in Regulated Operation and In-depth Reform of Companies Listed outside the PRC, the Reply of the State Council on the Adjustment to the Provisions of the Notice Period for Convening the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “<b>Hong Kong Listing Rules</b>”), and other relevant provisions of laws, regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authority in the place where the Company’s shares are listed, and in light of the actual situation of the Company.</p>	<p><b>Article 1</b> In order to protect the legal interests of Shanghai HeartCare Medical Technology Corporation Limited (the “<b>Company</b>”), its shareholders and creditors and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “<b>Company Law</b>”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “<b>Special Provisions</b>”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong jointly promulgated by the overseas listing department of the China Securities Regulatory Commission and the production system department of the former State Commission for Restructuring the Economic System, the Opinions on Further Assistance in Regulated Operation and In-depth Reform of Companies Listed outside the PRC, the Reply of the State Council on the Adjustment to the Provisions of the Notice Period for Convening the General <b>Shareholders’</b> Meeting and Other Matters Applicable to the Overseas Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “<b>Hong Kong Listing Rules</b>”), <u>the Guide for the Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “<b>STAR Market Listing Rules</b>”)</u> and other relevant provisions of laws, regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authority in the place where the Company’s shares are listed, and in light of the actual situation of the Company.</p>
New provisions	<b>Article 5</b> <u>The registered capital of the Company is RMB[●].</u>

Before amendment	After amendment
<p><b>Article 14</b> The Company shall issue shares in a fair and just manner, and each share of the same category shall have the same right.</p> <p>All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.</p> <p>The domestic shares and overseas listed foreign shares issued by the Company shall enjoy equal rights in the distribution of dividend (including cash and in-kind distributions) or distribution in any other form. <del>No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person who is interested directly or indirectly therein have failed to disclose his/her interests to the Company.</del></p>	<p><b>Article 15</b> The Company shall issue shares in a fair and just manner, and each share of the same category shall have the same right. All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share. The domestic shares and overseas listed foreign shares issued by the Company shall enjoy equal rights in the distribution of dividend (including cash and in-kind distributions) or distribution in any other form.</p>

Before amendment	After amendment
<p><del>Article 19 The Company was authorized by the securities regulatory authority under the State Council on May 13, 2021 to issue no more than 12,356,000 overseas listed foreign shares to overseas investors. WANG Guohui (王國輝), DING Kui (丁魁), ZHANG Kun (張坤), Ningbo Meishan Bonded Area Speed Investment Partnership (LP) (寧波梅山保稅港區斯彼德投資合夥企業(有限合夥)), Ningbo Meishan Bonded Area Sinena Investment Partnership (LP) (寧波梅山保稅港區新勝意納投資合夥企業(有限合夥)), Ningbo Meishan Bonded Port Area Xinwei Investment Management Partnership (LP) (寧波梅山保稅港區心瑋投資管理合夥企業(有限合夥)), Ningbo Tongchuangsuwei Investment Partnership (LP) (寧波同創速維投資合夥企業(有限合夥)), Ningbo Meishan Bonded Port Area Kaiyuan Investment Management Partnership (LP) (寧波梅山保稅港區楷遠投資管理合夥企業(有限合夥)), Hangzhou Hidea Mingde Venture Capital Partnership (LP) (杭州海達明德創業投資合夥企業(有限合夥)), Hangzhou Huipu Direct Equity Investment Partnership (LP) (杭州匯普直方股權投資合夥企業(有限合夥)), Horgos Dadao Venture Capital Corporation Limited (霍爾果斯達到創業投資有限公司), Jiangsu Sharewin Heike Healthcare Investment Fund (LP) (江蘇盛宇黑科醫療健康投資基金(有限合夥)), Zhangjiagang Grandyangtze Jiyuan Investment Partnership (LP) (張家港國弘紀元投資合夥企業(有限合夥)), SDIC Unity Capital National Emerging Industry Venture Capital Guiding Fund (LP) (國投創合國家新興產業創業投資引導基金(有限合夥)), Tianjin Huajinjintian Medical Healthcare Venture Capital Partnership (LP) (天津華金錦天醫藥醫療創業投資合夥企業(有限合夥)), LYFE Columbia River Limited, LYFE Columbia River Limited, Zhuhai Sherpa Phase I Equity Investment Partnership (LP) (珠海夏爾巴一期股權投資合夥企業(有限合夥)), SherpaStrokemed Company Limited, Shanghai Weiyu Enterprise Management Consulting Partnership (LP) (上海瑋鈺企業管理諮詢合夥企業(有限合夥)), Shanghai Weiyun</del></p>	<p><u>Article 20 As of the issuance of H shares, the registered share capital of our Company was RMB32,232,558. The Company completed the initial public offering of overseas listed foreign shares and listed on the Hong Kong Stock Exchange on August 20, 2021. After the issuance, the Company has a registered share capital of RMB38,834,408 and a total share capital of 38,834,408 shares. The capital structure of the Company shall comprise of: 38,834,408 ordinary shares, including 6,731,890 domestic shares, 536,714 unlisted foreign shares, and 31,565,804 overseas listed foreign shares (including the 24,963,954 overseas listed foreign shares converted from domestic unlisted shares).</u></p> <p><u>With the consent of the Shanghai Stock Exchange (“SSE”) and registration with the CSRC, the Company made an initial public offering of [●] domestic RMB ordinary shares (A shares), which was listed on the Science and Technology Innovation Board on [●]. After the completion of the initial public offering and listing of domestic RMB ordinary shares (A shares), the capital structure of the Company shall comprise of: [●] ordinary shares, of which: [●] domestic RMB ordinary shares (A shares), accounting for [●]% of the total number of ordinary shares of the Company; [●] H shares, accounting for [●]% of the total number of ordinary shares of the Company.</u></p>

Before amendment	After amendment
<p><del>Enterprise— Management— Consulting Partnership (LP) (上海璋鑒企業管理諮詢合夥企業(有限合夥)),— CICC— Pucheng Investment Corporation Limited (中金浦成投資有限公司), REN Yi (任毅), LYFE Ohio River Limited, Elbrus Investments Pte. Ltd., Raritan River Limited, LBC Sunshine Healthcare Fund II L.P. and SherpaStrokecure Limited converted the 24,963,954 domestic unlisted shares of the Company that they held into overseas listed foreign shares. Upon the aforesaid issuance of overseas listed foreign shares (assuming the Over-allotment Option was not exercised) and the conversion of domestic unlisted shares into overseas listed foreign shares, the capital structure of the Company shall comprise of: 37,920,658 ordinary shares, including 6,731,890 domestic shares, 536,714 unlisted foreign shares, and 30,652,054 overseas listed foreign shares (including the 24,963,954 overseas listed foreign shares converted from domestic unlisted shares).</del></p> <p><del>Upon the aforesaid issuance of overseas listed foreign shares (assuming the Over-allotment Option was exercised) and the conversion of domestic unlisted shares into overseas listed foreign shares, the capital structure of the Company shall comprise of: 38,773,858 ordinary shares, including 6,731,890 domestic shares, 536,714 unlisted foreign shares, and 31,505,254 overseas listed foreign shares (including the 24,963,954 overseas listed foreign shares converted from domestic unlisted shares).</del></p> <p>As of the issuance of H shares, the registered share capital of our Company was RMB32,232,558.</p>	

Before amendment	After amendment
<p><b>Article 22</b> The Company may increase capital based on the needs of operation and development and in accordance with the requirements of laws and regulations and resolution on the general shareholders' meeting, by way of the following:</p> <p>(I) Public offering of shares;            (II) Non-public offering of shares;            (III) Placement and offer of new shares to existing shareholders;            (IV) Conversion of the reserve into share capital;            (V) Other means stipulated by laws, administrative regulations and relevant regulatory authorities.</p> <p>The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant national laws, administrative regulations and <del>the Hong Kong Listing Rules</del>.</p>	<p><b>Article 23</b> The Company may increase capital based on the needs of operation and development and in accordance with the requirements of laws and regulations and resolution on the general shareholders' meeting, by way of the following:</p> <p>(I) Public offering of shares;            (II) Non-public offering of shares;            (III) Placement and offer of new shares to existing shareholders;            (IV) Conversion of the reserve into share capital;            (V) Other means stipulated by laws, administrative regulations and relevant regulatory authorities.</p> <p>The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant national laws, administrative regulations and <u>regulatory rules of the place where the Company's shares are listed</u>.</p>
<p><b>Article 24</b> The Company may, in the following circumstances, buy back its shares in accordance with the law, administrative regulations, department rules and requirement of this Articles of Associations:</p> <p>(I) When decreasing the registered capital of the Company;            (II) When merging with other companies holding shares of the Company;            (III) When shares are being used in the employee stock ownership plan or as equity incentive;            (IV) When shareholders objecting to resolutions of the general shareholders' meeting concerning merger or division of the Company require the Company to buy their shares;</p>	<p><b>Article 25</b> The Company may, in the following circumstances, buy back its shares in accordance with the law, administrative regulations, department rules and requirement of this Articles of Associations:</p> <p>(I) When decreasing the registered capital of the Company;            (II) When merging with other companies holding shares of the Company;            (III) When shares are being used in the employee stock ownership plan or as equity incentive;            (IV) When shareholders objecting to resolutions of the general shareholders' meeting concerning merger or division of the Company require the Company to buy their shares;</p>

Before amendment	After amendment
<p>(V) When shares are being used to satisfy the conversion of corporate bonds convertible into shares issued by the Company;</p> <p>(VI) When safeguarding corporate value and shareholders' equity as the Company deems necessary;</p> <p>(VII) Other circumstances as permitted by the laws, administrative regulations, departmental rules and regulating rules of the place where the shares of the Company are listed.</p>	<p>(V) When shares are being used to satisfy the conversion of corporate bonds convertible into shares issued by the Company;</p> <p>(VI) When safeguarding corporate value and shareholders' equity as the Company deems necessary;</p> <p>(VII) Other circumstances as permitted by the laws, administrative regulations, departmental rules and regulating rules of the place where the shares of the Company are listed.</p>
<p>Except for the abovementioned circumstances, the Company will not conduct any activities buying or selling its shares.</p>	<p>Except for the abovementioned circumstances, the Company will not conduct any activities buying or selling its shares.</p>
<p>Where the Company repurchases its shares in the circumstances set out in items (I) and (II) above, it shall be subject to approval at the general meeting; where the Company repurchases its shares in the circumstances set out in items (III), (V) and (VI) above, it may be resolved by more than two-thirds of directors present at a meeting of the Board.</p>	<p>Where the Company repurchases its shares in the circumstances set out in items (I) and (II) above, it shall be subject to approval at the general <b>shareholders'</b> meeting; where the Company repurchases its shares in the circumstances set out in items (III), (V) and (VI) above, it may be resolved by more than two-thirds of directors present at a meeting of the Board.</p>
<p>In the event that the Company repurchases its shares in accordance with the above provisions, such Shares shall be cancelled within ten days upon such repurchase in the circumstance set out in item (I); shall be transferred or cancelled within 6 months in the circumstances set out in items (II) and (IV); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years in the circumstances set out in items (III), (V) and (VI).</p>	<p>In the event that the Company repurchases its shares in accordance with the above provisions, such Shares shall be cancelled within ten days upon such repurchase in the circumstance set out in item (I); shall be transferred or cancelled within 6 months in the circumstances set out in items (II) and (IV); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years in the circumstances set out in items (III), (V) and (VI).</p>
<p>Where the Company repurchases its shares, it shall perform its information disclosure obligations in accordance with laws.</p>	<p>Where the Company repurchases its shares, it shall perform its information disclosure obligations in accordance with laws.</p>



Before amendment	After amendment
<p><b>Article 25</b> The Company may buy back shares in any of the following ways:</p> <p>(I) Making a comprehensive buyback offer in the same proportion to all shareholders;</p> <p>(II) Buying back shares through public trading on the stock exchange;</p> <p>(III) Buying back shares by an agreement outside the stock exchange;</p> <p>(IV) In other ways approved by the laws, administrative regulations and other measures permitted by relevant regulatory authorities.</p>	<p><b>Article 26</b> The Company may buy back shares in any of the following ways:</p> <p>(I) Making a comprehensive buyback offer in the same proportion to all shareholders;</p> <p>(II) Buying back shares through public trading on the stock exchange;</p> <p>(III) Buying back shares by an agreement outside the stock exchange;</p> <p>(IV) In other ways approved by the laws, administrative regulations and other measures permitted by relevant regulatory authorities.</p> <p><b><u>If the Company acquires the Company's shares in circumstances specified in items (III), (V) and (VI) in the first paragraph of Article 25 of the Articles of Association, it shall be conducted by way of open and centralized trading.</u></b></p>
<p><b>Article 26</b> Where our Company buys back the shares by an agreement outside the stock exchange, it shall obtain prior approval at the general shareholders' meeting pursuant to the Articles of Association. Likewise, subject to the prior approval of the general shareholders' meeting, our Company may cancel or amend the contract signed in the aforesaid manner or waive any of its rights in the contract.</p> <p>The contract that buys back the shares mentioned in the preceding paragraph includes (but is not limited to) an agreement that consents to undertake the obligation to buy back the shares and obtain the rights to buy them back.</p> <p>The Company shall not transfer any contract that buys back the shares or any rights conferred under the contract.</p> <p><del>As far as the Company's right to repurchase the redeemable shares is concerned, the repurchased price shall not exceed the certain upper limit if such shares are not repurchased in the market or by bidding; whereas in the event of repurchase by bidding, relative bids must be equally issued to all its shareholders.</del></p>	<p><b>Article 27</b> Where our Company buys back the shares by an agreement outside the stock exchange, it shall obtain prior approval at the general shareholders' meeting pursuant to the Articles of Association. Likewise, subject to the prior approval of the general shareholders' meeting, our Company may cancel or amend the contract signed in the aforesaid manner or waive any of its rights in the contract.</p> <p>The contract that buys back the shares mentioned in the preceding paragraph includes (but is not limited to) an agreement that consents to undertake the obligation to buy back the shares and obtain the rights to buy them back.</p> <p>The Company shall not transfer any contract that buys back the shares or any rights conferred under the contract.</p>



Before amendment	After amendment
<p><b>Article 30</b> With regard to the H Shares that capital of which has been full-paid could be transferred without limitation in accordance with the Articles of Association. However, unless meeting the following conditions, the Board of Directors may refuse to recognize any transfer document without giving any reason:</p> <p>(I) The transfer documents and other documents that related to any share ownership or may affect the ownership of the shares shall be registered and such payment shall not exceed the maximum fee provided by the Stock Exchange of Hong Kong in its Listing Rules from time to time;</p> <p>(II) The transfer documents only involve H Shares;</p> <p>(III) The stamp duty chargeable on the transfer documents has been paid;</p> <p>(IV) The relevant share certificate, and upon the reasonable request of the Board of Directors, any evidence in relation to the right of the transferor to transfer the shares has been submitted;</p> <p><del>(V) If the shares are to be transferred to joint holders, the number of the joint holders shall not exceed four;</del></p> <p><del>(VI) The Company does not have any lien on the relevant shares;</del> and</p> <p><del>(VII)</del>The shares shall not be transferred to minors or the person who is insane or others under legal disability.</p>	<p><b>Article 31</b> With regard to the H Shares that capital of which has been full-paid could be transferred without limitation in accordance with the Articles of Association. However, unless meeting the following conditions, the Board of Directors may refuse to recognize any transfer document without giving any reason:</p> <p>(I) The transfer documents and other documents that related to any share ownership or may affect the ownership of the shares shall be registered and such payment shall not exceed the maximum fee provided by the Stock Exchange of Hong Kong in its Listing Rules from time to time;</p> <p>(II) The transfer documents only involve H Shares;</p> <p>(III) The stamp duty chargeable on the transfer documents has been paid;</p> <p>(IV) The relevant share certificate, and upon the reasonable request of the Board of Directors, any evidence in relation to the right of the transferor to transfer the shares has been submitted; and</p> <p>(V) The shares shall not be transferred to minors or the person who is insane or others under legal disability.</p>

Before amendment	After amendment
<p>If the Board of Directors refuses to register the share transfer, the Company shall send a notice concerning the refusal of the registration of such share transfer to transferor and transferee, within two months from the date when the transfer application is officially submitted. All transfers of H shares of the Company shall be effected by transfer document in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The transfer document in writing may be signed by hand or (where the transferor or transferee is a corporation) stamped with the Company’s seal. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (the “<b>recognized clearing house</b>”) or its nominee, the transfer document in writing may be signed by hand or in printed form.</p> <p>All transfer documents shall be maintained in the legal address of the Company or such places as the Board of Directors may designate from time to time.</p>	<p>If the Board of Directors refuses to register the share transfer, the Company shall send a notice concerning the refusal of the registration of such share transfer to transferor and transferee, within two months from the date when the transfer application is officially submitted. All transfers of H shares of the Company shall be effected by transfer document in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The transfer document in writing may be signed by hand or (where the transferor or transferee is a corporation) stamped with the Company’s seal. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (the “<b>recognized clearing house</b>”) or its nominee, the transfer document in writing may be signed by hand or in printed form.</p> <p>All transfer documents shall be maintained in the legal address of the Company or such places as the Board of Directors may designate from time to time.</p>

Before amendment	After amendment
<p><b>Article 32</b> The shares of the Company holding by the funders thereof shall not be transferred within one year of the date of establishment of the Company. The shares issued before the public issuance of shares by the Company shall not be transferred within one year of the date on which the stocks of the Company are listed and traded on a securities exchange.</p> <p>The Directors, Supervisors, and senior management of the Company shall declare, to the Company, information on their holdings of the shares of the Company and the changes thereto, and the shares transferrable by them during each year of their term of office shall not exceed 25 percent of their total holdings of the shares of the Company; the shares that they held in the Company shall not be transferred within one year of the date on which the stocks of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within six months from the date of their resignation.</p>	<p><b>Article 33</b> The shares of the Company holding by the funders thereof shall not be transferred within one year of the date of establishment of the Company. The shares issued before the public issuance of shares by the Company shall not be transferred within one year of the date on which the stocks of the Company are listed and traded on a securities exchange.</p> <p>The Directors, Supervisors, and senior management of the Company shall declare, to the Company, information on their holdings of the shares of the Company and the changes thereto, and the shares transferrable by them during each year of their term of office shall not exceed 25 percent of their total holdings of the shares of the Company; the shares that they held in the Company shall not be transferred within one year of the date on which the stocks of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within six months from the date of their resignation.</p>

Before amendment	After amendment
<p>Where the relevant regulations of the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise in respect of any transfer of any overseas listed shares, such regulations shall apply.</p>	<p><b><u>In the event that any shareholder holding more than 5% of the Company's shares, director, supervisor or senior management disposes of the shares of the Company within six months after their acquisition, or where shares are acquired within six months after the date of disposal of any shares, any gains arising therefrom shall belong and be accounted to the Company, and the Board of Directors shall recover such gains from any such party; except for securities companies holding more than 5% of the Company's shares due to the purchase of the remaining shares pursuant to an underwritten share offer, and other circumstances stipulated by the CSRC.</u></b></p> <p><b><u>In the event that the Board of Directors of the Company does not comply with the foregoing provisions, the shareholders are entitled to demand the Board of Directors to take enforcement action within 30 days. In the event the Board of Directors of the Company fails to take the said enforcement action within the time limit, the shareholders are entitled to institute proceedings in their own names at the people's court for the benefit of the Company.</u></b></p> <p><b><u>In the event that the Board of Directors of the Company does not comply with the provisions of the first paragraph of this Article, the directors who are liable for the matter shall assume joint liability under the law.</u></b></p> <p>Where the relevant regulations of the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise in respect of any transfer of any overseas listed shares, such regulations shall apply.</p>

Before amendment	After amendment
<p><b>Article 36</b> The Company's shares are all registered shares. The particulars specified on the share certificates of the Company shall, in addition to those provided in the Company Law, contain other particulars required to be specified by the stock exchange where the shares of the Company are listed.</p> <p>The Company may issue overseas listed shares in the form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place where the shares of the Company are listed.</p> <p>If the share capital of the Company includes non-voting shares, the name of such shares must be denoted by the wordings of "non-voting". If the share capital includes shares with different voting rights, the name of each category of shares (except for shares with the most preferential voting rights) must be denoted by the wordings of "restricted voting right" or "limited voting right".</p>	<p><b>Article 37</b> The Company's shares are all registered shares. The particulars specified on the share certificates of the Company shall, in addition to those provided in the Company Law, contain other particulars required to be specified by the stock exchange where the shares of the Company are listed.</p> <p><b><u>The registered depository of the shares held by the shareholders of the Company's domestic shares is China Securities Depository and Clearing Corporation Limited. The register of shareholders of the domestic shares and the shares held by them are based on the data recorded in the securities book keeping system of China Securities Depository and Clearing Corporation Limited.</u></b></p> <p>The Company may issue overseas listed shares in the form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place where the shares of the Company are listed.</p> <p>If the share capital of the Company includes non-voting shares, the name of such shares must be denoted by the wordings of "non-voting". If the share capital includes shares with different voting rights, the name of each category of shares (except for shares with the most preferential voting rights) must be denoted by the wordings of "restricted voting right" or "limited voting right".</p>

Before amendment	After amendment
<p><b>Article 39</b> The Company shall establish a register of members stating the following particulars, or conduct the registration of shareholders pursuant to the provisions of the laws, administrative regulations, departmental rules and the <del>Hong Kong</del> <b>Listing Rules</b>:</p> <p>(I) the name (title), address (domicile), occupation or nature of each shareholder;</p> <p>(II) the class and number of shares held by each shareholder;</p> <p>(III) the amount paid or payable for the shares held by each shareholder;</p> <p>(IV) the serial numbers of the shares held by each shareholder;</p> <p>(V) the date on which each shareholder is registered as a shareholder;</p> <p>(VI) the date on which each shareholder ceases to be a shareholder.</p> <p>The shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company unless there is evidence to the contrary.</p> <p>Subject to the Articles of Association and other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names (titles) being listed in the register of members.</p>	<p><b>Article 40</b> The Company shall establish a register of members stating the following particulars, or conduct the registration of shareholders pursuant to the provisions of the laws, administrative regulations, departmental rules and the <u>regulatory rules of the place where the Company's shares are listed</u>:</p> <p>(I) the name (title), address (domicile), occupation or nature of each shareholder;</p> <p>(II) the class and number of shares held by each shareholder;</p> <p>(III) the amount paid or payable for the shares held by each shareholder;</p> <p>(IV) the serial numbers of the shares held by each shareholder;</p> <p>(V) the date on which each shareholder is registered as a shareholder;</p> <p>(VI) the date on which each shareholder ceases to be a shareholder.</p> <p>The shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company unless there is evidence to the contrary.</p> <p>Subject to the Articles of Association and other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names (titles) being listed in the register of members.</p>

Before amendment	After amendment
<p><b>Article 40</b> Transfer of shares shall be recorded in the register of members. Pursuant to the understanding reached and agreement entered into between the securities regulatory authorities of the State Council and the overseas securities regulatory authorities, the Company may keep the original register of the holders of the overseas listed foreign shares overseas and entrust an overseas entity to manage it. The original register of the holders of the overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.</p> <p>The Company shall keep a copy of the register of the holders of the overseas listed foreign shares at its residential address. The overseas entrusted agency shall at all times maintain consistency between the original and copy of the register of the holders of the overseas listed foreign shares.</p> <p>In case of inconsistency between the original and copy of the register of the holders of the overseas listed foreign shares, the original shall prevail.</p>	<p><b>Article 41</b> Transfer of shares shall be recorded in the register of members. Pursuant to the understanding reached and agreement entered into between the securities regulatory authorities of the State Council and the overseas securities regulatory authorities, the Company may keep the original register of the holders of the overseas listed foreign shares overseas and entrust an overseas entity to manage it. The original register of the holders of the overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.</p> <p>The Company shall keep a copy of the register of the holders of the overseas listed foreign shares at its residential address, <b><u>which shall be open for inspection by shareholders.</u></b> The overseas entrusted agency shall at all times maintain consistency between the original and copy of the register of the holders of the overseas listed foreign shares.</p> <p>In case of inconsistency between the original and copy of the register of the holders of the overseas listed foreign shares, the original shall prevail.</p>

Before amendment	After amendment
<p><b>Article 48</b> A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is registered in the register of members. shareholders shall enjoy rights and have obligations in accordance with the class and amount of shares held by them. shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.</p> <p>Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:</p> <p>(I) <del>the Company shall not need to register more than four persons as joint shareholders of any shares;</del></p> <p><del>(H)</del> the joint holders of any share shall jointly and individually assume the liabilities for all amounts payable for relevant share;</p> <p><del>(HH)</del> where any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as having title to the relevant shares, but the Board of Directors may, for the purpose of modifying the register of members, require the provision of a death certificate of the relevant shareholder as it deems appropriate;</p>	<p><b>Article 49</b> A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is registered in the register of members. shareholders shall enjoy rights and have obligations in accordance with the class and amount of shares held by them. shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.</p> <p>Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:</p> <p>(I) the joint holders of any share shall jointly and individually assume the liabilities for all amounts payable for relevant share;</p> <p>(II) where any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as having title to the relevant shares, but the Board of Directors may, for the purpose of modifying the register of members, require the provision of a death certificate of the relevant shareholder as it deems appropriate;</p>



Before amendment	After amendment
<p>(<del>IV</del>) for joint shareholders of any share, only the person whose name stands first in the register of members shall be entitled to receive such certificate of the relevant share or receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. Where there are more than one joint shareholders present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register;</p> <p>(<del>V</del>) where one of the joint shareholders delivers a receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as a valid receipt from such joint shareholders to the Company.</p>	<p>(<u>III</u>) for joint shareholders of any share, only the person whose name stands first in the register of members shall be entitled to receive such certificate of the relevant share or receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. Where there are more than one joint shareholders present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register;</p> <p>(<u>IV</u>) where one of the joint shareholders delivers a receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as a valid receipt from such joint shareholders to the Company.</p>

Before amendment	After amendment
<p><b>Article 50</b> Ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(I) The rights to receive dividends and other forms of benefit distributions in proportion to the number of shares held by them;</p> <p>(II) The rights to request, convene, chair, attend or appoint proxy to attend general shareholders' meeting and exercise corresponding voting rights in accordance with laws;</p> <p>(III) The rights to supervise the operation of the Company and to put forward proposals and raise inquiries;</p> <p>(IV) The rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the provisions of the Articles of Association;</p> <p>(V) The rights to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <ol style="list-style-type: none"> <li>1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;</li> <li>2. to inspect and copy, subject to payment of a reasonable charge: <ol style="list-style-type: none"> <li>(1) all parts of the register of members (the list of all shareholders at the close of trading on the date of equity registration as determined in the Company's latest periodic report);</li> </ol> </li> </ol>	<p><b>Article 51</b> Ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(I) The rights to receive dividends and other forms of benefit distributions in proportion to the number of shares held by them;</p> <p>(II) The rights to request, convene, chair, attend or appoint proxy to attend general shareholders' meeting and exercise corresponding voting rights in accordance with laws;</p> <p>(III) The rights to supervise the operation of the Company and to put forward proposals and raise inquiries;</p> <p>(IV) The rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the provisions of the Articles of Association;</p> <p>(V) The rights to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <ol style="list-style-type: none"> <li>1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;</li> <li>2. to inspect and copy, subject to payment of a reasonable charge: <ol style="list-style-type: none"> <li>(1) all parts of the register of members (the list of all shareholders at the close of trading on the date of equity registration as determined in the Company's latest periodic report);</li> </ol> </li> </ol>

<b>Before amendment</b>	<b>After amendment</b>
<p>(2) personal particulars of each of the Directors, Supervisors, general manager and other senior management of the Company, including:</p> <p>(a) current and previous names and aliases;</p> <p>(b) main address (domicile);</p> <p>(c) nationality;</p> <p>(d) full-time and all other part-time occupations and duties;</p> <p>(e) identification documents and their numbers.</p> <p>(3) the status of the Company’s share capital;</p> <p>(4) reports (breakdown by domestic shares and foreign shares (and, if applicable, H Shares)) of the aggregate par value, number of shares, highest and lowest prices paid by the Company in respect of each class of shares bought back by the Company since the end of the last financial year and all the expenses paid by the Company therefor;</p> <p>(5) minutes of general shareholders’ meeting (only available for shareholders’ inspection) and copies of the Company’s resolutions made at general shareholders’ meeting, meeting of Board of Directors and Board of Supervisors;</p>	<p>(2) personal particulars of each of the Directors, Supervisors, general manager and other senior management of the Company, including:</p> <p>(a) current and previous names and aliases;</p> <p>(b) main address (domicile);</p> <p>(c) nationality;</p> <p>(d) full-time and all other part-time occupations and duties;</p> <p>(e) identification documents and their numbers.</p> <p>(3) the status of the Company’s share capital;</p> <p>(4) reports (breakdown by domestic shares and foreign shares (and, if applicable, H Shares)) of the aggregate par value, number of shares, highest and lowest prices paid by the Company in respect of each class of shares bought back by the Company since the end of the last financial year and all the expenses paid by the Company therefor;</p> <p>(5) minutes of general shareholders’ meeting (only available for shareholders’ inspection) and copies of the Company’s resolutions made at general shareholders’ meeting, meeting of Board of Directors and Board of Supervisors;</p>

Before amendment	After amendment
<p>(6) the latest audited financial statements of the Company, and the reports of the Board of Directors, auditors, and Board of Supervisors;</p> <p>(7) copy of the latest annual return filed with the PRC Administration for Industry and Commerce or other competent authorities;</p> <p>(8) special resolutions of the Company.</p> <p>3. counterfoils of corporate bonds Documents of item 2 (1), (3), (4), (5), (6), (7) and (8) mentioned above shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and the H shareholders to inspect free of charge (provided that minutes of general shareholders' meeting are available for inspection by the shareholders only). When a shareholder requests to inspect the relevant information mentioned above or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of shares he/she holds in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity;</p> <p>(VI) The rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;</p>	<p>(6) the latest audited financial statements of the Company, and the reports of the Board of Directors, auditors, and Board of Supervisors;</p> <p>(7) copy of the latest annual return filed with the PRC Administration for Industry and Commerce or other competent authorities;</p> <p>(8) special resolutions of the Company.</p> <p>3. counterfoils of corporate bonds Documents of item 2 (1), (3), (4), (5), (6), (7) and (8) mentioned above shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and the H shareholders to inspect free of charge (provided that minutes of general shareholders' meeting are available for inspection by the shareholders only). When a shareholder requests to inspect the relevant information mentioned above or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of shares he/she holds in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity;</p> <p>(VI) The rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;</p>

Before amendment	After amendment
<p>(VII) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the general shareholders’ meeting on the merger or division of the Company;</p> <p>(VIII) The shareholders that solely or collectively hold more than 3% of the shares of the Company may put forward an interim proposal and submit it to the convener in written form within 10 days before the general shareholders’ meeting is held;</p> <p>(IX) Other rights under the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p><del>If any person holding an interest in the shares either directly or indirectly exercises their rights without disclosing their rights to the Company, the Company shall not compromise the rights of such persons by freezing it or in any other manner only on this ground.</del></p>	<p>(VII) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the general shareholders’ meeting on the merger or division of the Company;</p> <p>(VIII) The shareholders that solely or collectively hold more than 3% of the shares of the Company may put forward an interim proposal and submit it to the convener in written form within 10 days before the general shareholders’ meeting is held;</p> <p>(IX) Other rights under the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p>

Before amendment	After amendment
<p><b>Article 56</b> Neither the controlling shareholder nor the de facto controller of the Company may prejudice the interests of the Company by taking advantage of his/her connected relationship. Anyone who causes any loss to the Company as a result of violating the provisions shall be liable for the compensation.</p> <p>The controlling shareholder and the de facto controller of the Company owe a fiduciary duty to the Company and its other shareholders. The controlling shareholder shall strictly exercise the rights as a subscriber, and shall not impair the legitimate rights and interests of the Company and its other shareholders in the ways of profit distribution, asset reorganization, external investments, capital use and loans and guarantees and connected transactions and shall not impair the interests of the Company and its other shareholders by using its controlling status in the Company.</p>	<p><b>Article 57</b> Neither the controlling shareholder nor the de facto controller of the Company may prejudice the interests of the Company by taking advantage of his/her <u>related</u>/connected relationship. Anyone who causes any loss to the Company as a result of violating the provisions shall be liable for the compensation.</p> <p>The controlling shareholder and the de facto controller of the Company owe a fiduciary duty to the Company and its other shareholders. The controlling shareholder shall strictly exercise the rights as a subscriber, and shall not impair the legitimate rights and interests of the Company and its other shareholders in the ways of profit distribution, asset reorganization, external investments, capital use and loans and guarantees and <u>related</u>/connected transactions and shall not impair the interests of the Company and its other shareholders by using its controlling status in the Company.</p>
<p><b>Article 59</b> The general shareholders' meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with laws:</p> <p>(I) to decide on operational policies and investment plans of the Company;</p> <p>(II) to elect and replace the Directors and Supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of Directors and Supervisors;</p> <p>(III) to consider and approve reports of the Board of Directors;</p> <p>(IV) to consider and approve reports of the Board of Supervisors;</p> <p>(V) to consider and approve annual financial budget plans and final accounting plans of the Company;</p> <p>(VI) to consider and approve the profit distribution plan and loss recovery plan of the Company;</p>	<p><b>Article 60</b> The general shareholders' meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with laws:</p> <p>(I) to decide on operational policies and investment plans of the Company;</p> <p>(II) to elect and replace the Directors and Supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of Directors and Supervisors;</p> <p>(III) to consider and approve reports of the Board of Directors;</p> <p>(IV) to consider and approve reports of the Board of Supervisors;</p> <p>(V) to consider and approve annual financial budget plans and final accounting plans of the Company;</p> <p>(VI) to consider and approve the profit distribution plan and loss recovery plan of the Company;</p>

Before amendment	After amendment
<p>(VII) to determine the increase or decrease of the registered capital of the Company;</p> <p>(VIII) to determine the issuance of corporate bonds or other securities by the Company and listing plan;</p> <p>(IX) to determine matters such as the merger, division, dissolution, liquidation or change;</p> <p>(X) to amend the Articles of Association;</p> <p>(XI) to determine the appointment of, removal of and non-reappointment of an accounting firm by the Company;</p> <p>(XII) to consider and approve the external guarantees that shall be approved at a general shareholders' meeting required by the Articles of Association;</p> <p>(XIII) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;</p> <p>(XIV) to consider and approve the material transactions and the related transactions that shall be considered and approved at a general shareholders' meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;</p> <p>(XV) to consider the formulation, amendment and implementation of share incentive plans;</p> <p>(XVI) to consider and approve the proposal raised by shareholders who, individually or in the aggregate, hold 3% or more of the total number of voting shares of the Company;</p> <p>(XVII) to consider and approve changes in use of the raised capital;</p> <p>(XVIII) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the <del>Hong Kong Listing Rules</del>, or the provisions of the Articles of Association, shall be approved at a general shareholders' meeting.</p>	<p>(VII) to determine the increase or decrease of the registered capital of the Company;</p> <p>(VIII) to determine the issuance of corporate bonds or other securities by the Company and listing plan;</p> <p>(IX) to determine matters such as the merger, division, dissolution, liquidation or change;</p> <p>(X) to amend the Articles of Association;</p> <p>(XI) to determine the appointment of, removal of and non-reappointment of an accounting firm by the Company;</p> <p>(XII) to consider and approve the external guarantees that shall be approved at a general shareholders' meeting required by the Articles of Association;</p> <p>(XIII) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;</p> <p>(XIV) to consider and approve the material transactions and the related <u>connected</u> transactions that shall be considered and approved at a general shareholders' meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;</p> <p>(XV) to consider the formulation, amendment and implementation of share incentive plans;</p> <p>(XVI) to consider and approve the proposal raised by shareholders who, individually or in the aggregate, hold 3% or more of the total number of voting shares of the Company;</p> <p>(XVII) to consider and approve changes in use of the raised capital;</p> <p>(XVIII) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the <u>regulatory rules of the place where the shares of the Company are listed</u>, or the provisions of the Articles of Association, shall be approved at a general shareholders' meeting.</p>

Before amendment	After amendment
<p>The general shareholders' meeting can authorize or entrust the Board of Directors to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed are not violated.</p>	<p>The general shareholders' meeting can authorize or entrust the Board of Directors to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed are not violated.</p>
<p><del>Article 61 Unless otherwise specified in the Articles of Association, all external guarantees of the Company shall be considered and approved by the Board of Directors. If the Company provides guarantee for a shareholder or de facto controller of the Company, a resolution must be passed by the general shareholders' meeting.</del></p> <p>When reviewing the resolution of providing guarantee to shareholders, de facto controllers at the general shareholders' meeting, such shareholders or shareholders controlled by such de facto controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the general shareholders' meeting to be passed.</p>	<p><b>Article 62 <u>The following external guarantees of the Company are subject to consideration and approval by the general shareholders' meeting:</u></b></p> <p><b><u>(I) a guarantee with a single guarantee amount exceeding 10% of the latest audited net assets of the Company;</u></b></p> <p><b><u>(II) a guarantee provided after external guarantees are provided by the Company and its majority-owned subsidiaries with a total amount exceeding 50% of the Company's latest audited net assets;</u></b></p> <p><b><u>(III) a guarantee provided for the principal whose asset-liability ratio exceeds 70%;</u></b></p> <p><b><u>(IV) a guarantee provided after existing guarantees are provided with the total amount exceeding 30% of the Company's latest audited total assets, based on the principle of summing up the guarantee amounts for 12 consecutive months;</u></b></p> <p><b><u>(V) a guarantee provided to shareholders, de facto controllers and their related/connected parties;</u></b></p> <p><b><u>(VI) other guarantees specified by laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.</u></b></p>



Before amendment	After amendment
	<p><u>If the general shareholders’ meeting considers the guarantee specified in item (4) of this article, the guarantee shall be subject to approval by more than two-thirds of the voting rights of the shareholders present at the general shareholders’ meeting.</u></p> <p><u>If the Company provides a guarantee for a wholly-owned subsidiary, or a majority-owned subsidiary with other shareholders of the majority-owned subsidiary providing a guarantee in proportion to their rights and interests, without prejudice to the interests of the Company, items (I), (II) and (III) above may be exempted.</u></p> <p><u>If the Company provides a guarantee for a related/connected person, there shall be reasonable business logic, and the guarantee shall be submitted to the general shareholders’ meeting for consideration after consideration and approval by the Board of Directors. If the Company provides guarantee for controlling shareholders, de facto controllers and their related/connected persons, the controlling shareholders, de facto controllers and their related/connected persons shall provide counter-guarantees.</u></p> <p>When reviewing the resolution of providing guarantee to shareholders, de facto controllers <u>and their related/connected persons</u> at the general shareholders’ meeting, such shareholders or shareholders controlled by such de facto controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the general shareholders’ meeting to be passed.</p>

Before amendment	After amendment
New provisions	<b>Article 63</b> <u>The significant transactions of the Company and their definitions, and the requirements on submission of the significant transactions to the general shareholders' meeting for consideration and the application of exemption shall be subject to relevant laws, administrative regulations, departmental rules, and regulatory rules of the place where the shares of the Company are listed.</u>
<p><b>Article 65</b> The venue of the general shareholders' meeting of the Company shall be the place where the Company is located or the place specified in the notice of the general shareholders' meeting.</p> <p>The general shareholders' meeting shall have a venue for convening the meeting, and the venue of the meeting shall be clear and specific.</p>	<p><b>Article 66</b> The venue of the general shareholders' meeting of the Company shall be the place where the Company is located or the place specified in the notice of the general shareholders' meeting.</p> <p>The general shareholders' meeting shall have a venue for convening the meeting, and the venue of the meeting shall be clear and specific. <u>The Company will allow the shareholders to vote online, for their convenience in attending the general shareholders' meeting. Any shareholder present at a meeting by the above methods is deemed to have been present at the meeting. Voting online is not applicable to H Shareholders.</u></p>
New provisions	<p><b>Article 67</b> If the Company convenes a general shareholders' meeting, lawyers will be engaged to issue legal opinions and public announcements will be made on the following issues:</p> <p>(I) whether the procedures for convening and holding the meeting comply with laws, administrative regulations and the Articles of Association;</p> <p>(II) whether the qualifications of the participants and the convener are legal and valid;</p> <p>(III) whether the voting procedures and voting results of the meeting are legal and valid;</p> <p>(IV) legal opinions on other relevant issues as required by the Company.</p>

Before amendment	After amendment
<p><b>Article 68</b> The Board of Supervisors has the right to propose in writing the Board of Directors to convene an extraordinary general shareholders’ meeting. The Board of Directors shall, in accordance with the laws, administrative regulations, <del>the Hong Kong Listed Rules</del> and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general shareholders’ meeting within 10 days upon receipt of such proposal.</p> <p>In the event that the Board of Directors agrees to convene an extraordinary general shareholders’ meeting, a notice for convening such meeting shall be given within 5 days after the relevant resolution of the Board of Directors is passed and consent of the Board of Supervisors shall be obtained in case of any changes to the original proposal in the notice.</p> <p>In the event that the Board of Directors disagrees to convene an extraordinary general shareholders’ meeting or does not furnish any reply within 10 days after having received such proposal, the Board of Directors is deemed to be unable or unwilling to perform the duty of convening a general shareholders’ meeting, in which case the Board of Supervisors may convene and preside over such meeting by itself.</p>	<p><b>Article 70</b> The Board of Supervisors has the right to propose in writing the Board of Directors to convene an extraordinary general shareholders’ meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general shareholders’ meeting within 10 days upon receipt of such proposal.</p> <p>In the event that the Board of Directors agrees to convene an extraordinary general shareholders’ meeting, a notice for convening such meeting shall be given within 5 days after the relevant resolution of the Board of Directors is passed and consent of the Board of Supervisors shall be obtained in case of any changes to the original proposal in the notice.</p> <p>In the event that the Board of Directors disagrees to convene an extraordinary general shareholders’ meeting or does not furnish any reply within 10 days after having received such proposal, the Board of Directors is deemed to be unable or unwilling to perform the duty of convening a general shareholders’ meeting, in which case the Board of Supervisors may convene and preside over such meeting by itself.</p>

Before amendment	After amendment
<p><b>Article 69</b> Any shareholder(s) individually or jointly holding more than 10% of the shares of the Company may execute one or more written request(s) in the same form to request the Board of Directors to convene an extraordinary general shareholders' meeting or a class meeting, and to set forth the agenda of such meeting. The Board of Directors shall, in accordance with the laws, administrative regulations, <del>the Hong Kong Listed Rules</del> and the Articles of Association, furnish a written reply to such shareholder(s) stating its agreement or disagreement to the convening of an extraordinary general shareholders' meeting or a class meeting within 10 days after having received such requisition.</p> <p>In the event that the Board of Directors agrees to convene an extraordinary general shareholders' meeting or a class meeting, a notice for convening a general shareholders' meeting or a class meeting shall be given within 5 days after the relevant resolution of the Board of Directors is passed and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original requisition in the notice.</p> <p>In the event that the Board of Directors disagrees to convene an extraordinary general shareholders' meeting or a class meeting or does not furnish any reply within 10 days after having received such requisition, the Board of Directors is deemed to be unable or unwilling to perform the duty of convening an extraordinary general shareholders' meeting or a class meeting, in which case shareholder(s) individually or jointly holding more than 10% of the shares of the Company may propose in writing the Board of Supervisors to convene the extraordinary general shareholders' meeting.</p>	<p><b>Article 71</b> Any shareholder(s) individually or jointly holding more than 10% of the shares of the Company may execute one or more written request(s) in the same form to request the Board of Directors to convene an extraordinary general shareholders' meeting or a class meeting, and to set forth the agenda of such meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply to such shareholder(s) stating its agreement or disagreement to the convening of an extraordinary general shareholders' meeting or a class meeting within 10 days after having received such requisition.</p> <p>In the event that the Board of Directors agrees to convene an extraordinary general shareholders' meeting or a class meeting, a notice for convening a general shareholders' meeting or a class meeting shall be given within 5 days after the relevant resolution of the Board of Directors is passed and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original requisition in the notice.</p> <p>In the event that the Board of Directors disagrees to convene an extraordinary general shareholders' meeting or a class meeting or does not furnish any reply within 10 days after having received such requisition, the Board of Directors is deemed to be unable or unwilling to perform the duty of convening an extraordinary general shareholders' meeting or a class meeting, in which case shareholder(s) individually or jointly holding more than 10% of the shares of the Company may propose in writing the Board of Supervisors to convene the extraordinary general shareholders' meeting.</p>

Before amendment	After amendment
<p>In the event that the Board of Supervisors agrees to convene an extraordinary general shareholders’ meeting or a class meeting, a notice for convening a general shareholders’ meeting or a class meeting shall be given within 5 days after having received such requisition and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original proposal in the notice.</p> <p>In the event that the Board of Supervisors fails to serve any notice of a general shareholders’ meeting or a class meeting within the prescribed period, the Board of Supervisors is deemed not to convene and preside over a general shareholders’ meeting or a class meeting, in which case the shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over such a meeting by himself/themselves.</p>	<p>In the event that the Board of Supervisors agrees to convene an extraordinary general shareholders’ meeting or a class meeting, a notice for convening a general shareholders’ meeting or a class meeting shall be given within 5 days after having received such requisition and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original proposal in the notice.</p> <p>In the event that the Board of Supervisors fails to serve any notice of a general shareholders’ meeting or a class meeting within the prescribed period, the Board of Supervisors is deemed not to convene and preside over a general shareholders’ meeting or a class meeting, in which case the shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over such a meeting by himself/themselves.</p>
<p><b>Article 75</b> Where the Company convenes an annual general shareholders’ meeting, a written notice shall be issued at least <del>20</del> business days (excluding both the date of notice and the date of meeting) prior to the annual general shareholders’ meeting and at least 15 days or 10 business days (whichever is longer, and excluding both the date of notice and the date of meeting) prior to the extraordinary general shareholders’ meeting. If the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.</p> <p>An extraordinary general shareholders’ meeting shall not resolve on matters not specified in the notice.</p>	<p><b>Article 77</b> Where the Company convenes an annual general shareholders’ meeting, a written notice shall be issued at least <u>21</u> business days (excluding both the date of notice and the date of meeting) prior to the annual general shareholders’ meeting and at least 15 days or 10 business days (whichever is longer, and excluding both the date of notice and the date of meeting) prior to the extraordinary general shareholders’ meeting. If the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.</p> <p>An extraordinary general shareholders’ meeting shall not resolve on matters not specified in the notice.</p>

Before amendment	After amendment
<p><b>Article 76</b> The notice of the general shareholders’ meeting shall be made in writing, including the following contents:</p> <p>(I) The date, the place and the hour of the meeting;</p> <p>(II) The matters and proposals to be discussed at the meeting;</p> <p>(III) A conspicuous statement that all shareholders are entitled to attend the general shareholders’ meeting and appoint a proxy in writing to attend and vote at the meeting and that such shareholder proxy need not be shareholder of the Company;</p> <p>(IV) Name and phone number of the standing contact person;</p> <p>(V) Information and explanations necessary for the shareholders to exercise an informed judgment on the proposals before them. It principally includes (but is not limited to), where a proposal is made to amalgamate the Company, to repurchase shares, to reorganize the share capital or to restructure the Company in any other way, the conditions of the proposed transaction must be provided in detail together with the proposed contract (if any), and the cause and consequence of such proposal must be properly explained;</p> <p>(VI) Disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, manager and other senior management members in the matter to be discussed and the effect of the proposed matter on such Director, Supervisor, manager and other senior management members in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;</p>	<p><b>Article 78</b> The notice of the general shareholders’ meeting shall be made in writing, including the following contents:</p> <p>(I) The date, the place and the hour of the meeting;</p> <p>(II) The matters and proposals to be discussed at the meeting;</p> <p>(III) A conspicuous statement that all shareholders are entitled to attend the general shareholders’ meeting and appoint a proxy in writing to attend and vote at the meeting and that such shareholder proxy need not be shareholder of the Company; <b><u>every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer;</u></b></p> <p>(IV) Name and phone number of the standing contact person;</p> <p>(V) Information and explanations necessary for the shareholders to exercise an informed judgment on the proposals before them. It principally includes (but is not limited to), where a proposal is made to amalgamate the Company, to repurchase shares, to reorganize the share capital or to restructure the Company in any other way, the conditions of the proposed transaction must be provided in detail together with the proposed contract (if any), and the cause and consequence of such proposal must be properly explained;</p>

Before amendment	After amendment
<p>(VII) The full text of any special resolution proposed to be voted at the meeting;</p> <p>(VIII) The date and place for serving the power of attorney authorizing the proxy to vote;</p> <p>(IX) The record date for the determination of the entitlements of shareholders to the general shareholders' meeting;</p> <p>(X) Other requirements stipulated in the laws, administrative regulations, regulations of the authorities, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p>Any notice and supplementary notice of general shareholders' meeting shall include the contents prescribed by the <del>Hong Kong Listing Rules</del> and the Articles of Association, and sufficiently and completely disclose all contents of all proposals. If any matter to be discussed requires opinions of the independent Directors, the opinions and reasons of the independent Directors shall be disclosed together with the issuance of such notice. The notice of the general shareholders' meeting of shareholders shall provide a full and clear explanation of the proposals and, for the proposal to be voted on, shall provide the Directors' advice on how the shareholders shall vote in the best interest of the shareholders as a whole. The notice should clearly state whether (and how) shareholders who participate in the general shareholders' meeting by remote means can vote.</p> <p>If the Company needs to provide additional material information on matters proposed at the general shareholders' meeting, it shall provide such information no less than 10 working days in advance. The Company shall, if necessary, adjourn the general shareholders' meeting to ensure compliance with this provision.</p>	<p>(VI) Disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, manager and other senior management members in the matter to be discussed and the effect of the proposed matter on such Director, Supervisor, manager and other senior management members in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;</p> <p>(VII) The full text of any special resolution proposed to be voted at the meeting;</p> <p>(VIII) The date and place for serving the power of attorney authorizing the proxy to vote;</p> <p>(IX) The record date for the determination of the entitlements of shareholders to the general shareholders' meeting;</p> <p>(X) <b><u>The time and procedures for voting online or by other means;</u></b></p> <p>(XI) Other requirements stipulated in the laws, administrative regulations, regulations of the authorities, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</p> <p>Any notice and supplementary notice of general shareholders' meeting shall include the contents prescribed by the <b><u>regulatory rules of the place where the Company's shares are listed</u></b> and the Articles of Association, and sufficiently and completely disclose all contents of all proposals. If any matter to be discussed requires opinions of the independent Directors, the opinions and reasons of the independent Directors shall be disclosed together with the issuance of such notice. The notice of the general shareholders' meeting of shareholders shall provide a full and clear explanation of the proposals and, for the proposal to be voted on, shall provide the Directors' advice on how the shareholders shall vote in the best interest of the shareholders as a whole. The notice should clearly state whether (and how) shareholders who participate in the general shareholders' meeting by remote means can vote.</p>

Before amendment	After amendment
	<p>If the Company needs to provide additional material information on matters proposed at the general shareholders’ meeting, it shall provide such information no less than 10 working days in advance. The Company shall, if necessary, adjourn the general shareholders’ meeting to ensure compliance with this provision.</p> <p><b><u>Voting online or otherwise at a general shareholders’ meeting shall commence between 3:00 p.m. on the date immediately prior to the date of the in-person general shareholders’ meeting and 9:30 a.m. on the date of the in-person general shareholders’ meeting, and shall end no earlier than 3:00 p.m. on the date of conclusion of the meeting.</u></b></p> <p><b><u>There shall be no more than seven working days between the record date and the date of the meeting. Once confirmed, the record date shall not be changed.</u></b></p>
<p><b>Article 77</b> If the election of Directors or Supervisors is proposed to be discussed at a general shareholders’ meeting, the notice of the meeting shall adequately specify the detailed information on the Director or Supervisor candidates, which shall at least include:</p> <ul style="list-style-type: none"> <li>(I) Personal particulars, including academic qualifications, working experience and concurrent positions;</li> <li>(II) Whether or not such candidate has any connected relationship with the Company, its controlling shareholders and de facto controller;</li> <li>(III) The number of shares of the Company held by such candidate.</li> </ul> <p>Each candidate for a Director or a Supervisor shall be proposed via a single proposal.</p>	<p><b>Article 79</b> If the election of Directors or Supervisors is proposed to be discussed at a general shareholders’ meeting, the notice of the meeting shall adequately specify the detailed information on the Director or Supervisor candidates, which shall at least include:</p> <ul style="list-style-type: none"> <li>(I) Personal particulars, including academic qualifications, working experience and concurrent positions;</li> <li>(II) Whether or not such candidate has any <b><u>related</u></b>/connected relationship with the Company, its controlling shareholders and de facto controller;</li> <li>(III) The number of shares of the Company held by such candidate.</li> </ul> <p>Each candidate for a Director or a Supervisor shall be proposed via a single proposal.</p>



Before amendment	After amendment
<p><b>Article 78</b> Unless otherwise stipulated in the laws, regulations, the Hong Kong Listing Rules and the Articles of Association, the notice of a general shareholders' meeting shall be delivered by hand or prepaid mail to all shareholders (whether they are entitled to vote at the general shareholders' meeting or not). The address of the recipient shall be the address registered in the register of members. For holders of domestic shares, the notice of a general shareholders' meeting may also be in the form of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published <del>in one or more newspapers</del> designated by the securities regulatory authorities under the State Council. All holders of domestic shares shall be deemed as having received the notice of the general shareholders' meeting once the announcement is published.</p> <p>Provided that complying with the requirements of laws, administrative regulations, regulations of the authorities, regulatory rules of the place where the Company's shares are listed and the Articles of Association and fulfilling relevant procedures, the notice of the general shareholders' meeting to H shareholders shall be published on the websites stipulated in the Hong Kong Stock Exchange or our website, instead of serving by special appointed person or prepaid mail. After the publication of such notice, the holders of foreign shares listed overseas shall be deemed to have received the notice of the relevant general shareholders' meeting.</p>	<p><b>Article 80</b> Unless otherwise stipulated in the laws, regulations, the Hong Kong Listing Rules and the Articles of Association, the notice of a general shareholders' meeting shall be delivered by hand or prepaid mail to all shareholders (whether they are entitled to vote at the general shareholders' meeting or not). The address of the recipient shall be the address registered in the register of members. For holders of domestic shares, the notice of a general shareholders' meeting may also be in the form of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published <u>on the website</u> designated by the securities regulatory authorities under the State Council. All holders of domestic shares shall be deemed as having received the notice of the general shareholders' meeting once the announcement is published.</p> <p>Provided that complying with the requirements of laws, administrative regulations, regulations of the authorities, regulatory rules of the place where the Company's shares are listed and the Articles of Association and fulfilling relevant procedures, the notice of the general shareholders' meeting to H shareholders shall be published on the websites stipulated in the Hong Kong Stock Exchange or our website, instead of serving by special appointed person or prepaid mail. After the publication of such notice, the holders of foreign shares listed overseas shall be deemed to have received the notice of the relevant general shareholders' meeting.</p>

Before amendment	After amendment
<p><b>Article 83</b> Any shareholder who is entitled to attend the general shareholders’ meeting and vote thereat may attend the general shareholders’ meeting in person or appoint one or more proxies (who may not be a shareholder) to attend and vote on its behalf. A shareholder shall authorize his or her proxy in writing, and a power of attorney shall be signed by the proxy or the agent authorised in writing by the proxy. Where the proxy is a corporate, the chop of the corporate should be affixed, or the Director or <del>the agent officially entrusted shall sign such power of attorney.</del></p> <p>A shareholder proxy can exercise the following rights according to the entrustment of shareholder:</p> <p>(I) The same right as the shareholder to speak at the general shareholders’ meeting;</p> <p>(II) Authority to demand a poll or join in such a demand;</p> <p>(III) The right to vote by show of hands or on a poll, except that, where a shareholder has appointed more than one proxy, his/her proxies may only exercise the voting rights when a poll is taken.</p>	<p><b>Article 85</b> Any shareholder who is entitled to attend the general shareholders’ meeting and vote thereat may attend the general shareholders’ meeting in person or appoint one or more proxies (who may not be a shareholder <u>of the Company</u>) to attend and vote on its behalf. <u>Every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting and, where a corporation is so represented, it shall be treated as being present at any meeting in person.</u> A shareholder shall authorize his or her proxy in writing, and a power of attorney shall be signed by the proxy or the agent authorised in writing by the proxy. Where the proxy is a corporate, the chop of the corporate should be affixed, or the Director or <u>a duly authorised officer execute a form of proxy.</u></p> <p>A shareholder proxy can exercise the following rights according to the entrustment of shareholder:</p> <p>(I) The same right as the shareholder to speak at the general shareholders’ meeting;</p> <p>(II) Authority to demand a poll or join in such a demand;</p> <p>(III) The right to vote by show of hands or on a poll, except that, where a shareholder has appointed more than one proxy, his/her proxies may only exercise the voting rights when a poll is taken.</p>

Before amendment	After amendment
<p><b>Article 84</b> A shareholder attending the general shareholders’ meeting in person shall present his or her identity card or other valid certificate or proof showing his or her identity. The proxy appointed by the shareholder shall present his or her identity card and power of attorney issued by the shareholder.</p> <p>A corporate shareholder shall entrust the legal representative (person in charge) or the agent entrusted by the corporate shareholder to attend the general shareholders’ meeting. The legal representative (person in charge) attending the general shareholders’ meeting shall present his or her identity card and valid proof showing the status of the legal representative; the agent attending the general shareholders’ meeting shall present his or her identity card and a power of attorney in writing issued by the corporate shareholder in accordance with the law.</p> <p>A shareholder shall authorize his or her proxy in writing, and a power of attorney shall be signed by the proxy or the agent authorised in writing by the proxy. Where the proxy is a corporate, the chop of the corporate should be affixed, or the Director or <del>the agent officially entrusted shall sign such power of attorney.</del></p>	<p><b>Article 86</b> A shareholder attending the general shareholders’ meeting in person shall present his or her identity card or other valid certificate or proof showing his or her identity. The proxy appointed by the shareholder shall present his or her identity card and power of attorney issued by the shareholder.</p> <p>A corporate shareholder shall entrust the legal representative (person in charge) or the agent entrusted by the corporate shareholder to attend the general shareholders’ meeting. The legal representative (person in charge) attending the general shareholders’ meeting shall present his or her identity card and valid proof showing the status of the legal representative; the agent attending the general shareholders’ meeting shall present his or her identity card and a power of attorney in writing issued by the corporate shareholder in accordance with the law.</p> <p>A shareholder shall authorize his or her proxy in writing, and a power of attorney shall be signed by the proxy or the agent authorised in writing by the proxy. Where the proxy is a corporate, the chop of the corporate should be affixed, or the Director or <u>a duly authorised officer execute a form of proxy.</u></p>

Before amendment	After amendment
<p><b>Article 85</b> The power of attorney issued by the shareholder authorizing his or her proxy to attend the general shareholders’ meeting should contain the following:</p> <p>(I) The name of the proxy;</p> <p>(II) Whether or not the proxy has any voting right;</p> <p>(III) Instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the general shareholders’ meeting;</p> <p>(IV) The date of issue and validity period of the power of attorney;</p> <p>(V) Signature (or seal) of the appointer. If the appointer is a corporate shareholder, the chop of the corporate shall be affixed, or the Director or <del>the agent or personnel</del> <b>officially entrusted shall sign such power of attorney.</b></p>	<p><b>Article 87</b> The power of attorney issued by the shareholder authorizing his or her proxy to attend the general shareholders’ meeting should contain the following:</p> <p>(I) The name of the proxy;</p> <p>(II) Whether or not the proxy has any voting right;</p> <p>(III) Instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the general shareholders’ meeting;</p> <p>(IV) The date of issue and validity period of the power of attorney;</p> <p>(V) Signature (or seal) of the appointer. If the appointer is a corporate shareholder, the chop of the corporate shall be affixed, or the Director or <u><b>a duly authorised officer execute a form of proxy.</b></u></p>

Before amendment	After amendment
<p><b>Article 87</b> The power of attorney must be kept at the Company's domicile or other location designated in the notice convening the meeting no later than 24 hours before the meeting at which the power of attorney is put to vote is convened or 24 hours before the designated time. If the power of attorney is signed by another person authorised by the appointor by means of power of attorney or other instrument of authorisation, the power of attorney or other instrument must be verified by a notary. The power of attorney or other instrument verified by the notary must be kept together with the power of attorney at the Company's domicile or other location designated at the notice convening the meeting.</p> <p>If the appointer is a corporate shareholder, the legal representative (person in charge) or such person who is authorised by the resolution of the Board of Directors or other governing body to act as its representative may attend the general shareholders' meeting of the Company.</p> <p>Where such shareholder is a recognized clearing house determined by relevant regulations formulated from time to time in Hong Kong (or its nominee), <del>such shareholder</del> shall be entitled to appoint <del>one or more persons as it deems fit</del> to act on its behalf at any general shareholders' meeting or any other class meetings, provided in the event of more than one person are authorised, the power of attorney shall specify the number and class of shares represented by each person so authorised and shall be executed by the recognized clearing house. Such persons so authorised <del>shall be entitled to exercise the rights on behalf of the recognized clearing house (or its nominee) without presenting evidence of their shareholding, notarized authorization and/or further proof showing their due authorization) as if they were individual shareholders of the Company.</del></p>	<p><b>Article 89</b> The power of attorney must be kept at the Company's domicile or other location designated in the notice convening the meeting no later than 24 hours before the meeting at which the power of attorney is put to vote is convened or 24 hours before the designated time. If the power of attorney is signed by another person authorised by the appointor by means of power of attorney or other instrument of authorisation, the power of attorney or other instrument must be verified by a notary. The power of attorney or other instrument verified by the notary must be kept together with the power of attorney at the Company's domicile or other location designated at the notice convening the meeting.</p> <p>If the appointer is a corporate shareholder, the legal representative (person in charge) or such person who is authorised by the resolution of the Board of Directors or other governing body to act as its representative may attend the general shareholders' meeting of the Company.</p> <p>Where such shareholder is a recognized clearing house determined by relevant regulations formulated from time to time in Hong Kong (or its nominee), <u>HKSCC</u> shall be entitled to appoint <u>proxies or corporate representatives</u> to act on its behalf at any general shareholders' meeting or any other class meetings <u>and creditors meetings</u>, provided in the event of more than one person are authorised, the power of attorney shall specify the number and class of shares represented by each person so authorised and shall be executed by the recognized clearing house. Such persons <u>or corporate representatives</u> so authorized <u>must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote.</u></p>

Before amendment	After amendment
<p><b>Article 101</b> The following matters shall be approved by the general shareholders' meeting through ordinary resolutions:</p> <ul style="list-style-type: none"> <li>(I) Work report of the Board of Directors and the Board of Supervisors;</li> <li>(II) Plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;</li> <li>(III) Appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, and their payment and payment methods;</li> <li>(IV) Annual budget and final accounts report, balance sheet, income statement and other financial statements of the Company;</li> <li>(V) Annual report of the Company;</li> <li>(VI) Consideration and approval of transactions specified in Article-<del>62</del>;</li> <li>(<del>VII</del>) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.</li> </ul>	<p><b>Article 103</b> The following matters shall be approved by the general shareholders' meeting through ordinary resolutions:</p> <ul style="list-style-type: none"> <li>(I) Work report of the Board of Directors and the Board of Supervisors;</li> <li>(II) Plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;</li> <li>(III) Appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, and their payment and payment methods;</li> <li>(IV) Annual budget and final accounts report, balance sheet, income statement and other financial statements of the Company;</li> <li>(V) Annual report of the Company;</li> <li>(VI) <b><u>the appointment, removal, compensation and method of payment of accounting firm;</u></b></li> <li><b><u>(VII)</u></b> Consideration and approval of transactions specified in Article <b><u>63</u></b>;</li> <li><b><u>(VIII)</u></b> Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, <b><u>the</u></b> regulatory rules of the place where the shares of the Company are listed or the Articles of Association.</li> </ul>

Before amendment	After amendment
<p><b>Article 102</b> The following matters shall be approved by special resolution at the general shareholders’ meeting:</p> <p>(I) The increase or decrease of the registered capital, or the issuance of shares, warrants or other quasi-securities of the Company;</p> <p>(II) The issuance of corporate bonds;</p> <p>(III) Division, merger, dissolution and liquidation of the Company and the change of form of the Company;</p> <p>(IV) Amendment of the Articles of Association;</p> <p>(V) Substantial assets acquired or disposed of or security provided for an amount exceeding 30% of the latest audited total assets of the Company within one year;</p> <p>(VI) Other matters as required by the laws, administrative regulations, departmental rules, regulatory rules of the place where the shares are listed or the Articles of Association, and as approved by ordinary resolution of the general shareholders’ meeting which are believed could materially affect the Company and need to be approved by special resolution.</p>	<p><b>Article 104</b> The following matters shall be approved by special resolution at the general shareholders’ meeting:</p> <p>(I) The increase or decrease of the registered capital, or the issuance of shares, warrants or other quasi-securities of the Company;</p> <p>(II) The issuance of corporate bonds;</p> <p>(III) Division, merger, dissolution and liquidation of the Company and the change of form of the Company;</p> <p>(IV) Amendment of the Articles of Association;</p> <p>(V) Substantial assets acquired or disposed of or security provided for an amount exceeding 30% of the latest audited total assets of the Company within one year;</p> <p>(VI) <b><u>The formulation, amendment and performance of share equity incentive plans;</u></b></p> <p>(VII) Other matters as required by the laws, administrative regulations, departmental rules, <b><u>the</u></b> regulatory rules of the place where the shares are listed or the Articles of Association, and as approved by ordinary resolution of the general shareholders’ meeting which are believed could materially affect the Company and need to be approved by special resolution.</p>

Before amendment	After amendment
<p><b>Article 103</b> When shareholders (including his/her proxy) vote at the general shareholders' meeting, they shall exercise their voting rights based on the number of shares held. Each share shall have one vote.</p> <p><del>For any issue which shareholders shall abstain from voting or can only vote either in favor of or against pursuant to Hong Kong Listing Rules, the shareholders shall abstain from voting according to such regulations. Any votes in violation of the relevant regulations or restrictions casted by the shareholders or their proxies will not be calculated into the voting results.</del></p> <p>No voting rights shall attach to the shares held by the Company, and such shares shall not be counted among the total number of shares with voting rights present at a general shareholders' meeting.</p> <p>If the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed stipulate that any shareholder shall waive his/her voting right on a certain resolution or limit any shareholder to cast an affirmative or negative vote on a certain matter, and in case of any violation of such relevant stipulation or limitations, votes casted by such shareholders or proxies thereof shall not be adopted.</p>	<p><b>Article 105</b> <u>Shareholders must have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a shareholder is required, by Listing Rules of the stock exchanges on which the shares of the Company are listed, to abstain from voting to approve the matter under consideration.</u> When shareholders (including his/her proxy) vote at the general shareholders' meeting, they shall exercise their voting rights based on the number of shares held. Each share shall have one vote.</p> <p>No voting rights shall attach to the shares held by the Company, and such shares shall not be counted among the total number of shares with voting rights present at a general shareholders' meeting.</p> <p><u>If the general shareholders' meeting considers significant matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of separate vote counting shall be disclosed in a timely manner.</u></p> <p><u>The Board of Directors, independent Directors, shareholders holding more than 1% of the voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit votes from shareholders. In the solicitation of votes from shareholders, specific voting intentions and other information shall be fully disclosed to the solicitees. Solicitation of votes from shareholders by way of compensation or disguised compensation is prohibited. Subject to statutory conditions, the Company shall not impose a minimum shareholding percentage limit for the solicitation of votes.</u></p>



Before amendment	After amendment
	<p data-bbox="810 270 1359 655">If the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed stipulate that any shareholder shall waive his/her voting right on a certain resolution or limit any shareholder to cast an affirmative or negative vote on a certain matter, and in case of any violation of such relevant stipulation or limitations, votes casted by such shareholders or proxies thereof shall not be adopted.</p> <p data-bbox="810 697 1359 1010"><b><u>Shareholders holding a minority stake in the total number of shares of the Company must be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis, in the share capital of the Company.</u></b></p>

Before amendment	After amendment
<p><b>Article 104</b> Where matters relating to connected transactions (<del>as defined under the Hong Kong Listing Rules</del>) are deliberated at the general shareholders' meeting, the connected shareholders and their close associates (as defined under the Hong Kong Listing Rules) shall not participate in the voting, and the shares carrying the voting rights they represent shall not be counted in the total number of valid votes. The announcement of resolutions of the general shareholders' meeting should fully disclose the voting status of the non-connected persons.</p> <p>Before the general shareholders' meeting considers matters relating to connected transactions, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations and regulatory documents. Connected persons or their authorized representatives may attend the general shareholders' meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting in a poll.</p> <p>Where the general shareholders' meeting considers matters relating to connected transactions, connected shareholders shall abstain from voting. If connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After connected persons have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association. The presider of the meeting shall announce the number of shareholders and proxies except connected persons present at the general shareholders' meeting and the total number of their voting shares.</p>	<p><b>Article 106</b> Where matters relating to <u>related</u>/connected transactions are deliberated at the general shareholders' meeting, the <u>related</u>/connected shareholders and their close associates (as defined under the Hong Kong Listing Rules) shall not participate in the voting, and the shares carrying the voting rights they represent shall not be counted in the total number of valid votes. The announcement of resolutions of the general shareholders' meeting should fully disclose the voting status of the non-<u>related</u>/connected persons.</p> <p>Before the general shareholders' meeting considers matters relating to <u>related</u>/connected transactions, the Company shall determine the scope of <u>related</u>/connected shareholders in accordance with relevant laws, regulations and regulatory documents. <u>Related</u>/connected persons or their authorized representatives may attend the general shareholders' meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting in a poll.</p> <p>Where the general shareholders' meeting considers matters relating to <u>related</u>/connected transactions, <u>related</u>/connected shareholders shall abstain from voting. If <u>related</u>/connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After <u>related</u>/connected persons have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association. The presider of the meeting shall announce the number of shareholders and proxies except <u>related</u>/connected persons present at the general shareholders' meeting and the total number of their voting shares.</p>

Before amendment	After amendment
<p>In order to be valid, the resolutions made at the general shareholders’ meeting on matters relating to connected transactions shall be passed by more than half of the votes cast by the non-connected shareholders attending the general shareholders’ meeting. However, in order to be valid, in the event of such connected transaction involving matters that need to be passed by special resolution as stipulated in the Articles of Association, the resolutions of the general shareholders’ meeting must be passed by more than two-thirds of the voting rights held by the non-connected persons attending the general shareholders’ meeting.</p> <p>Where connected persons or their close associates participate in voting in violation of the provisions under this article, their voting in respect of matters relating to connected transactions shall be invalid.</p>	<p>In order to be valid, the resolutions made at the general shareholders’ meeting on matters relating to <b>related</b>/connected transactions shall be passed by more than half of the votes cast by the non-<b>related</b>/connected shareholders attending the general shareholders’ meeting. However, in order to be valid, in the event of such <b>related</b>/connected transaction involving matters that need to be passed by special resolution as stipulated in the Articles of Association, the resolutions of the general shareholders’ meeting must be passed by more than two-thirds of the voting rights held by the non-<b>related</b>/connected persons attending the general shareholders’ meeting.</p> <p>Where <b>related</b>/connected persons or their close associates participate in voting in violation of the provisions under this article, their voting in respect of matters relating to <b>related</b>/connected transactions shall be invalid.</p>
<p><b>Article 115</b> Resolutions of the general shareholders’ meeting shall be announced in due time according to the relevant laws, regulations, departmental rules, regulatory documents, regulatory rules of the place where the shares of the Company are listed or the Articles of Association. The announcement of resolutions shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the regulatory rules of the place where the shares of the Company are listed to individual proposals (if any), whether the shareholder who is required to abstain from voting has given up the voting right, the voting method, the voting result of each resolution and the details of each of the resolutions passed.</p>	<p><b>Article 117</b> Resolutions of the general shareholders’ meeting shall be announced in due time according to the relevant laws, regulations, departmental rules, regulatory documents, regulatory rules of the place where the shares of the Company are listed or the Articles of Association. The announcement of resolutions shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the regulatory rules of the place where the shares of the Company are listed to individual proposals (if any), whether the shareholder who is required to abstain from voting has given up the voting right, the voting method, the voting result of each resolution and the details of each of the resolutions passed.</p>

Before amendment	After amendment
	<p><b><u>If the proposal is not approved, or the resolution of the previous general shareholders' meeting is changed at the current general shareholders' meeting, a special note shall be included in the announcement on the resolution of the general shareholders' meeting.</u></b></p>
<p><b>Article 119</b> Any plan of the Company of changing or abolishing the rights of a classified Shareholder is subject to the approval of the general shareholders' meeting in the form of a special resolution and the approval of the affected classified shareholders at a separately convened the shareholders' meeting in accordance with Article <del>121</del> to <del>125</del> stipulated in the Articles of Association before it can be implemented. Upon approval from the competent securities regulatory authorities of the State Council and approved by the Hong Kong Stock Exchange, the shareholders of domestic unlisted shares of the Company may transfer all or part of their shares to overseas investors and list and trade the said shares on foreign stock exchanges, or convert all or part of the domestic unlisted shares into overseas listed foreign shares and list and trade the said shares on foreign stock exchanges, which shall not be deemed to be a proposed change or nullification of the rights conferred on any class of shareholders.</p>	<p><b>Article 121</b> Any plan of the Company of changing or abolishing the <b>attaching</b> rights of a classified Shareholder is subject to the approval of the general shareholders' meeting in the form of a special resolution and the approval of the affected classified shareholders at a separately convened the shareholders' meeting in accordance with Article <u>124</u> to <u>127</u> stipulated in the Articles of Association before it can be implemented. Upon approval from the competent securities regulatory authorities of the State Council and approved by the Hong Kong Stock Exchange, the shareholders of domestic unlisted shares of the Company may transfer all or part of their shares to overseas investors and list and trade the said shares on foreign stock exchanges, or convert all or part of the domestic unlisted shares into overseas listed foreign shares and list and trade the said shares on foreign stock exchanges, which shall not be deemed to be a proposed change or nullification of the rights conferred on any class of shareholders.</p>

Before amendment	After amendment
<p><b>Article 120</b> The rights of a classified Shareholder shall be deemed as changed or abolished under the following circumstances:</p> <p>(I) Increase or decrease the number of the classified shares, or increase or decrease the number of classified shares with equal or more voting rights, distribution rights, other privileges than this type of classified shares;</p> <p>(II) Convert all or part of the classified shares into other classes or convert another class of shares, partly or wholly, into the shares of such class, or grant such conversion rights;</p> <p>(III) Remove or reduce the right of the classified shares to accrued dividends generated or rights to cumulative dividends;</p> <p>(IV) Reduce or remove a dividend preference or a liquidation preference attached to shares of such class;</p> <p>(V) Add, remove or reduce the right of the classified shares to convert share rights, options rights, voting rights, transfer rights, and pre-emptive rights, or the right to obtain the securities of the Company;</p> <p>(VI) Remove or reduce the right of the classified shares to receive funds payable of the Company in specified currencies;</p> <p>(VII) Create new classified shares entitled to equal or more voting rights, distribution rights, or other privileges than the classified shares;</p> <p>(VIII) Restrict the transfer or ownership of the classified shares or increase such restrictions;</p> <p>(IX) Issue subscription or conversion rights for this or other classified shares;</p> <p>(X) Increase the rights and privileges of other classes of shares;</p> <p>(XI) The restructuring plan of the Company may constitute different classes of shareholders to assume responsibilities disproportionately in restructuring; and</p> <p>(XII) Amend or abolish clauses stipulated in this section.</p>	<p><b>Article 122</b> The <b>attaching</b> rights of a classified Shareholder shall be deemed as changed or abolished under the following circumstances:</p> <p>(I) Increase or decrease the number of the classified shares, or increase or decrease the number of classified shares with equal or more voting rights, distribution rights, other privileges than this type of classified shares;</p> <p>(II) Convert all or part of the classified shares into other classes or convert another class of shares, partly or wholly, into the shares of such class, or grant such conversion rights;</p> <p>(III) Remove or reduce the right of the classified shares to accrued dividends generated or rights to cumulative dividends;</p> <p>(IV) Reduce or remove a dividend preference or a liquidation preference attached to shares of such class;</p> <p>(V) Add, remove or reduce the right of the classified shares to convert share rights, options rights, voting rights, transfer rights, and pre-emptive rights, or the right to obtain the securities of the Company;</p> <p>(VI) Remove or reduce the right of the classified shares to receive funds payable of the Company in specified currencies;</p> <p>(VII) Create new classified shares entitled to equal or more voting rights, distribution rights, or other privileges than the classified shares;</p> <p>(VIII) Restrict the transfer or ownership of the classified shares or increase such restrictions;</p> <p>(IX) Issue subscription or conversion rights for this or other classified shares;</p> <p>(X) Increase the rights and privileges of other classes of shares;</p> <p>(XI) The restructuring plan of the Company may constitute different classes of shareholders to assume responsibilities disproportionately in restructuring; and</p> <p>(XII) Amend or abolish clauses stipulated in this section.</p>

Before amendment	After amendment
<p><b>Article 123</b> When the Company is to hold a classified shareholders’ meeting, it shall send a written notice to inform all registered shareholders of that class on the matters to be considered at the meeting as well as the date and venue of the meeting as required in Article <b>75</b> under the Articles of Association.</p> <p>If the number of shares carrying voting rights at the meeting represented by the shareholders who intend to attend the classified shareholders’ meeting reaches more than half of the shares which have the right to vote at the classified shareholders’ meeting, the Company may convene the classified shareholders’ meeting; if not, the Company shall, within five days, notify the shareholders of the class by public announcement of the matters to be considered, the date and the venue for the classified shareholders’ meeting. The Company may then convene the classified shareholders’ meeting after the publication of such notice.</p> <p>Where there are special rules in the regulatory rules in the place where the shares of the Company are listed, the special rules prevail.</p>	<p><b>Article 125</b> When the Company is to hold a classified shareholders’ meeting, it shall send a written notice to inform all registered shareholders of that class on the matters to be considered at the meeting as well as the date and venue of the meeting as required in Article <u>77</u> under the Articles of Association.</p> <p>If the number of shares carrying voting rights at the meeting represented by the shareholders who intend to attend the classified shareholders’ meeting reaches more than half of the shares which have the right to vote at the classified shareholders’ meeting, the Company may convene the classified shareholders’ meeting; if not, the Company shall, within five days, notify the shareholders of the class by public announcement of the matters to be considered, the date and the venue for the classified shareholders’ meeting. The Company may then convene the classified shareholders’ meeting after the publication of such notice.</p> <p>Where there are special rules in the regulatory rules in the place where the shares of the Company are listed, the special rules prevail.</p>

Before amendment	After amendment
<p><b>Article 126</b> Directors shall be elected or replaced at the general shareholders’ meeting and serve a term of three years. The term of a Director is renewable by re-election after its expiry. A director is not required to hold any shares of the Company.</p> <p>Written notice concerning proposed nomination of a director candidate and indication of the candidate’s intention to accept the nomination shall be sent to the Company 7 days before the general shareholders’ meeting is convened (the period will commence no earlier than the day after the despatch of the notice of the general shareholders’ meeting and end no later than 7 days prior to the date of such meeting). A director’s term of service commences from the date he/she takes office, until the current term of service of the Board ends. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.</p> <p>Any person appointed by the Board to fill a temporary vacancy on or as an addition to the Board shall hold office only until the <del>next following</del> general shareholders’ meeting of the Company, and shall then be eligible for re-election.</p> <p>Where not otherwise provided by laws, regulations and regulatory rules of the place where the shares of the Company are listed, the Company shall have power by ordinary resolution at the general shareholders’ meeting to remove any director (including a managing or other executive director), but without prejudice to any claim for damages under any contract before the expiration of his/her term of office.</p>	<p><b>Article 128</b> Directors shall be elected or replaced at the general shareholders’ meeting and serve a term of three years. The term of a Director is renewable by re-election after its expiry. A director is not required to hold any shares of the Company.</p> <p>Written notice concerning proposed nomination of a director candidate and indication of the candidate’s intention to accept the nomination shall be sent to the Company 7 days before the general shareholders’ meeting is convened (the period will commence no earlier than the day after the despatch of the notice of the general shareholders’ meeting and end no later than 7 days prior to the date of such meeting). A director’s term of service commences from the date he/she takes office, until the current term of service of the Board ends. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.</p> <p>Any person appointed by the Board to fill a temporary vacancy on or as an addition to the Board shall hold office only until the <b>first</b> general shareholders’ meeting of the Company <b>after his appointment</b>, and shall then be eligible for re-election.</p> <p>Where not otherwise provided by laws, regulations and regulatory rules of the place where the shares of the Company are listed, the Company shall have power by ordinary resolution at the general shareholders’ meeting to remove any director (including a managing or other executive director), but without prejudice to any claim for damages under any contract before the expiration of his/her term of office.</p>

Before amendment	After amendment
<p>While observing relevant laws and administrative regulations, shareholders may remove any director whose term does not expire from his position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) in the general shareholders' meeting.</p> <p>The general manager or other senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management shall not exceed one half of all the directors of the Company.</p>	<p>While observing relevant laws and administrative regulations, shareholders may remove any director whose term does not expire from his position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) in the general shareholders' meeting.</p> <p>The general manager or other senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management shall not exceed one half of all the directors of the Company.</p>
<p><b>Article 127</b> The directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:</p> <p>(I) not to abuse their powers to accept bribes or other unlawful income and not to misappropriate the properties of the Company;</p> <p>(II) not to misappropriate the Company's capital;</p> <p>(III) not to deposit the Company's assets or capital into accounts under his own name or the name of other individuals;</p> <p>(IV) not to loan company funds to others or providing guarantees in favor of others supported by the Company's assets in violation of the Articles of Association or without prior approval of the general shareholders' meeting or Board of Directors;</p>	<p><b>Article 129</b> The directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:</p> <p>(I) not to abuse their powers to accept bribes or other unlawful income and not to misappropriate the properties of the Company;</p> <p>(II) not to misappropriate the Company's capital;</p> <p>(III) not to deposit the Company's assets or capital into accounts under his own name or the name of other individuals;</p> <p>(IV) not to loan company funds to others or providing guarantees in favor of others supported by the Company's assets in violation of the Articles of Association or without prior approval of the general shareholders' meeting or Board of Directors;</p>



Before amendment	After amendment
<p>(V) not to enter into contracts or deal with the Company in violation of the Articles of Association or without prior approval of the general shareholders’ meeting;</p> <p>(VI) not to use their position to procure business opportunities for themselves or others that should have otherwise been available to the Company or operating for their own benefits or managing on behalf of others businesses similar to that of the Company without prior approval of the general shareholders’ meeting;</p> <p>(VII) not to accept and possess commissions in relation to transactions conducted with the Company;</p> <p>(VIII) not to disclose the secrets of the Company without consent;</p> <p>(IX) not to use their <b>connections</b> to harm the interests of the Company;</p> <p>(X) to be bound by other duties of loyalty stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.</p> <p>The Company shall be entitled to the income gained by the directors in violation of this Article; the director shall be liable for compensation if any loss is caused to the Company.</p>	<p>(V) not to enter into contracts or deal with the Company in violation of the Articles of Association or without prior approval of the general shareholders’ meeting;</p> <p>(VI) not to use their position to procure business opportunities for themselves or others that should have otherwise been available to the Company or operating for their own benefits or managing on behalf of others businesses similar to that of the Company without prior approval of the general shareholders’ meeting;</p> <p>(VII) not to accept and possess commissions in relation to transactions conducted with the Company;</p> <p>(VIII) not to disclose the secrets of the Company without consent;</p> <p>(IX) not to use their <b><u>related/connected relationship</u></b> to harm the interests of the Company;</p> <p>(X) to be bound by other duties of loyalty stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.</p> <p>The Company shall be entitled to the income gained by the directors in violation of this Article; the director shall be liable for compensation if any loss is caused to the Company.</p>
<p><b>Article 138</b> The Board of Directors is responsible to the general shareholders’ meeting and exercises the following powers:</p> <p>(I) Convene the general shareholders’ meetings and report on work to the general shareholders’ meeting;</p> <p>(II) Implement the resolutions of the general shareholders’ meetings;</p> <p>(III) Determine the business and investment plans of the Company;</p>	<p><b>Article 140</b> The Board of Directors is responsible to the general shareholders’ meeting and exercises the following powers:</p> <p>(I) Convene the general shareholders’ meetings and report on work to the general shareholders’ meeting;</p> <p>(II) Implement the resolutions of the general shareholders’ meetings;</p> <p>(III) Determine the business and investment plans of the Company;</p>

Before amendment	After amendment
<p>(IV) Devise the annual financial budgets and final accounting plans of the Company;</p> <p>(V) Devise the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) Formulate the plans for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;</p> <p>(VII) Formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;</p> <p>(VIII) Determine guarantees which fail to meet the approval criteria of the general shareholders' meeting;</p> <p>(IX) Examine and approve the transactions matters specified in Article 141 of the Articles of Association;</p> <p>(X) Determine the matters specified in the <b>Management Measures on Connected Transactions</b> that shall be approved by the Board of Directors;</p> <p>(XI) Decide on the setup of the Company's internal management organisation;</p> <p>(XII) Appoint or dismiss the general manager and secretary of the Board of Directors of the Company; based on the nomination of the general manager, appoint or dismiss senior management of the Company such as the chief finance officer, and determine his/her remunerations, rewards and penalties;</p> <p>(XIII) Set the basic management systems of the Company;</p> <p>(XIV) Make the modification plan to the Articles of Association;</p> <p>(XV) Propose the appointment or replacement of the accounting firm that performs audits for the Company at the general shareholders' meeting;</p> <p>(XVI) Attend to the work report of the Company's general manager and review the work of the general manager;</p>	<p>(IV) Devise the annual financial budgets and final accounting plans of the Company;</p> <p>(V) Devise the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) Formulate the plans for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;</p> <p>(VII) Formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;</p> <p>(VIII) Determine guarantees which fail to meet the approval criteria of the general shareholders' meeting;</p> <p>(IX) Examine and approve the transactions matters specified in Article 141 of the Articles of Association;</p> <p>(X) Determine the matters <b><u>of related/connected transactions</u></b> specified in the <b><u>regulatory rules of the place where the Company's shares are listed</u></b> that shall be approved by the Board of Directors;</p> <p>(XI) Decide on the setup of the Company's internal management organisation;</p> <p>(XII) Appoint or dismiss the general manager and secretary of the Board of Directors of the Company; based on the nomination of the general manager, appoint or dismiss senior management of the Company such as <b><u>the deputy general manager and</u></b> the chief finance officer, and determine his/her remunerations, rewards and penalties;</p> <p>(XIII) Set the basic management systems of the Company;</p> <p>(XIV) Make the modification plan to the Articles of Association;</p> <p>(XV) Propose the appointment or replacement of the accounting firm that performs audits for the Company at the general shareholders' meeting;</p>

Before amendment	After amendment
<p>(XVII) Manage the disclosure of company information;</p> <p>(XVIII) Other powers and duties authorised by the laws, administrative regulations, regulations of the authorities, listing rules of the place where the shares of the Company are listed or the Articles of Association.</p> <p>The above resolutions adopted by the Board of Directors, except those in (VI), (VII) and (XIV) must be approved by more than a two-thirds vote of the Directors, may be approved by more than half of the votes by the Directors.</p>	<p>(XVI) Attend to the work report of the Company's general manager and review the work of the general manager;</p> <p>(XVII) Manage the disclosure of company information;</p> <p>(XVIII) Other powers and duties authorised by the laws, administrative regulations, regulations of the authorities, listing rules of the place where the shares of the Company are listed or the Articles of Association.</p> <p>The above resolutions adopted by the Board of Directors, except those in (VI), (VII) and (XIV) must be approved by more than a two-thirds vote of the Directors, may be approved by more than half of the votes by the Directors.</p>
New provisions	<p><b><u>Article 143 The significant transactions of the Company and their definitions, and the requirements on submission of the significant transactions to the Board of Directors for consideration shall be subject to the relevant laws, administrative regulations, departmental rules, and regulatory rules of the place where the shares are listed.</u></b></p>
<p><b><del>Article 150</del></b> If a Director <del>or any of his/her close associates (as defined under the Hong Kong Listing Rules) has a material interest or connection with the matters considered at</del> the meeting of the Board of Directors, such Director shall not vote, or vote on behalf of other Directors, <del>on the resolution when such matters are considered at the Board of Directors, nor shall he/she be counted in the quorum for attending the meeting.</del> The meeting of the Board of Directors may be held when more than half of the non-connected Directors attend the meeting. The resolution of the meeting of the Board of Directors shall be passed by more than half of the non-connected Directors attending the meeting. If the number of non-connected Directors attending the meeting is less than 3, the issue shall be submitted to the general shareholders' meeting for consideration.</p>	<p><b>Article 152</b> If a Director <b><u>has a related/connected relationship with the subject entities of the resolution of</u></b> the meeting of the Board of Directors, such Director shall not vote, or vote on behalf of other Directors. The meeting of the Board of Directors may be held when more than half of the non-<b><u>related/connected</u></b> Directors attend the meeting. The resolution of the meeting of the Board of Directors shall be passed by more than half of the non-<b><u>related/connected</u></b> Directors attending the meeting. If the number of non-<b><u>related/connected</u></b> Directors attending the meeting is less than 3, the issue shall be submitted to the general shareholders' meeting for consideration.</p>

Before amendment	After amendment
<p><b>Article 155</b> The Board of Directors of the Company shall establish the audit committee, <del>and shall establish</del> the nomination committee, the remuneration committee <del>and other relevant special committees, if needed</del>. Special committees are accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and approval. Each of the special committees shall be comprised of Directors. In particular, more than half of the members of the nomination committee and the remuneration committee are independent Directors; <del>the chairman of the remuneration committee shall be an independent Director; the chairman of the nomination committee shall be the chairman of the Board of Directors or an independent Director;</del> and all members of the audit committee shall be non-executive Directors, at least one of whom shall possess appropriate professional qualifications as required under the Hong Kong Listing Rules or possess appropriate accounting or relevant financial management expertise. The chairman of each of the special committees shall be appointed and dismissed by the Board of Directors.</p>	<p><b>Article 157</b> The Board of Directors of the Company shall establish the audit committee, the nomination committee, the remuneration <u>and appraisal</u> committee. Special committees are accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and approval. Each of the special committees shall be comprised of Directors. In particular, more than half of the members of <u>the audit committee</u>, the nomination committee and the remuneration <u>and appraisal</u> committee are independent Directors <u>and shall be convener</u>; and all members of the audit committee shall be non-executive Directors <u>or independent Directors</u>, at least one of whom shall possess appropriate professional qualifications as required under the Hong Kong Listing Rules or possess appropriate accounting or relevant financial management expertise, <u>and the convener shall be an accounting professional</u>. The chairman of each of the special committees shall be appointed and dismissed by the Board of Directors.</p>
<p><b>Article 161</b> <del>Any person holding a position other than a non-executive position in the Company's controlling shareholder, de facto controller and their close associates (as defined under the Hong Kong Listing Rules) shall not serve as Directors or senior management of the Company.</del></p>	<p><b>Article 163</b> <u>No person of the Company who holds a position other than a director or supervisor in other enterprises under the control of the controlling shareholder or actual controller of the Company shall act as a member of the senior management in the Company.</u></p>

Before amendment	After amendment
<p><b>Article 168</b> The Company shall have a secretary to the Board of Directors, who shall be held by a natural person with requisite professional knowledge and experience and shall be appointed by the Board of Directors. The major duties of the secretary to the Board of Directors are:</p> <p>(I) to ensure that the Company has complete organization documents and records;</p> <p>(II) to ensure that the Company legally prepares and submits reports and documents as required by relevant competent authorities;</p> <p>(III) to ensure that register of members of the Company is established appropriately and ensure that persons who are entitled to obtain the Company's records and documents can timely obtain the relevant records and documents;</p>	<p><b>Article 170</b> The Company shall have a secretary to the Board of Directors, who shall be held by a natural person with requisite professional knowledge and experience and shall be appointed by the Board of Directors. The major duties of the secretary to the Board of Directors are:</p> <p>(I) to ensure that the Company has complete organization documents and records;</p> <p>(II) to ensure that the Company legally prepares and submits reports and documents as required by relevant competent authorities;</p> <p>(III) to ensure that register of members of the Company is established appropriately, <b><u>maintain the register of members of the Company, and the documents and minutes of the general shareholders' meetings, board meetings and meetings of special committees under the Board of Directors,</u></b> and ensure that persons who are entitled to obtain the Company's records and documents can timely obtain the relevant records and documents;</p> <p><b><u>(IV) to be responsible for matters pertaining to information disclosure of the Company, and ensure the timeliness, accuracy, lawfulness, authenticity and completeness of the Company's information disclosure;</u></b></p> <p><b><u>(V) other responsibilities stipulated in the laws, administrative regulations, the Company's stock listing regulatory rules and the Articles of Association.</u></b></p>

Before amendment	After amendment
<p><b>Article 176</b> A Supervisor shall not take advantage of his <del>connection</del> with the Company to harm interests of the Company and shall indemnify the Company against losses caused thereby.</p>	<p><b>Article 178</b> A Supervisor shall not take advantage of his <u>related/connected relationship</u> with the Company to harm interests of the Company and shall indemnify the Company against losses caused thereby.</p>
<p><b>Article 179</b> The Board of Supervisors shall be accountable to the general shareholders' meeting and exercises the following functions and powers in accordance with the law:</p> <ul style="list-style-type: none"> <li>(I) to check the financial condition of the Company;</li> <li>(II) to monitor the performance of duties in the Company by Directors and senior management and propose dismissal of Directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of general shareholders' meetings;</li> <li>(III) to require Directors and the senior management to make corrections if their conduct has damaged the interests of the Company;</li> <li>(IV) to propose the convening of extraordinary general shareholders' meetings and, in case the Board of Directors does not perform the obligations to convene and preside over the general shareholders' meetings in accordance with Company Law and the Articles of Association, to convene and preside over the general shareholders' meetings;</li> <li>(V) to propose proposals to the general shareholders' meetings;</li> <li>(VI) to represent the Company in negotiating <del>with the Directors</del> or initiate legal proceedings against the Directors;</li> </ul>	<p><b>Article 181</b> The Board of Supervisors shall be accountable to the general shareholders' meeting and exercises the following functions and powers in accordance with the law:</p> <ul style="list-style-type: none"> <li>(I) to check the financial condition of the Company;</li> <li>(II) to monitor the performance of duties in the Company by Directors and senior management and propose dismissal of Directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of general shareholders' meetings;</li> <li>(III) to require Directors and the senior management to make corrections if their conduct has damaged the interests of the Company;</li> <li>(IV) to propose the convening of extraordinary general shareholders' meetings and, in case the Board of Directors does not perform the obligations to convene and preside over the general shareholders' meetings in accordance with Company Law and the Articles of Association, to convene and preside over the general shareholders' meetings;</li> <li>(V) to propose proposals to the general shareholders' meetings;</li> <li>(VI) to represent the Company in negotiating or initiate legal proceedings against the Directors <u>and senior officers</u>;</li> </ul>

Before amendment	After amendment
<p>(VII) to conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;</p> <p>(VIII) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board of Directors to the general shareholders' meetings and, should any queries arise, to authorize, in the name of the Company, a re-examination by the certified public accountants and practising auditors of the Company for the time being;</p> <p>(IX) to exercise other functions and powers specified in the Articles of Association.</p>	<p>(VII) to conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;</p> <p>(VIII) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board of Directors to the general shareholders' meetings and, should any queries arise, to authorize, in the name of the Company, a re-examination by the certified public accountants and practising auditors of the Company for the time being;</p> <p>(IX) <b><u>to audit the periodical reports of the Company prepared by the Board of Directors and express their opinions in writing;</u></b></p> <p>(X) to exercise other functions and powers specified in the Articles of Association.</p>
<p><b>Article 202</b> The Company shall enter into a contract in writing with each of the Directors, Supervisors and senior management of the Company. The contract in writing shall cover at least the following matters:</p> <p>(I) Directors, Supervisors and senior management shall undertake to the Company to observe Company Law, Special Provisions, the Articles of Association, Code on Takeovers and Mergers, Code on Share Repurchase, the Hong Kong Listing Rules and other provisions stipulated by the Hong Kong Stock Exchange and the SFC, and agree that the Company is entitled to remedial measures under the Articles of Association and that the said contract and their positions as Director, Supervisor or senior officer shall not be transferred;</p>	<p><b>Article 204</b> The Company shall enter into a contract in writing with each of the Directors, Supervisors and senior management of the Company. The contract in writing shall cover at least the following matters:</p> <p>(I) Directors, Supervisors and senior management shall undertake to the Company to observe Company Law, Special Provisions, the Articles of Association, Code on Takeovers and Mergers, Code on Share Repurchase, the Hong Kong Listing Rules and other provisions stipulated by the Hong Kong Stock Exchange and the SFC, and agree that the Company is entitled to remedial measures under the Articles of Association and that the said contract and their positions as Director, Supervisor or senior officer shall not be transferred;</p>

Before amendment	After amendment
<p>(II) Directors, Supervisors and senior management shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in the Articles of Association;</p> <p>(III) Arbitration clauses specified in the Articles of Association <del>and the Hong Kong Listing Rules.</del></p>	<p>(II) Directors, Supervisors and senior management shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in the Articles of Association;</p> <p>(III) Arbitration clauses specified in the Articles of Association.</p>
<p><b>Article 210</b> The Company shall publish the financial reports <del>twice</del> every accounting year, that is, the interim financial report shall be published within 60 days after the first 6-month period of each accounting year and the annual financial report shall be published within 120 days after the expiration of each accounting year.</p>	<p><b>Article 212</b> The Company shall publish the financial reports <u>four times</u> every accounting year, that is, the interim financial report shall be published within 60 days after the first 6-month period of each accounting year and the annual financial report shall be published within 120 days after the expiration of each accounting year, <u>and the quarterly reports shall be disclosed within one month from the end of the first three months and nine months of each accounting year. The disclosure of the first quarterly report shall not be earlier than the disclosure of the previous year's annual report.</u></p>
<p><del>Article 215 The Company may distribute profit in the form of cash or shares.</del></p>	<p><b>Article 217</b> <u>Profit appropriation of the Company shall focus on reasonable returns on investment of the investors, and such policies shall maintain continuity and stability. The decision-making procedure and mechanism of the Company's profit distribution plan are as follows:</u></p> <p>(I) <u>When the Company distributes dividends, the Board of Directors of the Company shall formulate the distribution plan and submit it to the Company's general shareholders' meeting for deliberation.</u></p>



Before amendment	After amendment
	<p><u>(II) The Board of Directors shall fully listen to the opinions of independent directors in the process of formulating the relevant proposals on the profit distribution plan. The profit distribution plan adopted by the Board of Directors of the Company must be approved by more than half of all directors and the independent directors. Independent directors shall express independent opinions on the profit distribution plan. Independent directors may solicit opinions from minority shareholders, put forward proposals for dividend distribution, and submit them directly to the Board of Directors for deliberation.</u></p> <p><u>(III) The Board of Supervisors shall deliberate on the relevant proposals on the profit distribution plan formulated by the Board of Directors, which shall be approved by more than half of all supervisors of the Board of Supervisors.</u></p> <p><u>(IV) The profit distribution plan reviewed and approved by the Board of Directors and the Board of Supervisors shall be submitted to the general shareholders' meeting for deliberation and approval. Before the general shareholders' meeting considers the profit distribution plan, the Company shall actively communicate with shareholders, especially minority shareholders through various channels (including but not limited to providing online voting, holding investor exchange meetings and inviting minority shareholders to attend meetings), fully listen to the opinions and demands of minority shareholders, and promptly answer questions of their concerns.</u></p>

Before amendment	After amendment
	<p><u>(V) If the Company is unable to determine the profit distribution plan for the year in accordance with the established cash dividend policy or the minimum cash dividend ratio under special circumstances, the Board of Directors shall make a special explanation for the specific reasons. After the independent directors express their opinions, such matters shall be submitted to the general shareholders' meeting for examination and approved by 2/3 of the voting rights held by Shareholders attending the general shareholders' meeting. The Company shall disclose the specific reasons and the clear opinions of independent directors in the annual report. Under the above circumstances, the Company shall provide an online voting platform when convening the general shareholders' meeting.</u></p>

Before amendment	After amendment
New provisions	<p data-bbox="810 270 1359 491"><b>Article 218 <u>The profit distribution by the Company complies with the principle of giving consideration to its long-term development and reasonable return to investors. The profit distribution policy of the Company is as follows:</u></b></p> <p data-bbox="810 534 1359 1166"><b><u>(I) The Company may distribute dividends in cash, shares or a combination thereof. In the profit distribution, the Company shall pay full attention to the actual interests of the investors, but the profit distribution shall not exceed the total distributable profits or damage the Company's ability to continue as a going concern. Subject to the earnings and cash flows meeting the requirements of its normal operation and long-term development, the Company will implement active cash dividend distribution measures and maintain the continuity and stability of the distribution policy.</u></b></p> <p data-bbox="810 1172 1359 1540"><b><u>(II) Conditions and proportions of cash dividends</u></b>  <b><u>In the absence of a significant investment plan or significant capital expenditures, the Company shall allocate, in cash, not less than 10% of the distributable profits recorded for the year. The specific conditions for the Company to pay cash dividends are as follows:</u></b></p> <p data-bbox="874 1583 1359 1987"><b><u>1. The distributable profit of the Company for the year (i.e. the Company's after-tax profit remaining after making up for losses and setting aside for the provident fund) is positive and the Company has sufficient cash flow, and the payment of cash dividends will not affect the subsequent continuing operation of the Company;</u></b></p>

Before amendment	After amendment
	<p data-bbox="874 270 1362 421"><u>2. The auditor issues a standard unqualified audit report on the financial report of the Company for the year;</u></p> <p data-bbox="874 427 1362 953"><u>3. The Company has no significant investment plan or significant cash expenditure (except for fund-raising projects). significant investment plan or significant capital expenditure means: the total expenditures of the Company in the next 12 months for proposed external investment, acquisition of assets or purchase of equipment reaching or exceeding 25% of the latest audited net assets of the Company.</u></p> <p data-bbox="874 1002 1362 1449"><u>Meanwhile, the Board shall distinguish the following conditions in comprehensive consideration of features of the industry in which the Company operates, the development stage, its business model, profitability, whether there is any significant expenditure arrangement and otherwise, and propose differentiated cash dividend policies according to the procedures specified in the Articles of Association:</u></p> <p data-bbox="874 1498 1362 1719"><u>1. If the Company is at the mature stage of development without significant capital expenditure arrangements, the cash dividend shall account for at least 80% in the profit distribution;</u></p> <p data-bbox="874 1725 1362 1947"><u>2. If the Company is at the mature stage of development with significant capital expenditure arrangements, the cash dividend shall account for not less than 40% in the profit distribution;</u></p>

Before amendment	After amendment
	<p><b>3. <u>If the Company is at the growth stage of development with significant capital expenditure arrangements, the cash dividend shall account for not less than 20% in the profit distribution;</u></b></p> <p><b>4. <u>If it is difficult to distinguish the Company's development stages but there are significant capital expenditure arrangements, the cash dividend shall account for not less than 20% in the profit distribution.</u></b></p> <p><b><u>(III) Conditions for the payment of dividends</u></b>  <u>Subject to the earnings and cash flows meeting the requirements of its normal operation and long-term development, the Company shall distribute dividends in cash. A share dividend distribution plan may be developed subject to the cash dividend policy of the Company, where the Board of Directors believes that the future growth of the Company is good, the net assets per share is high, the share price of the Company does not match the Company's share capital, and the distribution of share dividends is beneficial to the interests of shareholders of the Company as a whole.</u></p> <p><b><u>(IV) Use of undistributed profits</u></b>  <u>The remaining undistributed profits of the Company after the distribution in the year will be mainly used as the working capital necessary for the normal operation of the Company's business, or used for replenishment of the Company's capital to strengthen its capital strength, the investment necessary for reasonable business expansion and other special circumstances according to the actual development and needs of the Company in the year. The specific use plans and arrangements will be developed by the Board of Directors in principle, based on the Company's development plan and development objectives for the year.</u></p>

Before amendment	After amendment
	<p><b><u>(V) Profit distribution methods</u></b>  <u>In selecting profit distribution methods, the Company gives priority to cash dividends as compared with share dividends; If the conditions for cash dividends are met, the cash dividend distribution shall be adopted. If there is still profit available for distribution after the profit distribution in cash, the Company may distribute share dividends. In determining the specific amount of the profit to be distributed in shares, the Company shall give due consideration to whether the total share capital after distribution of the profit in shares matches the current business scale of the Company, as well as the impact on future financing costs, so as to ensure that the distribution plan is in the interests of all shareholders. In the case of distribution of share dividends, there shall be real and reasonable factors such as the growth of the Company and the dilution of net assets per share.</u></p>
New provisions	<p><b>Article 219 <u>Adjustment of the profit distribution policy</u></b></p> <p><b><u>(I) If it is really necessary to adjust the profit distribution policy based on its production and business conditions, investment plans and long-term development needs, or significant changes in the external business environment, the Company may determine to make appropriate and necessary changes to the profit distribution policy in consideration of the views of the shareholders, in particular the minority shareholders, the independent directors and the Board of Supervisors, and the adjusted profit distribution policy shall not violate relevant provisions of the CSRC and the Shanghai Stock Exchange.</u></b></p>

Before amendment	After amendment
	<p data-bbox="810 270 1359 1023"><u>(II) Proposals on adjusting the profit distribution policy shall be prepared by the Board of Directors after research and demonstration according to the Company's business conditions and relevant regulations of the CSRC, and in preparation of the profit distribution policy, the opinions of independent directors, external supervisors and public investors shall be heard. Where the Board of Directors considers and approves proposals on the profit distribution policy, the proposals shall be approved by a majority of all the directors of the Board by way of voting, and subject to the independent opinions of independent directors, and timely disclosure.</u></p> <p data-bbox="810 1034 1359 1264"><u>(III) The Board of Supervisors shall consider proposals on the profit distribution policy formulated by the Board of Directors, which shall be approved by a majority of all supervisors by way of voting.</u></p> <p data-bbox="810 1274 1359 1547"><u>(IV) If the adjusted profit distribution policy is considered at the general shareholders' meeting, an online voting system shall be available, and the policy shall be approved by more than two-thirds of the voting rights of shareholders present at the meeting.</u></p>

Before amendment	After amendment
<p><b>Article 216</b> The Company shall appoint a payment receiving agent for holders of overseas listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.</p> <p>The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.</p> <p>The payment receiving agent appointed by the Company for holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong. The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.</p> <p><del>In relation to the exercise of right to issue warrants to unregistered bearer, no warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed.</del></p>	<p><b>Article 220</b> The Company shall appoint a payment receiving agent for holders of overseas listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.</p> <p>The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.</p> <p>The payment receiving agent appointed by the Company for holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong. The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.</p> <p>The Company is entitled to dispose the stock held by overseas listed foreign shareholders whom it fails to contact in accordance with appropriate manner as considered by the Board of Directors, provided that it complies with the following conditions:</p> <p>(I) Dividends on such shares have been distributed at least three times within 12 years, but no one has claimed the dividends during that period; and</p>



<b>Before amendment</b>	<b>After amendment</b>
<p>The Company is entitled to dispose the stock held by overseas listed foreign shareholders whom it fails to contact in accordance with appropriate manner as considered by the Board of Directors, provided that it complies with the following conditions:</p> <p>(I) Dividends on such shares have been distributed at least three times within 12 years, but no one has claimed the dividends during that period; and</p> <p>(II) Upon expiration of the 12-year period, the Company publishes an announcement in one or more newspaper of the Company's listing place, indicating its intention to sell the shares and notifies the Hong Kong Stock Exchange.</p> <p>In compliance with the provisions of related laws and regulations of the PRC, the Company may exercise expropriate right to unclaimed dividend, but such right can only be exercised after the expiration of the applicable valid period.</p> <p>Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.</p>	<p>(II) Upon expiration of the 12-year period, the Company publishes an announcement in one or more newspaper of the Company's listing place, indicating its intention to sell the shares and notifies the Hong Kong Stock Exchange.</p> <p>In compliance with the provisions of related laws and regulations of the PRC, the Company may exercise expropriate right to unclaimed dividend, but such right can only be exercised after the expiration of the applicable valid period.</p> <p>Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.</p>

Before amendment	After amendment
<p><del>Article 218 The appointment of the first accounting firm of the Company may occur at the inauguration meeting prior to the first annual general shareholders' meeting. The term of such accounting firm shall terminate upon the conclusion of the first annual general shareholders' meeting. In case of failure to exercise such functions and powers at the inauguration meeting provided above, the Board of Directors shall exercise instead.</del> The appointment of an accounting firm by the Company shall be decided by the general shareholders' meeting. The Board of Directors may not appoint an accounting firm before the decision is made by the general shareholders' meeting. The accountant firm appointed by the Company shall hold office from the conclusion of the annual general shareholders' meeting until the conclusion of the next annual general shareholders' meeting.</p>	<p><b>Article 222</b> The appointment of an accounting firm by the Company shall be decided by the general shareholders' meeting. The Board of Directors may not appoint an accounting firm before the decision is made by the general shareholders' meeting. The accountant firm appointed by the Company shall hold office from the conclusion of the annual general shareholders' meeting until the conclusion of the next annual general shareholders' meeting.</p>
<p><b>Article 223</b> The remuneration of the accounting firm or the way to confirm the remuneration shall be determined by the general shareholders' meeting. The remuneration of such accounting firm appointed by the Board of Directors shall be confirmed by the Board of Directors.</p>	<p><b>Article 227</b> The remuneration of the accounting firm or the way to confirm the remuneration shall be determined <u>by ordinary resolution</u> by the general shareholders' meeting. The remuneration of such accounting firm appointed by the Board of Directors shall be confirmed by the Board of Directors.</p>
<p><b>Article 224</b> Appointment, dismissal or non-appointment of the accounting firm shall be subject to decision at the general shareholders' meeting and shall be filed with the securities regulatory authorities under the State Council.</p>	<p><b>Article 228</b> Appointment, dismissal or non-appointment of the accounting firm shall be subject to decision <u>by ordinary resolution</u> at the general shareholders' meeting. and shall be filed with the securities regulatory authorities under the State Council.</p>

Before amendment	After amendment
<p><b>Article 238</b> The Company shall, in accordance with law, apply for change in its registration particulars with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where a company is dissolved, it shall apply for cancellation of registration in accordance with law. Where a new company is established, that company shall apply for registration in accordance with the law.</p> <p><del>The Company's registered capital must not, after the reduction in capital, be less than the minimum amount required by law.</del></p> <p>Where the Company increases or reduces the registered capital, it shall, in accordance with law, apply for change in its registration with the company registration authority.</p>	<p><b>Article 241</b> The Company shall, in accordance with law, apply for change in its registration particulars with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where a company is dissolved, it shall apply for cancellation of registration in accordance with law. Where a new company is established, that company shall apply for registration in accordance with the law.</p> <p>Where the Company increases or reduces the registered capital, it shall, in accordance with law, apply for change in its registration with the company registration authority.</p>

Before amendment	After amendment
<p><b>Article 239</b> The Company shall be dissolved upon the occurrence of the following events:</p> <p>(I) The term of business set out in the Articles of Association has expired;</p> <p>(II) A resolution for dissolution is passed by shareholders at a general shareholders’ meeting;</p> <p>(III) The Company is dissolved by reason of merger or division;</p> <p>(IV) The Company is declared legally bankrupt as a result of failure to pay debts as they fall due;</p> <p>(V) The business license is revoked, or the Company is ordered to close or be eliminated according to applicable law;</p> <p>(VI) Where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of the Company’s shareholders may request the people’s court to dissolve the Company;</p> <p>(VII) Other circumstances that may lead to the liquidation of the Company as stipulated in the Articles of Association.</p>	<p><b>Article 242</b> The Company shall be dissolved upon the occurrence of the following events:</p> <p>(I) The term of business set out in the Articles of Association has expired;</p> <p>(II) A <b>special</b> resolution for dissolution is passed by shareholders at a general shareholders’ meeting;</p> <p>(III) The Company is dissolved by reason of merger or division;</p> <p>(IV) The Company is declared legally bankrupt as a result of failure to pay debts as they fall due;</p> <p>(V) The business license is revoked, or the Company is ordered to close or be eliminated according to applicable law;</p> <p>(VI) Where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of the Company’s shareholders may request the people’s court to dissolve the Company;</p> <p>(VII) Other circumstances that may lead to the liquidation of the Company as stipulated in the Articles of Association.</p>

Before amendment	After amendment
<p><b>Article 242</b> If the Board of Directors decides to liquidate the Company (except where the Company is liquidated after declaring bankruptcy), the Board of Directors shall state in the notice of the general shareholders’ meeting convened for this purpose that the Board of Directors has performed a comprehensive investigation of the status of the Company and believes that the Company is able to pay off all of its debts within 12 months of the commencement of the liquidation.</p> <p>After the resolution to liquidate the Company is adopted by the general shareholders’ meeting, the powers of the Board of Directors shall terminate immediately.</p> <p>In accordance with the instructions of the general shareholders’ meeting, the liquidation team shall at least once a year report at the general shareholders’ meeting on the income and expenditure of the liquidation team, progress of the business and liquidation of the Company, and submit a final report at the general shareholders’ meeting upon completion of liquidation.</p>	<p><b>Article 245</b> If the Board of Directors decides to liquidate the Company (except where the Company is liquidated after declaring bankruptcy), the Board of Directors shall state in the notice of the general shareholders’ meeting convened for this purpose that the Board of Directors has performed a comprehensive investigation of the status of the Company and believes that the Company is able to pay off all of its debts within 12 months of the commencement of the liquidation.</p> <p>After the <u>special</u> resolution to liquidate the Company is adopted by the general shareholders’ meeting, the powers of the Board of Directors shall terminate immediately.</p> <p>In accordance with the instructions of the general shareholders’ meeting, the liquidation team shall at least once a year report at the general shareholders’ meeting on the income and expenditure of the liquidation team, progress of the business and liquidation of the Company, and submit a final report at the general shareholders’ meeting upon completion of liquidation.</p>

Before amendment	After amendment
<p><b>Article 251</b> Under any one of the following circumstances, the Company shall amend the Articles of Association:</p> <p>(I) After amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association are in conflict with the amended laws or administrative regulations;</p> <p>(II) The changes that the Company have undergone are inconsistent with the records made in the Articles of Association;</p> <p>(III) The general shareholders' meeting has resolved to amend the Articles of Association.</p>	<p><b>Article 254</b> Under any one of the following circumstances, the Company shall amend the Articles of Association:</p> <p>(I) After amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association are in conflict with the amended laws or administrative regulations;</p> <p>(II) The changes that the Company have undergone are inconsistent with the records made in the Articles of Association;</p> <p>(III) The general shareholders' meeting has resolved to amend the Articles of Association <b>by special resolution.</b></p>
<p><del>Where the amendments to the Articles of Association involve anything set out in the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, these amendments shall become effective upon approval by the company's approval department authorized by the State Council and the securities regulatory authority of the State Council (if applicable). Where the amendment involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.</del></p>	

Before amendment	After amendment
<p><b>Article 253</b> The Company shall comply with the following rules governing the settlement of disputes:</p> <p>(I) Whenever there occur any dispute or claim between shareholders of the overseas listed foreign shares <del>and the Company, shareholders of foreign shares (including shareholders of overseas listed or non-listed foreign shares)</del> and the Company's Directors, Supervisors, general manager or other senior management, or shareholders of the overseas listed foreign shares and <del>shareholders of overseas non-listed foreign shares</del> or shareholders of domestic shares regarding the rights or obligations relating to the affairs of the Company conferred or imposed by the Articles of Association, the Company Law, the Special Provisions or any other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>Where the aforesaid dispute or claim of rights is referred to arbitration, the entire claim or the dispute as a whole must be referred to arbitration, and any parties who have a cause of action based on the same facts giving rise to the dispute or the claim or whose participation is necessary for the settlement of such dispute or claim, are bound by the award of the arbitration provided that such person is the Company or a shareholder of the Company, a Director, a Supervisor, general manager or other senior management.</p> <p>Disputes in relation to the definition of shareholders and disputes in relation to the shareholders' register need not be resolved by arbitration.</p>	<p><b>Article 256</b> The Company shall comply with the following rules governing the settlement of disputes:</p> <p>(I) Whenever there occur any dispute or claim between shareholders of the overseas listed foreign shares and the Company's Directors, Supervisors, general manager or other senior management, or shareholders of the overseas listed foreign shares and shareholders of domestic shares regarding the rights or obligations relating to the affairs of the Company conferred or imposed by the Articles of Association, the Company Law, the Special Provisions or any other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>Where the aforesaid dispute or claim of rights is referred to arbitration, the entire claim or the dispute as a whole must be referred to arbitration, and any parties who have a cause of action based on the same facts giving rise to the dispute or the claim or whose participation is necessary for the settlement of such dispute or claim, are bound by the award of the arbitration provided that such person is the Company or a shareholder of the Company, a Director, a Supervisor, general manager or other senior management.</p> <p>Disputes in relation to the definition of shareholders and disputes in relation to the shareholders' register need not be resolved by arbitration.</p>

Before amendment	After amendment
<p>(II) A claimant may elect for arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its arbitration rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body so elected by the applicants.</p> <p>If a claimant elects for arbitration at HKIAC, any party to the dispute or claim may request the arbitration to be conducted in Shenzhen in accordance with the Securities Arbitration Rules of the HKIAC.</p> <p>(III) The laws of the PRC are applicable to the arbitration for the disputes or claims of rights referred to in paragraph (I) above, unless otherwise provided in the laws and administrative regulations.</p> <p>(IV) The award of an arbitration body shall be final and binding on all parties.</p>	<p>(II) A claimant may elect for arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its arbitration rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body so elected by the applicants.</p> <p>If a claimant elects for arbitration at HKIAC, any party to the dispute or claim may request the arbitration to be conducted in Shenzhen in accordance with the Securities Arbitration Rules of the HKIAC.</p> <p>(III) The laws of the PRC are applicable to the arbitration for the disputes or claims of rights referred to in paragraph (I) above, unless otherwise provided in the laws and administrative regulations.</p> <p>(IV) The award of an arbitration body shall be final and binding on all parties.</p>
<p><b>Article 254</b> Definitions</p> <p>(I) a de facto controller means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.</p> <p>(II) the “connected transaction” refers to that as defined in the Hong Kong Listing Rules.</p> <p>(III) the meaning of an “accounting firm” is the same as that of “auditors”.</p>	<p><b>Article 257</b> Definitions</p> <p>(I) a de facto controller means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.</p> <p>(II) the “connected transaction” refers to that as defined in the Hong Kong Listing Rules; <b><u>the “related transaction” refers to that as defined in the STAR Market Listing Rules.</u></b></p> <p>(III) the meaning of an “accounting firm” is the same as that of “auditors”.</p>
<p><b>Article 260</b> After adoption by special resolution at the general shareholders’ meeting of the Company, the Articles of Association shall take effect and put into force from the date <del>on which the H Shares publicly issued by the Company are listed on the Main Board of the Hong Kong Stock Exchange</del>. Since the effective date of the Articles of Association, the original articles of association of the Company shall be automatically invalidated.</p>	<p><b>Article 263</b> After adoption by special resolution at the general shareholders’ meeting of the Company, the Articles of Association shall take effect and put into force from the date <b><u>of the Company’s initial public offering of A shares and listing on the STAR Market of Shanghai Stock Exchange</u></b>. Since the effective date of the Articles of Association, the original articles of association of the Company shall be automatically invalidated.</p>



**Shanghai HeartCare Medical Technology Corporation Limited**

**RULES OF PROCEDURES FOR THE MEETING OF SHAREHOLDERS**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to protect the legal interests of shareholders and creditors of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”), and to regulate the organization and activities of general shareholders’ meeting of the Company, the rules of procedures (the “**Rules**”) are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**STAR Market Listing Rules**”) and laws, regulations, normative documents and the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (the “**Articles of Association**”).

**CHAPTER 2 GENERAL REQUIREMENTS**

**Article 2** The general shareholders’ meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with laws:

- (I) to decide on operational policies and investment plans of the Company;
- (II) to elect and replace the Directors and Supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of Directors and Supervisors;
- (III) to consider and approve reports of the Board of Directors;
- (IV) to consider and approve reports of the Board of Supervisors;
- (V) to consider and approve annual financial budget plans and final accounting plans of the Company;
- (VI) to consider and approve the profit distribution plan and loss recovery plan of the Company;
- (VII) to determine the increase or decrease of the registered capital of the Company;

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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- (VIII) to determine the issuance of corporate bonds or other securities by the Company and listing plan;
- (IX) to determine matters such as the merger, division, dissolution, liquidation or change;
- (X) to amend the Articles of Association;
- (XI) to determine the appointment of, removal of and non-reappointment of an accounting firm by the Company;
- (XII) to consider and approve the external guarantees that shall be approved at a general shareholders' meeting;
- (XIII) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;
- (XIV) to consider and approve the material transactions and the related/connected transactions that shall be considered and approved at a general shareholders' meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (XV) to consider the formulation, amendment and implementation of share incentive plans;
- (XVI) to consider the proposal raised by shareholders who, individually or in the aggregate, hold 3% or more of the total number of voting shares of the Company;
- (XVII) to consider and approve changes in use of the raised capital;
- (XVIII) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a general shareholders' meeting.

The general shareholders' meeting can authorize or entrust the Board of Directors to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed are not violated.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 3** The following external guarantees of the Company are subject to consideration and approval by the general shareholders' meeting:

- (I) a guarantee with a single guarantee amount exceeding 10% of the latest audited net assets of the Company;
- (II) a guarantee provided after external guarantees are provided by the Company and its majority-owned subsidiaries with a total amount exceeding 50% of the Company's latest audited net assets;
- (III) a guarantee provided for the principal whose asset-liability ratio exceeds 70%;
- (IV) a guarantee provided after existing guarantees are provided with the total amount exceeding 30% of the Company's latest audited total assets, based on the principle of summing up the guarantee amounts for 12 consecutive months;
- (V) a guarantee provided to shareholders, de facto controllers and their related/connected parties;
- (VI) other guarantees specified by laws, regulations, regulatory documents, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If the general shareholders' meeting considers the guarantee specified in item (4) of this article, the guarantee shall be subject to approval by more than two-thirds of the voting rights of the shareholders present at the general shareholders' meeting.

If the Company provides a guarantee for a wholly-owned subsidiary, or a majority-owned subsidiary with other shareholders of the majority-owned subsidiary providing a guarantee in proportion to their rights and interests, without prejudice to the interests of the Company, items (I), (II) and (III) above may be exempted.

If the Company provides a guarantee for a related/connected person, there shall be reasonable business logic, and the guarantee shall be submitted to the general shareholders' meeting for consideration after consideration and approval by the Board of Directors. If the Company provides guarantee for controlling shareholders, de facto controllers and their related/connected persons, the controlling shareholders, de facto controllers and their related/connected persons shall provide counter-guarantees.

If the general shareholders' meeting considers a proposal on providing guarantees for shareholders, de facto controllers and their related/connected persons, the shareholders or shareholders controlled by the de facto controllers shall withdraw from voting, and the voting is subject to consideration and approval by other shareholders present at the general shareholders' meeting.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 4** The significant transactions of the Company and their definitions, and the requirements on submission of the significant transactions to the general shareholders' meeting for consideration and the application of exemption shall be subject to relevant laws, administrative regulations, departmental rules, and regulatory rules of the place where the shares of the Company are listed.

**Article 5** General shareholders' meetings shall be divided into annual general shareholders' meetings and extraordinary general shareholders' meetings. Annual general shareholders' meetings are held once every year and within 6 months from the end of the preceding accounting year.

Under any of the following circumstances, the Board of Directors shall convene an extraordinary general shareholders' meeting within two months:

- (I) Where the number of Directors is less than the number specified in the Company Law or less than two thirds of the number required in the Articles of Association;
- (II) Where the uncovered losses of the Company reach one-third of its total paid-in share capital;
- (III) Where the shareholders with more than 10% of the Company's issued and outstanding shares carrying voting rights separately or jointly request to convene an extraordinary general shareholders' meeting in writing (the number of shares held shall be calculated as at the date when the shareholder(s) provide(s) the written request);
- (IV) Where the Board of Directors considers it necessary;
- (V) Where the Board of Supervisors proposes to call for such a meeting;
- (VI) Other circumstances stipulated in the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 6** The venue of the general shareholders' meeting of the Company shall be the place where the Company is located or the place specified in the notice of the general shareholders' meeting.

The general shareholders' meeting shall have a venue for convening the meeting, and the venue of the meeting shall be clear and specific. The Company will allow the shareholders to vote online, for their convenience in attending the general shareholders' meeting. Any shareholder present at a meeting by the above methods is deemed to have been present at the meeting.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 7** If the Company convenes a general shareholders' meeting, lawyers will be engaged to issue legal opinions and public announcements will be made on the following issues:

- (I) whether the procedures for convening and holding the meeting comply with laws, administrative regulations and the Articles of Association;
- (II) whether the qualifications of the participants and the convener are legal and valid;
- (III) whether the voting procedures and voting results of the meeting are legal and valid;
- (IV) legal opinions on other relevant issues as required by the Company.

**CHAPTER 3 CONVENING OF GENERAL SHAREHOLDERS' MEETING**

**Article 8** A general shareholders' meeting shall be convened by the Board of Directors. If the Board of Directors is unable or fails to fulfil the obligation of convening a general shareholders' meeting, the Board of Supervisors shall convene the meeting. If the Board of Supervisors does not convene the meeting, any shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene the meeting on their own.

**Article 9** An independent Director has the right to propose the Board of Directors to convene an extraordinary general shareholders' meeting. In respect to the proposal by the independent Director for convening an extraordinary general shareholders' meeting, the Board of Directors shall, in accordance with the laws, administrative regulations, and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general shareholders' meeting within 10 days upon receipt of such proposal.

In the event that the Board of Directors agrees to convene an extraordinary general shareholders' meeting, a notice for convening such meeting shall be given within 5 days after the resolutions of the Board of Directors is passed. In the event that the Board of Directors disagrees to convene an extraordinary general shareholders' meeting, an explanation shall be given and an announcement shall be made.

If the securities regulatory authorities in the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 10** The Board of Supervisors has the right to propose in writing the Board of Directors to convene an extraordinary general shareholders' meeting. The Board of Directors shall, in accordance with the laws, administrative regulations, and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general shareholders' meeting within 10 days upon receipt of such proposal.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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In the event that the Board of Directors agrees to convene an extraordinary general shareholders' meeting, a notice for convening such meeting shall be given within 5 days after the relevant resolution of the Board of Directors is passed and consent of the Board of Supervisors shall be obtained in case of any changes to the original proposal in the notice.

In the event that the Board of Directors disagrees to convene an extraordinary general shareholders' meeting or does not furnish any reply within 10 days after having received such proposal, the Board of Directors is deemed to be unable or unwilling to perform the duty of convening a general shareholders' meeting, in which case the Board of Supervisors may convene and preside over such meeting by itself.

**Article 11** Any shareholder(s) individually or jointly holding more than 10% of the shares of the Company may execute one or more written request(s) in the same form to request the Board of Directors to convene an extraordinary general shareholders' meeting or a class meeting, and to set forth the agenda of such meeting. The Board of Directors shall, in accordance with the laws, administrative regulations, and the Articles of Association, furnish a written reply to such shareholder(s) stating its agreement or disagreement to the convening of an extraordinary general shareholders' meeting or a class meeting within 10 days after having received such requisition.

In the event that the Board of Directors agrees to convene an extraordinary general shareholders' meeting or a class meeting, a notice for convening a general shareholders' meeting or a class meeting shall be given within 5 days after the relevant resolution of the Board of Directors is passed and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original requisition in the notice.

In the event that the Board of Directors disagrees to convene an extraordinary general shareholders' meeting or a class meeting or does not furnish any reply within 10 days after having received such requisition, in which case shareholder(s) individually or jointly holding more than 10% of the shares of the Company may propose in writing the Board of Supervisors to convene the extraordinary general shareholders' meeting or a class meeting.

In the event that the Board of Supervisors agrees to convene an extraordinary general shareholders' meeting or a class meeting, a notice for convening a general shareholders' meeting or a class meeting shall be given within 5 days after having received such requisition and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original proposal in the notice.

In the event that the Board of Supervisors fails to serve any notice of a general shareholders' meeting or a class meeting within the prescribed period, the Board of Supervisors is deemed not to convene and preside over a general shareholders' meeting or a class meeting, in which case the shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over such a meeting by himself/themselves.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 12** Where the Board of Supervisors or shareholders decide to convene a general shareholders' meeting on its/their own, it/they shall send a written notice to the Board of Directors, and shall put on the records of the dispatched office of the China Securities Regulatory Commission and the stock exchange at the locality of the Company in accordance with applicable regulations.

Prior to the announcement of the resolution(s) of a general shareholders' meeting, the shareholdings of the shareholders convening the general shareholders' meeting shall not be less than 10%.

**Article 13** Where a general shareholders' meeting is convened by the Board of Supervisors or shareholders on its/their own, the Board of Directors and the secretary to the Board of Directors shall work in a cooperative manner. The Board of Directors shall provide the register of shareholders prepared on the date of record date.

Where a general shareholders' meeting is convened by the Board of Supervisors or shareholders on its/their own, the expenses necessary for the general shareholders' meeting shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting Directors.

**CHAPTER 4 PROPOSALS AND NOTICES OF GENERAL  
SHAREHOLDERS' MEETING**

**Article 14** The contents of a proposal shall be within the functions and powers of the general shareholders' meeting, shall have definite issues for discussion and specific resolutions, and shall comply with the relevant provisions of the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholder(s) individually or jointly holding more than 3% of the shares of the Company may submit written provisional proposals to the convener 10 days before the general shareholders' meeting. The convener shall serve a supplemental notice of the general shareholders' meeting within 2 days after receipt of the provisional proposals and notify the contents of the said provisional proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general shareholders' meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the general shareholders' meeting or not complying with the Rules shall not be voted on or resolved at the general shareholders' meeting.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 15** Where the Company convenes an annual general shareholders' meeting, a written notice shall be issued at least 20 business days (excluding both the date of notice and the date of meeting) prior to the annual general shareholders' meeting and at least 15 days or 10 business days (whichever is longer, and excluding both the date of notice and the date of meeting) prior to the extraordinary general shareholders' meeting. If the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

An extraordinary general shareholders' meeting shall not resolve on matters not specified in the notice.

**Article 16** The notice of the general shareholders' meeting shall be made in writing, including the following contents:

- (I) The date, the place and the hour of the meeting;
- (II) The matters and proposals to be discussed at the meeting;
- (III) A conspicuous statement that all shareholders are entitled to attend the general shareholders' meeting and appoint a proxy in writing to attend and vote at the meeting and that such shareholder proxy need not be shareholder of the Company;
- (IV) Name and phone number of the standing contact person;
- (V) Information and explanations necessary for the shareholders to exercise an informed judgment on the proposals before them. It principally includes (but is not limited to), where a proposal is made to amalgamate the Company, to repurchase shares, to reorganize the share capital or to restructure the Company in any other way, the conditions of the proposed transaction must be provided in detail together with the proposed contract (if any), and the cause and consequence of such proposal must be properly explained;
- (VI) Disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, manager and other senior management members in the matter to be discussed and the effect of the proposed matter on such Director, Supervisor, manager and other senior management members in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;
- (VII) The full text of any special resolution proposed to be voted at the meeting;
- (VIII) The date and place for serving the power of attorney authorizing the proxy to vote;
- (IX) The record date for the determination of the entitlements of shareholders to the general shareholders' meeting;



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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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- (X) The voting time and voting procedures through the network or by other means;
  
- (XI) Other requirements stipulated in the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Any notice and supplementary notice of general shareholders' meeting shall include the contents prescribed by the regulatory rules of the place where the shares of the Company are listed and the Articles of Association, and sufficiently and completely and accurately disclose and describe all details of all proposals. If any matter to be discussed requires opinions of the independent Directors, the opinions and reasons of the independent Directors shall be disclosed together with the issuance of such notice. The notice of the general shareholders' meeting of shareholders shall provide a full and clear explanation of the proposals and, for the proposal to be voted on, shall provide the Directors' advice on how the shareholders shall vote in the best interest of the shareholders as a whole. The notice should clearly state whether (and how) shareholders who participate in the general shareholders' meeting by remote means can vote.

If the Company needs to provide additional material information on matters proposed at the general shareholders' meeting, it shall provide such information no less than 10 working days in advance. The Company shall, if necessary, adjourn the general shareholders' meeting to ensure compliance with this provision.

Voting through the network or by other mean at a general shareholders' meeting shall commence between 3:00 p.m. on the date immediately prior to the date of the in-person general shareholders' meeting and 9:30 a.m. on the date of the in-person general shareholders' meeting, and shall end no earlier than 3:00 p.m. on the date of conclusion of the meeting.

There shall be no more than seven working days between the record date and the date of the meeting. Once confirmed, the record date shall not be changed.

**Article 17** If the election of Directors or Supervisors is proposed to be discussed at a general shareholders' meeting, the notice of the meeting shall adequately specify the detailed information on the Director or Supervisor candidates, which shall at least include:

- (I) Personal particulars, including academic qualifications, working experience and concurrent positions;
  
- (II) Whether or not such candidate has any related/connected relationship with the Company or its controlling shareholders and de facto controller;
  
- (III) The number of shares of the Company held by such candidate;

Each candidate for a Director or a Supervisor shall be proposed via a single proposal.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 18** Unless otherwise stipulated in the laws, regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association, the notice of a general shareholders' meeting shall be delivered by hand or prepaid mail to shareholders (whether they are entitled to vote at the general shareholders' meeting or not). The address of the recipient shall be the address registered in the register of members. For holders of domestic shares, the notice of a general shareholders' meeting may also be in the form of an announcement.

The announcement referred to in the preceding paragraph shall be published in website designated by the securities regulatory authorities under the State Council. All holders of domestic shares shall be deemed as having received the notice of the general shareholders' meeting once the announcement is published.

Provided that complying with the requirements of laws, administrative regulations, departmental rules, and regulatory rules of the place where the Company's shares are listed and fulfilling relevant procedures, the notice of the general shareholders' meeting to H shareholders shall be published on the website stipulated in the Hong Kong Stock Exchange or our website, instead of serving by special appointed person or prepaid mail. After the publication of such notice, the holders of foreign shares listed overseas shall be deemed to have received the notice of the relevant general shareholders' meeting.

**Article 19** The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice, shall not invalidate the meeting or the resolutions adopted thereat.

**Article 20** After issuing a notice of the general shareholders' meeting, the general shareholders' meeting shall not be delayed or cancelled without justified reasons, and proposals, as set out in the notice, shall not be called off. Once delay or cancellation occurs, the convener shall inform the shareholders and explain at least two working days before the original convening date. If the Company changes the venue or time of a general shareholders' meeting, it shall give full prior notice to the shareholders.

**CHAPTER 5 HOLDING OF GENERAL SHAREHOLDERS' MEETING**

**Article 21** The place where a general shareholders' meeting of the Company is held is the domicile of the Company or the place specified in the notice of the general shareholders' meeting.

A venue will be designated for a general shareholders' meeting, and the place of the meeting shall be clear and specific.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 22** The Board of Directors and any other conveners shall take necessary measures to guarantee the good order of the general shareholders' meeting, take measures to deter any act disturbing the general shareholders' meeting, picking quarrels and provoking troubles or infringing the legal rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.

**Article 23** When a general shareholders' meeting is held, all shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general shareholders' meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association. The Company and the convener cannot reject such shareholders from attending the general meeting for any reason.

Any shareholders may attend the general shareholders' meeting in person and exercise the right to vote or appoint proxies to attend and vote within the scope of authority.

**Article 24** A shareholder attending the general shareholders' meeting in person shall present his or her identity card or other valid certificate or proof showing his or her identity. The proxy appointed by the shareholder shall present his or her identity card and power of attorney issued by the shareholder.

A corporate shareholder shall entrust the legal representative (person in charge) or the agent entrusted by the corporate shareholder to attend the general shareholders' meeting. The legal representative (person in charge) attending the general shareholders' meeting shall present his or her identity card and valid proof showing the status of the legal representative; the agent attending the general shareholders' meeting shall present his or her identity card and a power of attorney in writing issued by the corporate shareholder in accordance with the law.

A shareholder shall authorize his or her proxy in writing, and a power of attorney shall be signed by the proxy or the agent authorised in writing by the proxy. Where the proxy is a corporate, the chop of the corporate should be affixed, or the Director or the agent officially entrusted shall sign such power of attorney.

**Article 25** The power of attorney issued by the shareholder authorizing his or her proxy to attend the general shareholders' meeting should contain the following:

- (I) The name of the proxy;
- (II) Whether or not the proxy has any voting right;
- (III) Instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the general shareholders' meeting;
- (IV) The date of issue and validity period of the power of attorney;

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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- (V) Signature (or seal) of the appointer. If the appointer is a corporate shareholder, the chop of the corporate shall be affixed.

**Article 26** Any blank power of attorney form sent by the Board of Directors of the Company to the shareholder for appointing a shareholder proxy shall allow the shareholder, according to his or her free will, to instruct the shareholder proxy to vote in favor or against the related resolution(s), and provide instructions separately for matters to be put to vote on each item on the meeting agenda. The power of attorney shall specify whether the shareholder proxy could vote at his or her own discretion if the shareholder does not provide specific instructions.

**Article 27** The power of attorney for voting shall be kept at the Company's domicile or other location designated in the notice convening the meeting no later than 24 hours before the meeting at which the power of attorney is put to vote is convened or 24 hours before the designated voting time. If the power of attorney is signed by another person authorised by the appointer by means of power of attorney or other instrument of authorisation, the power of attorney or other instrument must be verified by a notary. The power of attorney or other instrument verified by the notary must be kept together with the power of attorney at the Company's domicile or other location designated at the notice convening the meeting. If the appointer is a corporate shareholder, the legal representative (person in charge) or such person who is authorised by the resolution of the Board of Directors or other governing body to act as its representative may attend the general shareholders' meeting of the Company.

Where such shareholder is a recognized clearing house determined by relevant regulations formulated from time to time in Hong Kong (or its nominee), such shareholder shall be entitled to appoint one or more persons as it deems fit to act on its behalf at any general shareholders' meeting or any class meetings, provided in the event of more than one person are authorised, the power of attorney shall specify the number and class of shares represented by each person so authorised and shall be executed by the recognized clearing house. Such persons so authorised shall be entitled to exercise the rights on behalf of the recognized clearing house (or its nominee) without presenting evidence of their shareholding, notarized authorization and/or further proof showing their due authorization) as if they were individual shareholders of the Company.

**Article 28** The votes of the shareholder proxy given pursuant to the terms of the power of attorney shall remain valid notwithstanding the death, loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive written notice concerning such matters before the related meeting is convened.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 29** The register of attendees of the general shareholders' meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the general shareholders' meeting, identity card number, residential address, number of shares or voting shares held, name of the persons (or units) the proxy represents.

**Article 30** The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the name of the shareholders as well as the number of their voting shares. Such registration shall be ceased prior to the announcement by the chairman of the general shareholders' meeting the number of shareholders and their proxies present at the meeting and the total number of their respective voting shares.

**Article 31** When the Company convenes the general shareholders' meeting, all Directors, Supervisors and secretary to the Board of Directors of the Company shall attend the meeting, and the general manager and other senior management members shall also be present at the meeting.

**Article 32** A general shareholders' meeting shall be convened by the Board of Directors and presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to perform his duties, a Director shall be jointly elected by more than half of the Directors to preside over the meeting. In the event that no such designation is made, a shareholder as elected from the attending shareholders may preside over the meeting. If, for any reason, shareholders fail to elect the presider of the meeting, the shareholder (including shareholder proxy thereof, other than Hong Kong Securities Clearing Company Limited) holding the most voting shares thereat shall act as the presider of the meeting to preside over the meeting.

A general shareholders' meeting convened by the Board of Supervisors on its own shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors is unable or fails to perform its duties, a Supervisor shall be jointly elected by more than half of the Supervisors to perform relevant duties.

A general shareholders' meeting convened by shareholders on their own shall be presided over by a representative elected by the convener.

When a general shareholders' meeting is held and the presider violates the Rules which makes it difficult for the general shareholders' meeting to continue, a person may be elected at the general shareholders' meeting to act as the presider, subject to the approval of more than half of the attending shareholders having the voting rights.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 33** At the annual general shareholders' meeting, the Board of Directors and the Board of Supervisors shall report their respective work of the previous year to the general shareholders' meeting.

**Article 34** Directors, Supervisors and senior management members shall provide explanation and clarification to the inquiries raised by the shareholders at the general shareholders' meeting.

**Article 35** The presider of the general shareholders' meeting shall, before voting, announce the number of shareholders and their proxies attending the meeting as well as the total number of voting shares, and the number of shareholders and their proxies attending the meeting and the total number of voting shares shall be subject to the registration of the general shareholders' meeting.

**CHAPTER 6 VOTING AND RESOLUTIONS OF GENERAL  
SHAREHOLDERS' MEETING**

**Article 36** The resolutions of the general shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the Shareholders (including proxies of Shareholders) attending the general shareholders' meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies of Shareholders) attending the general shareholders' meeting.

**Article 37** The following matters shall be approved by the general shareholders' meeting through ordinary resolutions:

- (I) Work report of the Board of Directors and the Board of Supervisors;
- (II) Plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;
- (III) Appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, and their payment and payment methods;
- (IV) Annual budget and final accounts report, balance sheet, income statement and other financial statements of the Company;
- (V) Annual report of the Company;
- (VI) Consideration and approval of transactions specified in Article 4 of the Rules;

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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(VII) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 38** The following matters shall be approved by special resolution at the general shareholders' meeting:

- (I) The increase or decrease of the registered capital, or the issuance of shares, warrants or other quasi-securities of the Company;
- (II) The issuance of corporate bonds;
- (III) Division, merger, dissolution and liquidation of the Company or the change of form of the Company;
- (IV) Amendment of the Articles of Association;
- (V) Substantial assets acquired or disposed of or security provided for an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (VI) The formulation, amendment and performance of share equity incentive plan;
- (VII) Other matters as required by the laws, administrative regulations, departmental rules, regulatory rules of the place where the shares are listed or the Articles of Association, and as approved by ordinary resolution of the general shareholders' meeting which are believed could materially affect the Company and need to be approved by special resolution.

**Article 39** When shareholders (including his/her proxy) vote at the general shareholders' meeting, they shall exercise their voting rights based on the number of shares held. Each share shall have one vote.

No voting rights shall attach to the shares held by the Company, and such shares shall not be counted among the total number of shares with voting rights present at a general shareholders' meeting.

If the general shareholders' meeting considers significant matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of separate vote counting shall be disclosed in a timely manner. The Board of Directors, independent Directors, shareholders holding more than 1% of the voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit votes from shareholders. In the solicitation of votes from shareholders, specific voting intentions and other information shall be fully disclosed to the solicitees. Solicitation of votes from shareholders by way of compensation or disguised compensation is prohibited. Subject to statutory conditions, the Company shall not impose a minimum shareholding percentage limit for the solicitation of votes.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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If the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed stipulate that any shareholder shall waive his/her voting right on a certain resolution or limit any shareholder to cast an affirmative or negative vote on a certain matter, and in case of any violation of such relevant stipulation or limitations, votes casted by such shareholders or proxies thereof shall not be adopted.

**Article 40** Where matters relating to related/connected transactions are deliberated at the general shareholders' meeting, the related/connected shareholders and their close associates shall not participate in the voting, and the shares carrying the voting rights they represent shall not be counted in the total number of valid votes. The announcement of resolutions of the general shareholders' meeting should fully disclose the voting status of the non-related/connected persons.

Before the general shareholders' meeting considers matters relating to related/connected transactions, the Company shall determine the scope of related/connected shareholders in accordance with relevant laws, regulations and regulatory documents. Related/connected persons or their authorized representatives may attend the general shareholders' meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting in a poll.

Where the general shareholders' meeting considers matters relating to related/connected transactions, related/connected shareholders shall abstain from voting. If related/connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After related/connected persons have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the Articles of Association and the Rules. The presider of the meeting shall announce the number of shareholders and proxies except related/connected persons present at the general shareholders' meeting and the total number of their voting shares.

In order to be valid, the resolutions made at the general shareholders' meeting on matters relating to related/connected transactions shall be passed by more than half of the votes cast by the non-related/connected persons attending the general shareholders' meeting. However, in order to be valid, in the event of such related/connected transaction involving matters that need to be passed by special resolution as stipulated in the Articles of Association and the Rules, the resolutions of the general shareholders' meeting must be passed by more than two-thirds of the voting rights held by the non-related/connected persons attending the general shareholders' meeting.

Where related/connected persons or their associates participate in voting in violation of the provisions under this article, their voting in respect of matters relating to related/connected transactions shall be invalid.



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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 41** The general shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general shareholders' meeting.

**Article 42** No amendment shall be made to a proposal when it is considered at a general shareholders' meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the general shareholders' meeting.

**Article 43** Shareholders present at the general shareholders' meeting shall express their opinions to vote for, against or abstain from voting on proposals, except where the securities registration and clearing organization, as the nominee of the shares issued through the Mainland-Hong Kong Stock Connect, makes a declaration according to the intention of the actual holder.

Voting papers which are not completed or cast, or are completed incorrectly or illegible shall be deemed as a waiver of the voting rights of the voters, and the voting result for shares held by the voters shall be counted as "abstain."

At the time of voting, shareholders (including their proxies) with two or more votes are not required to cast all votes for, against or abstain from casting all votes.

If more than one vote is cast for a voting right, only the first vote is recorded.

In the case of equality of votes taken by a show of hands or by ballot, the chairman of the meeting has a second vote.

**Article 44** The general shareholders' meeting is held as an in-person meeting or in other manners permitted by laws and regulations.

**Article 45** Unless the resolutions on relevant procedures of a general shareholders' meeting or administrative matters which can be decided by the chairman in the spirit of honesty and credibility and shall be voted on by show of hands, voting for a general shareholders' meeting shall be made by ballot.

Above procedural and administrative matters are those that:

- (1) are not on the agenda of the general shareholders' meeting or in any supplementary circular to members; and

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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- (2) which relate to the presider's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing the shareholders a reasonable opportunity to express their views.

If the chairman of the meeting decides to vote by a show of hands, voting at general shareholders' meetings shall be conducted by a show of hands unless the following persons require voting by poll before or after voting by a show of hands:

- (I) chairman of the meeting;
- (II) at least two shareholders with voting rights or proxies thereof;
- (III) one or certain shareholders (including proxies) severally or jointly holding 10% or more of shares with voting rights at the meeting.

If the chairman of the meeting decides to vote by a show of hands, unless a poll is demanded, the announcement by the chairman that whether the proposals have been passed based on the results of voting by a show of hands and the recording of such in the minutes shall be conclusive evidence. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution at the meeting.

The demand for a poll may be withdrawn by the person who demanded the same.

**Article 46** A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matter shall be taken at such time as the chairman of the meeting directs, and the meeting may proceed to discuss other matters, while the result of the poll shall still be deemed to be a resolution passed at that meeting.

**Article 47** If the general shareholders' meeting votes on a proposal, the shareholders' representatives and the supervisors' representatives and other relevant persons appointed in accordance with the regulatory rules of the place where the Company's shares are listed shall be jointly responsible for vote counting and scrutinizing in accordance with the regulatory rules of the place where the Company's shares are listed. If the matter to be considered is related to the shareholders, relevant shareholders and proxies shall not participate in the vote counting and scrutineering. Meanwhile, the Company shall appoint an auditor, a share registrar or an external accountant with the qualification as an auditor to act as a scrutineer for the vote counting at the general shareholders' meeting and indicate the identity of the scrutineer in the voting results.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 48** The presider shall announce the status and results of voting in respect of each proposal at the meeting site, and whether or not such proposal has been passed based on such voting results.

Before the voting result is announced, the relevant parties including the company, counting officer, monitoring officer and major shareholders involved at general shareholders' meeting shall have the confidentiality obligation.

**Article 49** If the presider has any doubt as to the result of a resolution which has been put to vote at the general shareholders' meeting, he/she may have the ballots counted. If the presider has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the voting result, demand that the ballots be counted and the presider shall have the ballots counted immediately.

If ballots are counted at a general shareholders' meeting, the counting result shall be recorded in the meeting minutes. The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company.

**Article 50** Resolutions of the general shareholders' meeting shall be announced in due time according to the relevant laws, regulations, departmental rules, regulatory documents, regulatory rules of the place where the shares of the Company are listed or the Articles of Association. The announcement of resolutions shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the regulatory rules of the place where the shares of the Company are listed to individual proposals (if any), whether the shareholder who is required to abstain from voting has given up the voting right, the voting method, the voting result of each resolution and the details of each of the resolutions passed.

If the proposal is not approved, or the resolution of the previous general shareholders' meeting is changed at the current general shareholders' meeting, a special note shall be included in the announcement on the resolution of the general shareholders' meeting.

**Article 51** If the proposal is not approved, or the resolution of the previous general shareholders' meeting is changed at the current general shareholders' meeting, a special note shall be included in the resolution of the general shareholders' meeting.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 52** The secretary to the Board of Directors shall be responsible for taking the minutes of the general shareholders' meeting, which shall include the following items:

- (I) the timing, place, agenda and name of the convener of the meeting;
- (II) the names of the chairman and the Directors, Supervisors, general manager and other senior management present or in attendance at the meeting;
- (III) the number of shareholders and proxies present at the meeting, the total number of voting shares held and the proportion of voting shares held to the total number of shares of the Company;
- (IV) consideration process, key points of speeches and voting results of each proposal;
- (V) Shareholders' opinions or suggestions and corresponding replies or explanations;
- (VI) the names of the vote counter and scrutineer;
- (VII) other contents that shall be recorded in the minutes of the meeting as specified by the Articles of Association.

**Article 53** The convener shall ensure that the minutes of the meeting are true, accurate and complete. The Directors, Supervisors, secretary to the Board of Directors, convener or their representatives and chairman attending the meeting shall sign the minutes of the meeting and ensure that the minutes of the meeting are true, accurate and complete. The minutes of the meeting shall be kept together with the relevant information including the shareholders' attendance book and proxy forms, for a period of not less than 10 years.

**Article 54** The convener shall ensure that the general shareholders' meeting is held without interruption until a final resolution is made. If the general shareholders' meeting is suspended or no resolution can be made due to special reasons including force majeure, necessary measures shall be taken to resume the general shareholders' meeting as soon as possible or the general shareholders' meeting shall be terminated immediately.

**Article 55** If the general shareholders' meeting approves the proposal on the election of Directors and Supervisors, the new Directors and Supervisors shall assume their duties in accordance with the Articles of Association.

**Article 56** The resolutions of the general shareholders' meeting of the Company are invalid if they violate laws and administrative regulations.

If the convening procedure and voting method of the general shareholders' meeting violate laws, administrative regulations or the Articles of Association, or the resolution violates the Articles of Association, the shareholders may request the people's court to cancel the resolution within 60 days from the date of making the resolution.

**CHAPTER 7 SPECIAL PROCEDURES FOR VOTING AT CLASS MEETINGS**

**Article 57** Shareholders who hold different classes of shares shall be shareholders of different classes. Shareholders of different classes shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association. All class shareholders shall enjoy equal rights to receive dividends or other forms of distributions.

**Article 58** Any plan of the Company of changing or abolishing the rights of a classified Shareholder is subject to the approval of the general shareholders' meeting in the form of a special resolution and the approval of the affected classified shareholders at a separately convened shareholders' meeting in accordance with Article 61 to 63 of the Rules before it can be implemented.

Upon approval from the competent securities regulatory authorities of the State Council and approved by the Hong Kong Stock Exchange, the holders of domestic shares of the Company may transfer all or part of their shares to overseas investors and list and trade the said shares on foreign stock exchanges, or convert all or part of the domestic shares into overseas listed foreign shares and list and trade the said shares on foreign stock exchanges, which shall not be deemed to be a proposed change or nullification of the rights conferred on any class of shareholders.

**Article 59** The rights of a classified Shareholder shall be deemed as changed or abolished under the following circumstances:

- (I) Increase or decrease the number of the classified shares, or increase or decrease the number of classified shares with equal or more voting rights, distribution rights, other privileges than this type of classified shares;
- (II) Convert all or part of the classified shares into other classes or convert another class of shares, partly or wholly, into the shares of such class, or grant such conversion rights;
- (III) Remove or reduce the right of the classified shares to accrued dividends generated or rights to cumulative dividends;
- (IV) Reduce or remove a dividend preference or a liquidation preference to the distribution of assets attached to shares of such class;
- (V) Add, remove or reduce the right of the classified shares to convert share rights, options rights, voting rights, transfer rights, and pre-emptive rights, or the right to obtain the securities of the Company;

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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- (VI) Remove or reduce the right of the classified shares to receive funds payable of the Company in specified currencies;
- (VII) Create new classified shares entitled to equal or more voting rights, distribution rights, or other privileges than the classified shares;
- (VIII) Restrict the transfer or ownership of the classified shares or increase such restrictions;
- (IX) Issue subscription or conversion rights for this or other classified shares;
- (X) Increase the rights and privileges of other classes of shares;
- (XI) The restructuring plan of the Company may constitute different classes of shareholders to assume responsibilities disproportionately in restructuring;
- (XII) Amend or abolish clauses stipulated in this chapter.

**Article 60** Whether or not the affected classified shareholders have voting rights at the shareholders' meeting, in the event of matters described above from (II) to (VIII), (XI) to (XII), they have voting rights at the classified shareholders' meeting, but the shareholders that have interests at stake shall have no voting rights at the classified shareholders' meeting.

The meaning of "shareholders that have interests at stake" in the preceding paragraph is:

- (I) Where the Company makes an offer to all the shareholders at the same ratio according to the Articles of Association or purchase their own shares through public transaction in the stock exchange, "shareholders that have interests at stake" refer to controlling shareholders as defined in this Articles of Association;
- (II) Where the Company purchase its own shares through an agreement outside the stock exchange in accordance with the Articles of Association, "shareholders that have interests at stake" shall mean the shareholders who are relevant to such agreement;
- (III) In the Company's restructuring plan, "shareholders that have interests at stake" shall mean Shareholder who bear liability at a rate that is lower than other shareholders in the same class or who hold different interests with other shareholders in the same class.

**Article 61** The resolution of the classified shareholders' meeting shall be passed by votes representing more than two thirds of shareholding with voting rights attending the classified shareholders' meeting in accordance with the preceding Article.

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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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When the Company is to hold a classified shareholders' meeting, it shall send a written notice before the meeting to inform all registered shareholders of that class on the matters to be considered at the meeting as well as the date and venue of the meeting as required in Article 15 of the Rules.

If the number of shares carrying voting rights at the meeting represented by the shareholders who intend to attend the meeting reaches more than half of the classified shares which have the right to vote at the meeting, the Company may convene the classified shareholders' meeting; if not, the Company shall, within five days, notify the shareholders of the class by public announcement of the matters to be considered, the date and the venue for the meeting. The Company may then convene the classified shareholders' meeting after the publication of such notice.

Where there are special rules in the regulatory rules in the place where the shares of the Company are listed, the special rules prevail.

**Article 62** Notice of classified shareholders' meetings need only be served on shareholders entitled to vote thereat.

Insofar as possible, any classified shareholders' meeting shall be held in accordance with the same procedures as those of the shareholders' meeting, and any clause that relates to the procedures for convening the general shareholders' meeting in the Articles of Association and the Rules shall apply to classified shareholders' meeting.

**Article 63** Apart from the holders of other classified shares, the holders of domestic shares and the holders of overseas listed foreign shares are deemed as different classified shareholders. The special procedures for voting by the classified shareholders shall not apply under the following circumstances:

- (I) Upon the approval by a special resolution at the general shareholders' meeting, the Company either separately or concurrently issues domestic shares and overseas listed foreign shares once every 12 months, and the number of those domestic shares and overseas listed foreign shares to be issued shall not account for more than 20% of each of its outstanding shares;
- (II) The plan to issue domestic shares and overseas listed foreign shares upon the establishment of the Company is completed within 15 months of the date of approval by the securities regulatory authorities of the State Council;
- (III) Upon approval from the competent securities regulatory authorities of the State Council and approved by the Hong Kong Stock Exchange, the holders of domestic shares of the Company transfers their shares to overseas investors, or the holders of domestic shares of the Company are approved to convert all or part of the domestic shares into foreign shares, and list and trade the said shares on foreign stock exchanges.

**CHAPTER 8 AUTHORIZATION TO THE BOARD OF DIRECTORS  
BY GENERAL SHAREHOLDERS' MEETING**

**Article 64** Under the premise of not violating laws and regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association, the general shareholders' meeting may grant authorization to the Board of Directors by passing resolutions.

**Article 65** Issues which require approval by general shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, relevant regulations of regulatory rules of the place where the shares of the Company are listed as well as the Articles of Association shall be considered and resolved at the general shareholders' meeting in order to protect the decision right of the shareholders of the Company. When considered necessary, reasonable and in compliance with relevant laws, any specific matters related to the foregoing issues which are unable or unnecessary to be decided immediately at the general shareholders' meeting may be decided by the Board of Directors upon authorization by the shareholders at the general meeting.

An authorization to the Board of Directors that falls into the scope of an ordinary resolution shall be approved by shareholders (including their proxies) representing more than one-half of the voting rights present at the meeting. An authorization to the Board of Directors that falls into the scope of a special resolution shall be approved by shareholders (including their proxies) representing more than two thirds of the voting rights present at the meeting. The contents of the authorization shall be clear, definite and specific.

**Article 66** When deciding on issues so authorized, the Board of Directors shall discuss and verify the matters thoroughly and may appoint intermediaries to provide advice, if necessary, to ensure scientific and reasonable decision-making on the matters.

**CHAPTER 9 IMPLEMENTATION OF RESOLUTIONS OF GENERAL  
SHAREHOLDERS' MEETING**

**Article 67** The Board of Directors shall submit specific progress reports to the general shareholders' meeting in respect of those resolutions passed at the previous general shareholders' meeting, the implementation of which is the responsibility of the Board of Directors. If such resolutions of the general shareholders' meeting cannot be executed due to certain reasons, the Board of Directors shall explain the reasons.

**CHAPTER 10 SUPPLEMENTARY ARTICLES**

**Article 68** Any matters that are not covered herein or any conflicts between the Rules and the promulgated laws, regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed, other normative documents or the Articles of Association after the Rules come into force, shall be resolved in reference to such laws, regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed, other normative documents or the Articles of Association.



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**APPENDIX V      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE MEETING OF SHAREHOLDERS**

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**Article 69** The Rules are attached to the Articles of Association. Unless otherwise specified, the terms used in the Rules have the same meanings as those in the Articles of Association.

**Article 70** The rules, which have been considered and approved by the general shareholders' meeting of the Company, shall take effect and put into force from the date on which the A shares initial publicly issued by the Company are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange. Since the effective date of the Rules, the original Procedures Rules of General Shareholders' Meeting of the Company shall automatically become invalid.

**Article 71** The Board of Directors of the Company shall be responsible for the interpretation of the Rules.

**Shanghai HeartCare Medical Technology Corporation Limited**

**RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to further standardize the procedure and decision-making process of Board of Directors of Shanghai HeartCare Medical Technology Corporation Limited and to enable the directors and the board of directors to effectively perform their duties and improve the standardized operation and scientific decision-making ability of the Board of Directors, the rules have been formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**STAR Market Listing Rules**”) and other laws, regulations and normative documents, and the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (the “**Articles of Association**”).

**Article 2** The Company shall establish a Board of Directors in accordance with laws. The members of the Board of Directors are elected by the general shareholders’ meeting and engaged by the general shareholders’ meeting to be responsible for the operation and management of corporate properties of the Company. The Board of Directors is the operation and decision center of the Company and is responsible to the general shareholders’ meeting.

**Article 3** The Board of Directors shall comprise nine Directors and shall have one Chairman. More than one third of the members of the Board of Directors shall be independent Directors at any time and the total number of independent Directors should not be less than three, and at least one of them shall possess appropriate professional qualifications that meet regulatory requirements or have appropriate accounting or related financial management expertise.

**Article 4** The Board of Directors of the Company shall establish the audit committee, the nomination committee, and the remuneration committee. Special committees are accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and approval. Each of the special committees shall be comprised of Directors. In particular, more than half of the members of the audit committee, the nomination committee and the remuneration committee are independent Directors and shall be the convener; and all members of the audit committee shall be non-executive Directors or independent Director, at least one of whom shall possess appropriate professional qualifications as required under the Hong Kong Listing Rules or possess appropriate accounting or relevant financial management expertise. The chairman of each of the special committees shall be appointed and dismissed by the Board of Directors.

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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**Article 5** The Board of Directors of the Company shall explain to the general shareholders' meeting, the modified audit opinions issued by the certified public accountants on the financial report of the Company.

**Article 6** The Board of Directors is responsible to the general shareholders' meeting and exercises the following powers:

- (I) Convene the general shareholders' meetings and report on work to the general shareholders' meeting;
- (II) Implement the resolutions of the general shareholders' meetings;
- (III) Determine the business and investment plans of the Company;
- (IV) Devise the annual financial budgets and final accounting plans of the Company;
- (V) Devise the profit distribution plan and loss makeup plan of the Company;
- (VI) Formulate the plans for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;
- (VII) Formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;
- (VIII) Consider and approve guarantees which fail to meet the approval criteria of the general shareholders' meeting;
- (IX) Consider and approve the transactions matters specified in Article 7 of the rules;
- (X) Consider and approve the matters of related/connected transaction specified in the regulatory rules of the place where the shares of the Company are listed that shall be approved by the Board of Directors;
- (XI) Decide on the setup of the Company's internal management organisation;
- (XII) Appoint or dismiss the general manager and secretary of the Board of Directors of the Company; based on the nomination of the general manager, appoint or dismiss senior management of the Company such as the chief financial officer and the deputy general manager, and determine his/her remunerations, rewards and penalties;
- (XIII) Set the basic management systems of the Company;
- (XIV) Make the modification plan to the Articles of Association;

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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- (XV) Propose the appointment or replacement of the accounting firm that performs audits for the Company at the general shareholders' meeting;
- (XVI) Attend to the work report of the Company's general manager and review the work of the general manager;
- (XVII) Manage the disclosure of company information;
- (XVIII) Other powers and duties authorised by the laws, administrative regulations, regulations of the authorities, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The above resolutions adopted by the Board of Directors, except those in (VI), (VII) and (XIV) must be approved by more than a two-thirds vote of the Directors, may be approved by more than half of the votes by the Directors.

Any matters beyond the scope of authorization granted by the general shareholders' meeting shall be submitted at the general shareholders' meeting for consideration.

The specific powers and authorities of the Board of Directors as stipulated in the Company Law shall be exercised collectively by the Board of Directors and shall not be delegated to others, and shall not be changed or deprived according to the Articles of Association, resolutions of the general shareholders' meeting, etc.

With regard to other powers and authorities of the Board of Directors as stipulated in the Articles of Association, significant businesses and matters shall be subject to collective decision-making and approval, and shall not be separately determined by one or more Directors.

**Article 7** The significant transactions of the Company and their definitions, and the requirements on submission of the significant transactions to the Board of Directors for consideration shall be subject to the relevant laws, administrative regulations, departmental rules, and regulatory rules of the place where the shares are listed.

**Article 8** The chairman of the Board of Directors shall convene an extraordinary meeting of the Board within 10 days if:

- (I) proposed by more than one-tenth of the shareholders with voting rights;
- (II) proposed by more than one-third of the Directors;
- (III) proposed by one-half of the independent Directors;
- (IV) proposed by the Board of Supervisors;

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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(V) the chairman considers it necessary;

(VI) proposed by the general manager;

(VII) other circumstances as stipulated in the Articles of Association.

**Article 9** A meeting of the Board of Directors may be held only if a majority of the Directors are present.

The general manager and the secretary to the Board of Directors shall be in attendance at the meeting; Supervisors and other senior management shall be in attendance at the meeting as required.

The Board may invite intermediaries or industry, operational, legal and financial experts to be in attendance at the meetings of the Board of Directors to provide professional advice.

**Article 10** The meeting of the Board of Directors shall be attended by the Directors. If the Directors are unable to attend the meeting for any reason, they may appoint other Directors in writing to attend the meeting on their behalf, in accordance with the provisions of the rules.

**CHAPTER 2 RULES ON PROPOSALS OF MEETINGS**

**Article 11** Matters considered by the Board of Directors shall be determined by way of a resolution. The secretary to the Board of Directors is responsible for collecting, collating and submitting the resolutions made by the Board of Directors on the proposals considered by the Board of Directors at the meeting of the Board of Directors.

For the purpose of the rules, resolution means a matter to be considered that is formally included in the scope of consideration at a meeting of the Board of Directors; proposal means a matter to be considered that is submitted by the proposer but is not included in the scope of consideration at a meeting of the Board of Directors, and proposer means a person or entity submitting the proposal. The contents of the proposal include but not limited to the name, matters, necessary argumentation and analysis of the proposal, and the proposal shall be signed or sealed by the proposer.

**Article 12** Each resolution shall be sent to the secretary to the Board of Directors. The secretary to the Board of Directors shall collect and classify resolutions and submit them to the chairman for consideration. If the chairman of the Board of Directors considers that the contents of a proposal are not clear or specific or relevant materials are inadequate, it may request the proposer to modify the proposal or supplement the relevant materials.

The contents of a resolution shall be delivered, together with the meeting notice, to all Directors and relevant persons who need to be in attendance at the meeting.

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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**Article 13** If an extraordinary meeting of the Board of Directors is proposed in accordance with the rules, a written proposal signed (sealed) by the proposer shall be submitted to the chairman of the Board of Directors through the secretary to the Board of Directors or directly. The written proposal shall indicate the following items:

- (I) the name of the proposer;
- (II) the reasons of the proposal or the objective reasons on which the proposal is based;
- (III) proposed timing or duration, place and manner of the meeting;
- (IV) clear and specific matters;
- (V) contact information of the proposer and the date of the proposal, etc.

The proposal shall be covered by the scope of authority of the Board of Directors as specified in the Articles of Association, and the materials related to the proposal shall be submitted together with the proposal.

The secretary to the Board of Directors shall, upon receipt of the above written proposal and relevant materials, hand them over to the chairman of the Board of Directors on the same day. If the chairman of the Board of Directors considers that the contents of a proposal are not clear or specific or relevant materials are inadequate, it may request the proposer to modify the proposal or supplement the relevant materials.

**Article 14** The proposal of the Board of Directors shall meet the following conditions:

- (I) the proposal does not conflict with laws, regulations and the Articles of Association, and is covered by the scope of business activities of the Company and the scope of duties of the Board of Directors;
- (II) the proposal shall be in the interests of the Company and the shareholders;
- (III) the proposal has clear topics and specific matters;
- (IV) the proposal shall be submitted in writing.

**Article 15** The following persons/organizations may submit proposals to the Board of Directors:

- (I) shareholders individually or collectively holding more than 3% of the total number of voting shares of the Company;
- (II) any Director;

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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(III) the Board of Supervisors;

(IV) the general manager, other senior management and the secretary to the Board of Directors.

The proposals submitted by the entities specified in items (III) and (IV) above shall be covered by the scope of their duties.

**Article 16** If the Directors have different opinions on a certain issue or part of the contents of a resolution during the consideration of the resolution by the Board of Directors, the resolution may be amended according to the voting results at the meeting provided that the Directors vote on the issue or the amendment to certain contents separately.

**CHAPTER 3 NOTICE OF MEETINGS AND SIGN-IN RULES**

**Article 17** The Board of Directors meeting are classified as regular meetings and extraordinary ones. Regular meetings of the Board of Directors shall be held at least four times a year and shall be convened by the chairman of the Board.

**Article 18** Notice of regular meetings of the Board of Directors shall be given to all Directors and Supervisors 14 days in advance and notice of extraordinary Board of Directors meetings shall be sent 3 days in advance.

Notice of meetings of the Board of Directors shall be given in writing, by personal delivery, facsimile, electronic mail or in such other manner as may be provided for in the Articles of Association.

If the situation is urgent and it is necessary to convene an extraordinary meeting of the Board of Directors as soon as possible, notice of the meeting may be given at any time by telephone or other verbal means, but the convenor shall make an explanation to that effect at the meeting.

**Article 19** The Secretary to the Board of Directors is responsible for notifying all Directors and all relevant persons and making preparations for the meeting. The notice of a meeting of the Board of Directors includes the following:

- (I) timing, place and duration of the meeting;
- (II) manner of the meeting;
- (III) matters to be considered (proposals);
- (IV) the convenor and chairman of the meeting, the proposer of the extraordinary meeting and its written proposal;

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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- (V) meeting materials necessary for voting by Directors;
- (VI) requirements that a Director shall attend the meeting in person or appoint another Director to attend the meeting on its behalf;
- (VII) contact person and contact information;
- (VIII) the date on which the notice is given.

The oral meeting notice shall at least include the contents specified in items (I), (II) and (III) above, as well as the explanation for convening an extraordinary meeting of the Board of Directors as soon as possible in case of emergency.

**Article 20** If it is necessary to change the timing and place of the meeting or add, change or cancel a proposal of the meeting after the written notice of the regular meeting of the Board of Directors is given, the written notice of change shall be given 3 days before the original meeting date, explaining the situation, the relevant contents of the new proposal and relevant materials. If the written notice of change is given less than 3 days before the original meeting date, the meeting shall be postponed accordingly, or held as scheduled with the approval of all Directors to be present.

**Article 21** If it is necessary to change the timing and place of the meeting or add, change or cancel a meeting proposal after the notice of the extraordinary meeting of the Board of Directors is given, the approval of all Directors to be present shall be obtained in advance and corresponding records shall be kept.

The person receiving the meeting notice shall inform the secretary to the Board of Directors of whether to attend the meeting as soon as possible by way of a return receipt required by the meeting notice.

**Article 22** In principle, the Directors shall attend the meeting of the Board of Directors in person. If a Director is unable to attend the meeting for any reason, it may appoint another Director to attend and vote on its behalf at the meeting. The appointment shall be made in writing, indicating the following:

- (I) names of the principal and the proxy;
- (II) brief opinions of the principal on each proposal;
- (III) the scope of authorization by the principal, indications of voting intentions for proposals, and the period of authorization;
- (IV) signature of the principal, date, etc.



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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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The proxy shall submit a written proxy form to the chairman of the meeting, and indicate the attendance by proxy in the attendance book.

The proxy attending the meeting shall exercise the rights of a Director to the extent authorized. A Director who fails to attend a meeting of the Board of Directors in person or by proxy shall be deemed to have waived its right to vote at the meeting.

If a Director fails to attend two consecutive meetings of the Board of Directors in person or by proxy (remote attendance is deemed as presence in person), the Director is deemed to be unable to perform its duties, and the Board of Directors shall recommend the general shareholders' meeting to remove and replace the Director.

**Article 23** Appointing or acting as a proxy to attend a meeting of the Board of Directors shall comply with the following principles:

- (I) in consideration of connected transactions, unrelated Directors shall not appoint related Directors to attend the meetings on their behalf, while related Directors shall not accept the appointment by unrelated Directors;
- (II) Directors shall not give a carte blanche to any other Director to attend the meeting on their behalf without indicating their personal opinions and voting intentions on proposals, and relevant Directors shall not accept any carte blanche or appointment with unclear authorization;
- (III) a Director shall not accept the appointment by more than two Directors, or appoint another Director who accepts the appointment by two other Directors to attend a meeting.

**Article 24** A sign-in system is adopted for meetings of the Board of Directors. Any participant shall sign in its attendance in person and shall not appoint another person to sign on its behalf. The meeting attendance book shall be kept together with other written materials of the meeting.

**CHAPTER 4 RULES OF PROCEDURE AND VOTING OF MEETINGS**

**Article 25** The Board of Directors considers matters by way of convening a meeting of the Board. Resolutions made by the Board of Directors shall be approved by a majority of all Directors. According to the Articles of Association, the Board of Directors shall, within the scope of its authority, make resolutions on external guarantees, which shall be considered and approved by more than two-thirds of all Directors.

**Article 26** At a meeting of the Board of Directors, a vote may be taken by open ballot or a show of hands.

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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A meeting of the Board of Directors may be held as an in-person meeting, a remote meeting and a combination.

If a meeting of the Board of Directors is held as an in-person meeting, Directors are allowed to attend the meeting via telephone, video or other instant messaging methods for their convenience provided that Directors can fully express their opinions. Directors who attend the meeting by the above methods shall be deemed to be present at an in-person meeting.

If a meeting of the Board of Directors is held by telephone, video or other instant messaging methods, there shall be an assurance that the Directors present at the meeting can hear other Directors clearly and communicate with each other. A meeting of the Board of Directors so convened shall be recorded or videotaped. If a Director is unable to sign a resolution immediately at the meeting, it shall vote orally and sign the resolution in writing as soon as possible. An oral vote by a Director shall have the same effect as a written signature, provided that the subsequent written signature shall be consistent with the oral vote at the meeting. If such written signature is inconsistent with the oral vote, the oral vote shall prevail.

**Article 27** Each Director shall have one vote. In the case of equality of votes, the chairman of the Board of Directors has a second vote.

**Article 28** If a vote is taken by open ballot, the secretary to the Board of Directors is responsible for organizing the preparation of voting papers for the Board of Directors. The voting papers for the Board of Directors shall include the following items:

- (I) the session, time and place of the Board of Directors;
- (II) the names of Directors;
- (III) matters to be considered and voted on;
- (IV) instructions on voting for, against and abstaining from voting;
- (V) other matters that are required to be recorded.

Directors attending the meeting shall select an option to vote for, against or abstain from voting. If they do not select an option or select more than two options at the same time, the chairman shall require such Directors to re-select an option; if they refuse to do so, they are deemed to have abstained from voting. Directors who leave the meeting before the conclusion of the meeting and do not return without selecting an option are deemed to have abstained from voting.

**Article 29** Voting papers shall be sent to the Directors to be present at the meeting before the voting on each matter considered is conducted by the Board of Directors and shall be collected after the voting is completed.

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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A Director who is appointed by another Director to vote on behalf of the principal shall hold a voting paper on behalf of the principal, in addition to the voting paper to which it is entitled as a Director, and shall indicate “appointed by a Director to vote” in the column headed Name of Director.

**Article 30** The Board of Directors shall vote on each matter in the agenda on a one-by-one basis and shall not hold the voting in abeyance or refuse to vote for any reason.

**Article 31** The Chairman shall preside at meetings of the Board of Directors. Where the chairman is unable to or does not perform the duty, a Director nominated by more than half of the Directors shall perform the duty.

**Article 32** The proposer or a designated Director shall make a keynote speech for each topic discussed by the Board of Directors, to explain the main contents of the topic, the leading opinions of the proposal, etc.

**Article 33** If a Director has a related/connected relationship with the subject entities of the resolution of the meeting of the Board of Directors, such Director shall not vote, or vote on behalf of other Directors. The meeting of the Board of Directors may be held when more than half of the non-related/connected Directors attend the meeting. The resolution of the meeting of the Board of Directors shall be passed by more than half of the non-related/connected Directors. If the number of non-related/connected Directors attending the meeting is less than 3, the issue shall be submitted to the general shareholders’ meeting for consideration.

**Article 34** Except with the unanimous consent of all Directors present at the meeting, no vote shall be taken at a meeting of the Board of Directors on proposals not included in the notice of the meeting. A Director who accepts the appointment by another Director to attend a meeting of the Board of Directors on its behalf shall not vote on a proposal not included in the notice of the meeting on behalf of another Director.

**Article 35** At least two Directors shall be elected from among the Directors present at the meeting to participate in vote counting for each matter considered, under the supervision by one Supervisor. The representative of the vote counters shall announce the voting results on the spot.

**Article 36** The chairman of the meeting determines whether a resolution of the Board of Directors is approved or not according to the voting results, and shall announce the voting results at the meeting. The voting results of the resolution are recorded in the minutes of the meeting.

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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**Article 37** If the presider has any doubt as to the result of a resolution which has been put to vote at the general shareholders' meeting, he/she may have the ballots liquidated. If ballots are checked, any Director who is present in person and who objects to the result announced by the presider may, immediately after the declaration of the voting result, demand that the ballots be checked and the presider shall have the ballots counted immediately.

**Article 38** If more than one-half of the Directors present at the meeting consider that a proposal is not clear or specific, or they are unable to make a judgment on relevant matters due to other reasons such as insufficient meeting materials, the chairman of the meeting shall request the meeting to postpone the voting on the topic.

A Director proposing a postponement of voting shall specify clear conditions which shall be met for re-submission of the proposal for consideration.

**Article 39** The minutes of the meeting and resolutions shall be signed and confirmed by the Directors present at the meeting on their behalf and on behalf of the Directors who appoint them to attend the meeting as proxies. If Directors have different opinions on the minutes of the meeting or resolutions, they may make a written explanation at the time of signature.

**Article 40** The Directors shall be responsible for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates laws, regulations or the Articles of Association, the Directors participating in making the resolution are liable for compensation for any losses incurred by the Company due to the violation, provided that Directors may be released from liability if they raise an objection at the time of voting, which is proved and recorded in the minutes of the meeting. A Director who fails to attend a meeting in person or by proxy or give a written opinion on the considered matter before or at the time of the meeting of the Board of Directors shall be deemed not to have objected and shall not be discharged from its responsibilities.

#### **CHAPTER 5 MINUTES OF MEETINGS**

**Article 41** The minutes of the meeting of the Board of Directors shall be kept and signed by the Directors present at the meeting and the minute taker. Directors present at the meeting have the right to request that their speech at the meeting be included in the record in an explanatory manner.

In addition to the minutes of the meeting, the secretary to the Board of Directors may take brief minutes of the meeting as necessary, and separate minutes of resolutions made at the meeting based on the voting results.

The secretary to the Board of Directors is responsible for keeping the attendance book, proxy forms, voting papers, records, minutes, resolutions and other written materials of the meeting for a period of not less than ten years.

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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**Article 42** The minutes of a Board meeting shall include the following contents:

- (I) date and place of the meeting and name of the convener;
- (II) names of the Directors attending the meeting and names of the Directors (proxies) appointed by others to attend the meeting of the Board of Directors;
- (III) agenda of the meeting;
- (IV) main points and main opinions of Directors' speeches (including any doubts or objections);
- (V) method and results of the voting for each proposal (the voting result should specify the number of votes for and against the proposal or abstention).

**Article 43** If the taking of minutes of the meeting cannot be completed immediately after the meeting due to lack of time, the secretary to the Board of Directors is responsible for completing the taking of the minutes of the meeting within 3 days after the meeting and sending the minutes of the meeting to each Director by personal delivery, express or e-mail in a reasonable manner. Each of the Directors shall sign the minutes of the meeting within 3 days after receiving the minutes of the meeting and deliver the signed minutes of the meeting to the Company. If the Directors have any opinion on or objection to the minutes of the meeting, they may not sign the minutes of the meeting but shall deliver their written opinions to the Company at such time and in such manner as specified above.

If such opinion or objection arises out of an error or omission in the minutes taken by the secretary to the Board of Directors, the secretary to the Board of Directors shall modify the minutes and the Directors shall sign the modified minutes.

**CHAPTER 6 IMPLEMENTATION OF RESOLUTIONS OF  
THE BOARD OF DIRECTORS**

**Article 44** Once a resolution is made at the meeting of the Board of Directors, the implementor designated in the resolution shall be responsible for organizing the implementation, and report the implementation results to the chairman of the Board of Directors.

**Article 45** The chairman of the Board of Directors shall urge relevant personnel to implement the resolutions of the Board of Directors, inspect the implementation of the resolutions, and report the implementation of the resolutions at subsequent meetings of the Board of Directors.

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**APPENDIX VI      PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS**

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The secretary to the Board of Directors shall report to the chairman of the Board of Directors on the implementation of the resolutions of the Board of Directors in a timely manner, and truthfully convey the opinions of the chairman of the Board of Directors to relevant Directors and the management of the Company.

The secretary to the Board of Directors may assist the Board of Directors in supervising and inspecting the implementation of the resolutions of the Board of Directors by collecting and consulting relevant documents, communicating with relevant personnel, etc.

The Board of Directors may require the management members to report orally or in writing to the Board of Directors on the implementation of the resolutions of the Board of Directors and the significant production and operation conditions of the Company.

**CHAPTER 7 SUPPLEMENTARY PROVISIONS**

**Article 46** In case of any matters not covered in the rules or in conflict with the provisions of then-effective laws, regulations, administrative regulations, regulatory rules of the place where the shares of the Company are listed or other normative documents, or in conflict with the Articles of Association, the said provisions of laws, regulations, regulatory rules of the place where the shares of the Company are listed, other normative documents or the said Articles of Association shall prevail.

**Article 47** The rules are annexed to the Articles of Association. Unless otherwise specified, the terms used in the rules have the same meanings as those in the Articles of Association.

**Article 48** The rules shall be reviewed and passed by the general meeting of the Company and shall take effect and be implemented from the date of the Company's initial public offering of A shares and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange. Since the effective date of the rules, the former Rules of Procedure of the Board of the Company shall be automatically invalidated.

**Article 49** The Board of Directors is responsible for the interpretation of the rules.

**Shanghai HeartCare Medical Technology Corporation Limited**

**RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to give full play to the role of the Board of Supervisors, improve the corporate governance structure of the Company, promote the standard operation of the Company and ensure the independent exercise of the Board of Supervisors' supervisory powers in accordance with the law, the rules have been formulated in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (the "**Hong Kong Listing Rules**"), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the "**STAR Market Listing Rules**") and other laws, regulations, normative documents, and the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (the "**Articles of Association**"), and in consideration of the specific situation of the Company.

**Article 2** The Board of Supervisors is the Company's standing supervisory body responsible to the general shareholders' meeting; and supervises the financial affairs of the Company and the legality and compliance of performance of duties by the Directors, general manager and other senior management of the Company, and safeguards the legitimate rights and interests of the Company and shareholders.

**Article 3** The Company shall establish a Board of Supervisors. The Board of Supervisors comprises three supervisors, including shareholder representative supervisors and a proper proportion of employee representative supervisors. The proportion of employee representative supervisors in the Board of Supervisors shall be no less than one third of the supervisors appointed. The employee representatives of the Board of Supervisors shall be elected and removed at the employee representatives' meeting, employee meeting or otherwise democratically. The shareholder representatives shall be elected and removed by the general shareholders' meeting.

**Article 4** The Board of Supervisors shall have one chairman, and shall be determined by two-thirds or more of the members of the Board of Supervisors.

**Article 5** The method for discussions of the Board of Supervisors shall be the meetings of the Board of Supervisors. There are two types of Board of Supervisors meeting: regular meeting of the Board of Supervisors and extraordinary meeting of the Board of Supervisors. The Board of Supervisors shall hold one regular meeting at least every six months and at least two meetings every year, which shall be convened by the chairman of the Board of Supervisors. A Supervisor may propose to convene an extraordinary meeting of the Board of Supervisors.

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**APPENDIX VII    PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**

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If a Supervisor fails to attend in person for two consecutive times (a Supervisor who attends or votes at the meeting of the Board of Supervisors by means of communication is deemed to have attended in person), and does not entrust other Supervisors to attend the meeting of the Board of Supervisors, he/she shall be deemed unable to perform his/her duties and shall be replaced by the general shareholders' meeting or the employee representative meeting.

**Article 6** The Board of Supervisors shall convene an extraordinary meeting within ten days if:

- (I) any Supervisor proposes the meeting;
- (II) the general shareholders' meeting and the meeting of the Board of Directors approve resolutions that violate laws, regulations, rules, various provisions and requirements of the regulatory authorities, the Articles of Association, resolutions of the general shareholders' meeting of the Company and other relevant provisions;
- (III) misconduct of Directors and senior management may cause significant damage to the Company or have adverse effects in the market;
- (IV) the Company, Directors, Supervisors and senior management are subject to litigation by shareholders;
- (V) the Company, Directors, Supervisors and senior management are subject to administrative penalties;
- (VI) other circumstances as specified by laws, regulations, normative documents or the Articles of Association.

**CHAPTER 2 FUNCTIONS AND POWERS OF THE BOARD OF SUPERVISORS**

**Article 7** The Board of Supervisors shall be accountable to the general shareholders' meeting and exercise the following functions and powers in accordance with the law:

- (I) To check the financial condition of the Company;
- (II) To monitor the performance of duties in the Company by Directors and senior management and propose dismissal of Directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of general shareholders' meetings;
- (III) To require Directors and the senior management to make corrections if their conduct has damaged the interests of the Company;



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**APPENDIX VII    PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**

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- (IV) To propose the convening of extraordinary general shareholders' meeting and, in case the Board does not perform the obligations to convene and preside over the general shareholders' meeting in accordance with Company Law and the Articles of Association, convene and preside over the general shareholders' meeting;
- (V) To submit proposals to the general shareholders' meeting;
- (VI) To represent the Company in negotiation with or taking an action against directors and senior management in accordance with the Company Law;
- (VII) To conduct an investigation if there are any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work with expenses to be borne by the Company;
- (VIII) To verify financial information such as financial reports, business reports, profit distribution plans, etc. that the Board intends to submit to the general meeting and, if in doubt, to appoint a registered accountant or practicing auditor in the name of the Company to assist in reviewing such information;
- (IX) To audit the periodical reports of the Company prepared by the Board of Directors and express their opinions in writing;
- (X) Other functions and powers specified in the Articles of Association.

**Article 8** The Board of Supervisors shall supervise investment, property disposal, acquisition and merger, connected transactions, mergers and demergers and other matters of the Company, and performance of duties by the Board of Directors, Directors and senior management, and submit a special report to the general shareholders' meeting.

If Directors and senior management of the Company commit a material dereliction of duty or damage the interests of the Company, the Board of Supervisors shall require them to make corrections, and may, when necessary, submit a proposal to the general shareholders' meeting or the Board of Directors for dismissal or removal. The general shareholders' meeting and the Board of Directors shall discuss and vote on the proposal of the Board of Supervisors.

**Article 9** The Board of Supervisors monitors the Company's internal control system to ensure that the Company implements effective internal control measures to prevent possible risks.

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**APPENDIX VII    PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**

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**Article 10** At the Company's annual general shareholders' meeting, the Board of Supervisors shall read out a special supervision report in relation to the Company for the previous year, which includes:

- (I) the inspection of financial affairs of the Company;
- (II) performance of duties of the Company by the Directors and senior management and the compliance with relevant laws, regulations, the Articles of Association and the implementation of resolutions of the general shareholders' meeting;
- (III) other significant events which shall be reported by the Board of Supervisors to the general shareholders' meeting.

If the Board of Supervisors deems it necessary, the Board of Supervisors may also issue opinions on the proposals considered by the general shareholders' meeting and submit an independent report.

**Article 11** In exercising its powers and authority, the Board of Supervisors may, when necessary, engage professional organizations including law firms and accounting firms to provide assistance, at the cost of the Company.

**Article 12** The Board of Supervisors has the right to propose and urge the Board of Directors to convene an extraordinary general shareholders' meeting in accordance with the Articles of Association if:

- (I) the Board of Supervisors is unable to effectively perform its duty of supervision;
- (II) the basic interests of shareholders are threatened;
- (III) the Board of Supervisors considers that the resolutions of the Board of Directors on connected transactions are not fair and reasonable and cannot reach an agreement with the Board of Directors on the matters;
- (IV) other circumstances in which an extraordinary general shareholders' meeting is required.

If the Board of Supervisors requests an extraordinary general shareholders' meeting, it shall submit to the Board of Directors, a written proposal with complete topics and contents. The Board of Supervisors shall ensure that the contents of the proposal comply with laws, regulations and the Articles of Association.

**Article 13** If a Supervisor attends a general shareholders' meeting of the Company, the Board of Supervisors shall support the Board of Directors in replying to and explaining the questions and suggestions of the shareholders, except that business secrets of the Company may not be disclosed at the general shareholders' meeting.

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**APPENDIX VII    PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**

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**Article 14** Supervisors may be in attendance at the meeting of the Board of Directors of the Company to supervise the legality of the procedures for convening the meeting, the withdrawal of related Directors from voting, and whether resolutions of the Board of Directors comply with laws, regulations and the Articles of Association, and meet the actual needs of the Company.

**Article 15** The Board of Supervisors has the right to recommend the Company's external auditor to the general shareholders' meeting; Supervisors have the right to know and inquire about the operation of the Company and undertake corresponding confidentiality obligations.

**Article 16** The Directors, senior management and other personnel of the Company shall provide necessary assistance for and shall not interfere with or obstruct the normal performance of duties by Supervisors. Reasonable expenses necessary for the Supervisors to perform their duties shall be borne by the Company.

**Article 17** The records of supervision of the Directors, general manager and other senior management made by the Board of Supervisors and the results of financial or special inspections shall serve as an important basis for performance evaluation.

**CHAPTER 3 PROPOSALS AND CONVENING OF MEETINGS**

**Article 18** Before giving the notice to convene regular meetings of the Board of Supervisors, the office of the Board of Supervisors shall solicit proposals of the meeting from all Supervisors and opinions from employees of the Company for at least 3 days. In soliciting proposals and opinions, the office of the Board of Supervisors shall explain that the Board of Supervisors focuses on the supervision of the standard operation of the Company and the performance of duties by Directors and senior management, instead of the decision-making of the Company on operation and management.

**Article 19** If a supervisor proposes to convene an extraordinary meeting of the Board of Supervisors, he/she shall submit a written proposal signed by him/her to the office of the Board of Supervisors or directly to the chairman of the Board of Supervisors. The written proposal shall set forth the following:

- (I) The name of the proposing supervisor;
- (II) Reason for the proposal;
- (III) Time or time limit, venue or form of the meeting proposed;
- (IV) Well-defined and specific proposal;
- (V) Means to contact the proposing supervisor, date of proposal, etc..

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**APPENDIX VII    PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**

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Within 3 days after the office of the Board of Supervisors or the chairman of the Board of Supervisors receives a written proposal from a supervisor, the office of the Board of Supervisors shall issue a notice to convene an extraordinary meeting.

**Article 20** The meeting of the Board of Supervisors shall be convened and presided over by the chairman of the Board of Supervisors; if the chairman of the Board of Supervisors is unable to or fails to carry out his/her duties, a supervisor elected by above half of the supervisors shall convene and preside over the meeting.

**CHAPTER 4 NOTICE OF THE BOARD OF SUPERVISORS**

**Article 21** The method for discussions of the Board of Supervisors shall be the meeting of the Board of Supervisors. As for the voting on a resolution of the Board of Supervisors, each supervisor shall have one vote, which may be taken by poll or in written form. For convening the regular meetings and extraordinary meetings of the Board of Supervisors, the office of the Board of Supervisors shall deliver the written meeting notice to all supervisors by hand, courier, fax or e-mail 10 days and 3 days in advance.

Where an extraordinary meeting of the Board of Supervisors needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

**Article 22** The written notice of a meeting shall at least include:

- (I) the date, venue and duration of the meeting;
- (II) reasons and details of the matter(s) to be discussed;
- (III) date of issuance of the notice;
- (IV) the convener and presider of the meeting, the proposer of the extraordinary meeting and his/her written proposal;
- (V) meeting materials necessary for supervisors to vote;
- (VI) the requirements that the supervisor shall attend the meeting in person;
- (VII) contact person and contact details;
- (VIII) date of issuance of the notice.

The verbal notice shall at least include the information of the aforementioned item (I) and (II) and the explanations on holding the extraordinary meeting of the Board of Supervisors under urgent circumstance.

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**APPENDIX VII    PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**

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**CHAPTER 5 CONVENING AND RESOLUTION OF MEETINGS**

**Article 23** Meetings of the Board of Supervisors may be held and voted on the spot, through communication or a combination of both.

Where a meeting of Board of Supervisors is convened on site, telephone, video or other means of real-time communication may be used to facilitate supervisors' attendance of such meeting. A supervisor attending such meeting by the aforementioned means shall be deemed to attend the meeting in person.

If a meeting of the Board of Supervisors is convened by telephone, video or other means of real-time communication, it shall be ensured that the supervisors can hear the speeches of other supervisors and communicate with each other. Sound records or video records shall be made for such meetings. Where the supervisors cannot sign on a resolution at the meeting in a real-time manner, they shall take a voice vote, and shall sign the vote as soon as possible. The voice vote of the supervisor shall have the same effect as a signed vote, provided that the signed vote afterwards shall be consistent with the voice vote. If there is an inconsistency between the two votes, the voice vote shall prevail.

No meeting of the Board of Supervisors may be held unless attended by over half of supervisors.

The meeting of the Board of Supervisors shall be attended by supervisors personally. The supervisor unable to attend for certain reason may appoint another supervisor to attend the meeting in a written form, the power of attorney shall clearly state the agent's name, the agency matters, and the scope and validity of authorization, and shall be signed and sealed by the principal. The supervisor who attends the meeting on behalf of another supervisor shall exercise the rights of supervisors within the authority.

**Article 24** The presider of the meeting shall ask the attending supervisors for their opinions on each of the proposals.

The presider shall request the directors and senior management to answer for inquiries on site according to the suggestions of the supervisors.

**Article 25** As for the voting on a resolution of the meeting of the Board of Supervisors, each supervisor shall have one open vote, which shall be conducted by open ballot or by a show of hands.

Supervisors may vote for or against the proposal or abstain from voting. Attending supervisors shall choose one of the above-mentioned intentions; if they do not choose or choose more than two intentions simultaneously, the presider of the meeting shall have the right to ask relevant supervisors to make choice again; if the supervisors refuse to make choice, it shall be regarded as abstaining; if the supervisors leave the meeting venue halfway without making a choice, it shall be regarded as abstaining.

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**APPENDIX VII    PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**

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A resolution of the Board of Supervisors must be approved by two-thirds or more of the supervisors. A resolution of the Board of Supervisors shall be confirmed by the signature of the attending supervisors at the meeting.

**Article 26** The Board of Supervisors shall specially appoint persons to take minutes of on-site meetings. Minutes of a meeting shall include the following:

- (I) the session, timing, place and manner of the meeting;
- (II) notification of the meeting;
- (III) the convener and chairman of the meeting;
- (IV) attendance at the meeting;
- (V) the proposals to be considered at the meeting, the key points of speeches and main opinions of each Supervisor on relevant matters, and the intention of voting on the proposals;
- (VI) the voting methods and voting results of each proposal (indicating the number of votes for, against and abstentions);
- (VII) other matters that should, in the opinion of the Supervisors presenting at the meeting, be recorded.

**Article 27** The minutes of the meeting shall be confirmed by the signature of the attending supervisors at the meeting. Supervisors dissenting from the meeting minutes shall make a written statement at the time of signing.

Supervisors who neither sign for confirmation in accordance with the preceding paragraph, nor make a written explanation of their different opinions, nor report to the regulatory authority, nor make a public statement, shall be deemed to have fully agreed to the minutes of the meeting.

**Article 28** Supervisors shall urge relevant personnel to implement the resolutions of the Board of Supervisors. The chairman of the Board of Supervisors shall report on the implementation of the resolutions, at subsequent meetings of the Board of Supervisors.

**Article 29** A Supervisor is entitled to request for some descriptive record to be made with regard to his/her speech in the meeting. The meeting files of the Board of Supervisors, including meeting notices and materials, attendance books, audio recordings, voting papers, minutes of the meeting and resolutions signed and confirmed by supervisors present at the meeting, shall be kept by a person specially designated by the chairman of the Board of Supervisors, for a period of not less than ten years.

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**APPENDIX VII PROPOSED FORMULATION OF THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE**

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During the remote voting, the supervisors shall fax to the office of the Board of Supervisors, their written opinions and voting intentions on the matters considered which are signed for confirmation. Supervisors participating in the remote voting shall submit to the Board of Supervisors, the original voting papers signed, within the period specified in the meeting notice.

**CHAPTER 6 SUPPLEMENTAL PROVISIONS**

**Article 30** In case of any matters not covered in the rules or in conflict with the provisions of laws, regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, or other normative documents, as promulgated after the rules come into effect, or in conflict with the Articles of Association, the said provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed, other normative documents or the said Articles of Association shall prevail.

**Article 31** The rules shall be annexed to the Articles of Association. Unless otherwise specified, terms used herein shall have the same meanings ascribed to them in the Articles of Association.

**Article 32** The rules shall be reviewed and passed by the general shareholders' meeting of the Company and shall take effect from the date of the Company's initial public offering of A shares and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange. Since the effective date of the rules, the original Rules of Procedures for the Board of Directors of the Company shall be automatically invalidated.

**Article 33** The rules shall be interpreted by the Board of Supervisors.

**Shanghai HeartCare Medical Technology Corporation Limited**

**TERMS OF REFERENCE FOR THE INDEPENDENT DIRECTORS**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** To further improve the corporate governance structure of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”) and create sound working environment for independent Directors as well as enhance the standard operation of the Company, the rules have been formulated in accordance with Company Law of the People’s Republic of China (the “**Company Law**”) and other related laws and regulations, and the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (the “**Articles of Association**”). The term “independent Director” in the rules shall have the meaning given to it under the Rules Governing the Listing of Securities on the Stock Exchange in Mainland China and shall also mean “independent non-executive Director” under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**Article 2** Independent Directors owe a duty of good faith and diligence to the Company and all of its shareholders. Independent Directors shall, in accordance with the requirements of related laws and regulations, rules, normative documents and the Articles of Association, earnestly perform their duties and responsibilities and safeguard the overall interests of the Company with particular attention to ensure that the legitimate rights and interests of minority shareholders are not compromised.

**Article 3** Independent Directors shall perform their duties and responsibilities independently without being subject to the influence of the Company’s major shareholders and de facto controllers or other entities or individuals who have a vested interest in the Company.

**Article 4** Independent Directors shall ensure to have sufficient time and energy to effectively perform duties and responsibilities as independent Directors.

**CHAPTER 2 QUALIFICATIONS OF INDEPENDENT DIRECTORS**

**Article 5** Independent Directors of the Company shall meet the following basic qualifications appropriate to the exercise of their functions and powers:

- (I) being qualified to serve as a Director of the Company in accordance with laws and regulations, rules, normative documents and the Articles of Association;
- (II) performing their duties and responsibilities independently without being subject to the influence of the Company’s major shareholders and de facto controllers or other entities or individuals who have a vested interest in the Company;



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**APPENDIX VIII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
FOR THE INDEPENDENT DIRECTORS**

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- (III) possessing the basic knowledge of the operation of the Company, and being familiar with relevant laws and regulations, rules and normative documents;
- (IV) having work experience of more than five years in legal, economic or other aspects necessary to perform the duties and responsibilities of independent Directors;
- (V) other conditions stipulated in the Articles of Association.

**Article 6** In addition to the persons prohibited from serving as Directors of the Company, the following persons shall not serve as independent Directors of the Company:

- (I) any persons who hold positions in the Company or its affiliates and their immediate family members and major social relations;
- (II) any persons directly or indirectly holding more than 1% of the Shares of the Company or being natural person Shareholders and their immediate family members among the top ten Shareholders of the Company;
- (III) any persons who work in Shareholder units that directly or indirectly hold more than 5% of the Shares of the Company or in the top five Shareholder units of the Company and their immediate family members;
- (IV) any persons who hold positions in the controlling Shareholders, actual controllers of the Company and its affiliates and their immediate family members;
- (V) any persons who provide financial, legal, consulting and other services for the Company and its controlling Shareholders, actual controllers or their respective affiliates, including all the project team personnel of the intermediaries providing services, reviewers at all levels, personnel who sign the reports, partners and principal responsible persons;
- (VI) any persons holding positions in an entity that has material business dealings with the Company and its controlling Shareholders, actual controllers or their respective affiliates, or holding positions in the controlling Shareholder unit of the entity with business dealings;
- (VII) any persons who have had the circumstances set out in the preceding six items in the past year;
- (VIII) any person whose independence was otherwise affected by the candidate of independent Director, the companies she/he works or worked with in last 12 months.

The immediate family members mentioned in this article refer to spouses, parents, children, etc.; major social relations refer to siblings, parents of spouses, sons/daughters-in-law, spouses of siblings, siblings of spouses, etc.

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**APPENDIX VIII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
FOR THE INDEPENDENT DIRECTORS**

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The material business dealings mentioned in this article refer to matters that need to be submitted to the general meeting for consideration according to the provisions of the Articles of Association.

**Article 7** The candidate for independent Director shall have none of the following adverse records:

- (I) administrative punishment imposed by the CSRC or criminal punishment by judicial organs due to the violations or crimes on securities and futures dealing in last 36 months;
- (II) being placed on file for investigation by the CSRC or judicial organs due to suspected violations or crimes on securities and futures dealing, with no definite conclusions made;
- (III) the former independent Director who was removed by the Board of Directors at a general meeting for a period of less than 12 months due to failure to attend in person for three consecutive Board meetings or failure to attend in person for two consecutive Board meetings without alternative Director appointed to attend the meetings on his/her behalf;
- (IV) other circumstances prescribed by laws and regulations.

**CHAPTER 3 NOMINATION, ELECTION AND CHANGE  
OF INDEPENDENT DIRECTORS**

**Article 8** The Board, the Board of Supervisors or shareholders individually or collectively holding more than 1% of the issued shares of the Company may nominate candidates for independent Directors to be elected at the shareholders' meeting.

**Article 9** The consent to the nomination for independent Directors shall be obtained from the nominee before the nomination. The nominator shall have full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee's qualifications and the independence required as an independent Director. The nominee shall make a statement that he/she has no relationships with the Company that may affect his/her independent and objective judgment.

The Board of the Company shall announce the above details as required before the convening of a general meeting to elect independent Directors.

**Article 10** The term of office of an independent Director shall be the same as that of other Directors of the Company. Upon the expiry of his/her term, he or she may serve another term if re-elected. However, his/her consecutive term shall not exceed 6 years.

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**APPENDIX VIII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
FOR THE INDEPENDENT DIRECTORS**

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**Article 11** The independent Directors shall attend Board meeting as scheduled, in order to understand the production, operations and operating situations of the Company, actively investigate and obtain necessary information for making decision.

**Article 12** If an independent Director fails to attend a Board meeting in person for three consecutive times, the Board shall submit to the shareholders' general meeting for removal of such Director. Except for the circumstances mentioned above and such other circumstances as prescribed in the Company Law in which a person shall not act as a Director, an independent Director shall not be dismissed without a proper reason before the expiry of his or her term of office.

**Article 13** An independent Director may resign before the term of his/her office expires. He/she shall submit a written resignation report to the Board and spell out the circumstances related to the resignation or those that need to be brought to the attention of shareholders and creditors of the Company.

**Article 14** If the proportion of independent Directors to all members of the Board of Directors is less than one-third due to the resignation of independent Directors or other reasons, or there is no accounting professional among the independent Directors, the independent Directors who propose to resign shall continue to perform their duties until the date of the new independent Directors. The Company shall complete the election of the independent Director within two months from the date of resignation of the independent Director.

**CHAPTER 4 SPECIAL FUNCTIONS AND POWERS OF INDEPENDENT DIRECTORS**

**Article 15** Independent Directors shall have the following functions and powers other than those of a Director conferred by the Company Law and other relevant laws and regulations, rules, normative documents and the Articles of Association:

- (I) connected transactions intended to be entered into between the Company and its related parties with a total amount of more than RMB3 million or more than 5% of the latest audited net assets of the Company shall be approved by independent Directors before submission to the Board for discussion; before an independent Director makes his or her judgment, an intermediary agency may be employed to produce an independent financial advisory report which will serve as the basis for his or her judgment;
- (II) put forward the proposal to the Board relating to the appointment or dismissal of accounting firms;
- (III) propose to the Board to call an extraordinary general meeting;
- (IV) propose to call a Board meeting;

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**APPENDIX VIII      PROPOSED FORMULATION OF THE TERMS OF REFERENCE  
FOR THE INDEPENDENT DIRECTORS**

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- (V) appoint external auditing and consulting organizations independently at the expense of the Company;
- (VI) may solicit voting rights openly from shareholders before a shareholders' meeting is convened.

Consent from more than one-half of all the independent Directors shall be obtained if an independent Director desires to exercise the above-mentioned functions and powers.

**Article 16** Independent Directors shall give independent opinion on the following matters to the Board or the shareholders' meeting:

- (I) nomination, appointment and replacement of Directors;
- (II) appointment or dismissal of senior management personnel;
- (III) remuneration for Directors and senior management personnel of the Company;
- (IV) whether the formulation, adjustment, decision-making procedures, and implementation of the Company's cash dividend policy as well as the profit distribution policy damage the legitimate rights and interests of minority investors;
- (V) any existing or new loans borrowed from the Company or other funds transfer with a total amount of more than RMB3 million or 5% of the Company's recently audited net assets made by the Company's shareholders, de facto controllers and connected enterprises, and whether or not the Company has taken effective measures to collect the amount due;
- (VI) material asset restructuring plan and equity incentive plan;
- (VII) matters that are deemed by independent Directors to be detrimental to the interests of minority shareholders;
- (VIII) other matters stipulated in laws, regulations, rules, normative documents and the Articles of Association.

With respect to the matters mentioned above, independent Directors shall provide one of the following kinds of opinions:

- (I) a consent opinion;
- (II) a reserved opinion and its reasons;
- (III) a negative opinion and its reasons;
- (IV) a non-comment opinion and the hurdles for giving such opinion.

**CHAPTER 5 WORKING SYSTEM OF INDEPENDENT DIRECTORS  
ON THE ANNUAL REPORT**

**Article 17** Independent Directors shall perform their responsibilities and duties diligently in the process of their work.

**Article 18** The management of the Company shall fully report to independent Director on the operating conditions and the development of material events of the Company for the year. Meanwhile, the Company shall arrange independent Directors to conduct on-site inspections.

The above matters shall be recorded in writing and the necessary documents shall be signed by the parties concerned.

**Article 19** Before the Annual Audit CPAs enter the premises for audit, the person in charge of finance at the Company shall submit in writing to independent Director, audit arrangements and other relevant materials for the year.

**Article 20** After Annual Audit CPAs issue the preliminary audit opinions but before the Board meeting is convened to consider the annual report, the Company shall arrange at least one meeting between independent Director and the Annual Audit CPAs for communication on any issue identified in the audit.

The meeting shall be recorded in writing, and the records shall be signed by the parties concerned.

**Article 21** Independent Directors shall submit a work report to the annual general meeting of shareholders of the Company.

**Article 22** The Independent Directors shall make a special note and offer their independent opinion on the external guarantee of the Company during the year in the annual report.

**Article 23** The independent opinions from the independent Directors shall be provided on the changes in accounting policies and accounting estimates or correction of significant accounting errors made by the Company for the year.

**Article 24** The secretary to the Board of Directors of the Company shall be responsible for coordinating the communication between the independent Directors and the management of the Company, and actively creating necessary conditions for the independent Directors to perform their duties above.

**CHAPTER 6 WORKING CONDITIONS OF INDEPENDENT DIRECTORS**

**Article 25** The secretary of the Board of Directors of the Company shall actively cooperate with the independent Directors to perform their duties. The Company shall ensure that independent Directors have the same right to be kept informed as other Directors by providing relevant materials and information to independent Directors in a timely manner and regularly informing independent Directors of the operation of the Company. Where necessary, the Company shall organize independent Directors for site visit. With respect to matters that must be submitted to the Board for decision, the Company must notify independent Directors in advance within legally prescribed time and provide them with sufficient materials. Independent Directors may ask for supplementary materials if they consider the given materials incomplete. When two or more independent Directors consider that the materials are incomplete or the argumentation is unclear, they may jointly propose in writing to the Board to postpone the convening of the Board meeting or to postpone the discussion of the matter, which shall be adopted by the Board.

Information provided by the Company to independent Directors shall be kept by both parties for at least five years.

**Article 26** The secretary of the Board of the Company shall actively offer the assistance to independent Directors in performing their duties, such as giving a briefing, providing materials, etc.

**Article 27** When an independent Director exercises his/her functions and powers, relevant personnel in the Company shall cooperate actively and shall not turn down his/her requests, hinder his/her work or conceal information from him/her, nor shall they interfere with the exercise of his/her functions and powers independently.

**Article 28** Expenses incurred from the engagement of intermediary agencies and other expenses relating to the performance of functions and powers by independent Directors shall be borne by the Company.

**Article 29** The Company shall grant appropriate allowances to independent Directors and reimburse the independent Directors out of pocket expenses incurred in attending Board meetings, general meetings and the exercise of powers as required in the Articles of Association. The standard of the allowances shall be proposed by the Board for consideration and approval at the shareholders' meeting.

Independent Directors shall not receive any extra non-disclosed interests from the Company and its major shareholders or other interested entities and persons other than the above-mentioned allowances and expenses.

**Article 30** The Company may establish a necessary liability insurance policy for independent Directors to lower the risks of independent Directors that may occur when performing their duties and responsibilities under normal circumstances.

**CHAPTER 7 SUPPLEMENTARY PROVISIONS**

**Article 31** Unless otherwise specified, the terms used herein have the same meanings as those in the Articles of Association.

**Article 32** In case of any matters not covered herein or in conflict with the provisions of laws, administrative regulations, other relevant normative documents or the Articles of Association promulgated after the rules take effect, the provisions of those laws, administrative regulations, other relevant normative documents or the Articles of Association shall prevail.

**Article 33** The rules shall be reviewed and passed by the general meeting of the Company and shall take effect from the date of the Company's initial public offering of A shares and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange.

**Article 34** The rules shall be interpreted by the Board of Directors as authorized by the general shareholders' meeting of the Company.

Shanghai HeartCare Medical Technology Corporation Limited

## Shanghai HeartCare Medical Technology Corporation Limited

## MANAGEMENT POLICIES FOR RAISED PROCEEDS

## CHAPTER 1 GENERAL RULES

**Article 1** In order to reinforce and regulate the management of the proceeds of Shanghai HeartCare Medical Technology Corporation Limited (hereinafter referred to as the “**Company**”) and enhance the efficiency and benefits of use of proceed, the rules are formulated in accordance with the requirements of the Company Law of the PRC, Securities Law of the PRC, Measures for the Registration and Administration of the Initial Public Offering of Shares on the Science and Technology Innovation Board (Trial), Rules Governing the Listing of Stock on the Science and Technology Innovation Board of the Shanghai Stock Exchange, Guideline No. 1 on the Application of Self-Regulatory Rules for Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange – Regulated Operation, Supervision Guide No. 2 on Listed Companies – Regulatory Requirements on the Management and Use of Proceeds of Listed Companies and other laws and regulations and regulatory documents, together with the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (hereinafter referred to as the “**Articles of Association**”) based on the actual circumstances of the Company.

**Article 2** The proceeds means the proceeds raised by the Company from investors by issuing securities to non-specific investors (including IPO, placement, additional issuance, and issuance of convertible corporate bonds, issuance of convertible corporate bonds in separate trading etc.) and by issuing securities to specific investors, but excluding the fund raised by the Listed Company for implementing stock incentive plan. Proceeds shall be subject to the verification and issuance of a capital verification report by an accounting firm that meets the requirements of the Securities Law.

**Article 3** The Directors, Supervisors and senior management of the Company shall perform its due diligence obligations on the management and use of raised fund. Prior to any public raising activities, the Directors shall, based on the Company’s development strategy, principal business, market circumstances and the State’s industry policy, provide adequate proof on the feasibility of proposed investment project of raised fund, specify the amount, investment project, planned progress and expected revenue thereof and submit the proposal to the general shareholders’ meeting of the Company for approval.

**Article 4** The Board of Directors and the Board of Supervisors of the Company shall strengthen their examination on the utilization of proceeds to ensure that the use of proceed be in line with its undertaking in prospectuses of proceeds or approval of the utilization be granted by the general shareholders’ meeting. The Board of Directors shall track the status and result of investment project whether both can reach the estimated level as stated in the prospectuses of proceeds. Independent Directors shall perform obligatory duties whether the allocation of proceeds of the Company, the management and use of proceed are beneficial to the interests of the Company and investors. The audit firm of the Company shall concern about the conformity of the deposit and use of proceeds with the information disclosure of the Company.



## CHAPTER 2 SPECIAL ACCOUNTS OF PROCEEDS

**Article 5** The proceeds shall be deposited in a special account (hereinafter referred to as the “**Special Account**”) designated by the Board of Directors for centralized management. In principle, the number of Special Accounts (including those established by the subsidiaries of the Company or such other entities controlled by the Company) shall not exceed the number of investment project for the proceeds.

The Special Accounts shall not be used to hold any funds other than the proceeds or for any other purpose.

**Article 6** The Company shall sign a three-party supervision agreement for Special Account (hereinafter referred to as the “**Agreement**”) with the sponsor or the independent financial advisor and the Commercial Bank (hereinafter referred to as the “**Commercial Bank**”) with which the proceeds are deposited within one month after the proceeds are in place. The Agreement shall at least contain the following:

- (I) The Company shall deposit the proceeds into the Special Account;
- (II) The Commercial Bank shall provide the Company with the bank statement relating to the Special Account for Proceeds monthly, and shall forward a copy to the sponsor or the independent financial advisor;
- (III) The sponsor or the independent financial advisor may inquire at any time the information of the Special Account at the Commercial Bank;
- (IV) The defaulting liabilities for the Company, the Commercial Bank and the sponsor or the independent financial advisor.

The Company shall submit the above agreement to the Stock Exchange on which its shares are listed for record and make announcement on the main contents of the Agreements within 2 trading days upon the execution of the Agreement.

Where above-mentioned Agreement is terminated earlier before the expiration of validity term due to such reasons as the change of the sponsor or the independent financial advisor or the Commercial Bank, the Company shall enter into a new agreement with relevant parties within 1 month as of such termination, and shall submit the new agreement to the Stock Exchange where the Company listed for record and make announcement within 2 trading days upon the execution of the new agreement.

**Article 7** The Company shall actively urge the Commercial Bank to fulfill the Agreement. Where the Commercial Bank fails to issue reconciliation statements to, or notify the sponsor or the independent financial advisor of large-amount withdrawals from the Special Account in a timely manner three consecutive times, or fails to cooperate with the sponsor or the independent financial advisor in inquires and investigations of information of the Special Account, the Company may terminate the Agreement and close the Special Account for proceeds.

## CHAPTER 3 USE OF PROCEEDS

**Article 8** The Company shall use the proceeds according to the investment plan for the proceeds as undertaken in the issuance application documents. In the event of that there is any significant impact on the normal operation of the investment plan for the proceeds, the Company shall timely report to the Stock Exchange where the Company listed and make an announcement.

**Article 9** The Company shall not use the proceeds for the following purposes:

- (I) The Company uses the proceeds to carry out entrusted wealth management (except cash management), entrusted loans and other financial investments, securities investments, derivatives investments and other high-risk investments, or invest directly or indirectly in any company which mainly engages in the buying and selling securities;
- (II) The Company makes disguised change of the purpose of proceeds through pledge, entrusted loans and other manners;
- (III) The Company provides the proceeds directly or indirectly to controlling shareholders, actual controllers and other related parties for utilization, and facilitates the connected persons to gain unlawful benefits through the investment project;
- (IV) Other behaviors that violate the provisions on managing the proceeds.

**Article 10** When the Company uses the proceeds, the capital expenditure must strictly comply with the Company's capital management system and go through the approval procedures for the use of proceeds. All expenditures involving each proceeds must be proposed by the relevant departments with a plan for the use of proceeds. Within the scope of the authorization of the Board of Directors, it will be reported to the finance department after being signed by the manager in charge. Payment shall be made after signed by the project manager, chief financial controller and general manager; anything beyond the scope authorized by the Board of Directors shall be reported to the Board of Directors for approval.

**Article 11** The investment projects financed by proceeds shall be organized and implemented according to the planned progress as undertaken by the Board of Directors. The Company's project department shall establish a project management system and carry out inspection and supervision on the use of the proceeds, progress of projects and quality of projects and shall also establish corresponding projects files. The finance department of the Company shall establish and optimize relevant accounting records and original ledgers for the activities involving the use of the proceeds, and shall regularly inspect and supervise the use conditions and effects of the use of proceeds.

**Article 12** The Company shall conduct a comprehensive review of the progress of investment project for the proceeds at the end of each accounting year.

When the difference between the annual actual amount of proceeds used in the investment project for the proceeds and the expected amount as previously disclosed when the investment plan for the proceeds was made in the then year exceeds 30%, the Company shall adjust the investment plan for the proceeds in respect of the use of proceeds, and disclose, in the explanatory note included in the special annual statement on the use of proceeds, details such as the previous annual investment plan for the proceeds, the current status of actual progress in investment projects, adjusted annual investment plan as well as the reasons for changes in investment plan.

**Article 13** Should any of the following situations occur to an investment project for the proceeds, the Company shall reexamine the feasibility and expected returns of such project, decide whether to continue with the project and disclose in the latest periodic report the progress of the project, the reasons for its abnormality and a modified investment plan for the proceeds:

- (I) Material changes occur to the market environment which involves the investment project for the proceeds;
- (II) The investment project for the proceeds has been shelved for more than one year;
- (III) The deadline for completing the investment plan for the proceeds has expired and the invested proceeds fail to reach 50% of the planned amount;
- (IV) Other abnormal conditions occur to the investment project for the proceeds.

**Article 14** In the event of a decision to terminate the original investment project for the proceeds, the Company shall select a new one as soon as scientifically practicable.

**Article 15** In case the Company replaces any prior self-raised funds invested in the investment project for the proceeds with the proceeds, the replacement shall be subject to consideration and approval by the Board of Directors of the Company, and shall be undertaken after the issue of a verification report by a registered accountant, the giving of explicit consents by the independent directors, the Board of Supervisors and the sponsor or the independent financial advisor, and the performance of information disclosure obligation. The time of replacement shall not be more than 6 months from receipt of the proceeds. The Company shall report to the stock exchange(s) on which its shares are listed and make an announcement within two trading days after the meeting of the Board of Directors.

Where the Company has disclosed in the documents issued in connection with the application for issue that it proposed to replace previously invested self-raised funds with the proceeds and that the previously invested amount has been ascertained, such replacement shall be implemented only after the accounting firm has performed special audit, the sponsor or the independent financial advisor has issued its opinion on such replacement and the Board of Directors of the Company has considered and approved such replacement. The Board of Directors of the Company shall report to the stock exchange(s) on which its shares are listed and make an announcement within two trading days upon the completion of the replacement.

**Article 16** Change of the place of implementation of the investment project for the proceeds only shall be subject to the consideration and approval by the Board of Directors of the Company, and shall be reported to the stock exchange(s) on which its shares are listed and announced within two trading days with explanation on the reasons for the change as well as the opinions of the sponsor or the independent financial advisor.

**Article 17** The Company may temporarily use the idle proceeds to make up working capital under the following conditions:

- (I) Use of proceeds shall not be changed covertly;
- (II) Normal progress of the investment plan for the proceeds shall not be affected;
- (III) It shall be only used for production and operation related to the principal businesses, and shall not be directly or indirectly used for placing or subscriptions of new shares, or for transactions in shares and their derivatives, convertible bonds, etc.;
- (IV) The duration of any individual replenishment to the working capital shall not exceed 12 months;
- (V) Any proceeds previously used for temporary replenishment of working capital, if applicable and falling due, have been returned;
- (VI) The sponsor or the independent financial advisor, independent directors and the Board of Supervisors shall express their explicit consents.

The above matters shall be subject to consideration and approval by the Board of Directors of the Company, as well as explicit consents given by independent directors, the Board of Supervisors and the sponsor or the independent financial advisor, and shall be reported to the stock exchange(s) on which the Company's shares are listed and made an announcement within two trading days.

Prior to the expiring date of the supplemental working capital, the Company shall return such funds to the special account and report to the stock exchange(s) on which its shares are listed and make an announcement within two trading days after the funds are returned in full.

**Article 18** Should the Company intend to apply the remaining proceeds (including interest income) for a separate investment project for the proceeds upon its completion to another investment project for the proceeds, the Company shall seek consideration and approval by the Board of Directors, as well as opinions given by independent directors, the sponsor or the independent financial advisor and the Board of Supervisors. The Company shall report to the stock exchange(s) on which its shares are listed and make an announcement within two trading days after the meeting of the Board of Directors.

Any remaining proceeds (including interest income) that fall below RMB10.00 million are exempt from the procedure set out in the previous articles. Nonetheless, the utilization of such remaining proceeds shall be disclosed in the annual report.

Should the remaining proceeds (including interest income) for a separate investment project for the proceeds be used for purposes other than the investment project (including the replenishment of working capital), the Company shall perform the corresponding procedures and disclosure responsibility based on the changed use of investment project for the proceeds.

**Article 19** Upon completion of all the investment projects for the proceeds and in the event that the remaining proceeds (including interest income) account for over 10% of the net proceeds, the utilization of such remaining proceeds by the Company is subject to consideration and approval by the Board of Directors and the general shareholders' meeting, as well as opinions given by independent directors, the sponsor or the independent financial advisor and the Board of Supervisors. The Company shall report to the stock exchange(s) on which its shares are listed and make an announcement within two trading days after the meeting of the Board of Directors.

Should the remaining proceeds (including interest income) account for less than 10% of the net proceeds, the utilization of such remaining proceeds is subject to consideration and approval by the Board of Directors, as well as opinions given by independent directors, the sponsor or the independent financial advisor and the Board of Supervisors. The Company shall report to the stock exchange(s) on which its shares are listed and make an announcement within two trading days after the meeting of the Board of Directors.

Any remaining proceeds (including interest income) that fall below RMB10.00 million are exempt from the procedure set out in the previous articles. Nonetheless, the utilization of such remaining proceeds shall be disclosed in the annual report.

**Article 20** Any actual net proceeds in excess of the planned amount (the “**Excess Proceeds**”) can be used to permanently replenish working capital or repay bank loans, provided that the cumulative amount used for every 12 months does not exceed 30% of the total Excess Proceeds. The Company shall undertake not to engage in any high-risk investment or provide others with financial assistance within 12 months after replenishing working capital.

**Article 21** Any use of the Excess Proceeds to permanently replenish working capital or repay bank loans is subject to consideration and approval by the Board of Directors and the general shareholders' meeting of the Company with the manner of online voting provided for shareholders and explicit consents given by independent directors, the Board of Supervisors and the sponsor or the independent financial advisor. The Company shall report to the stock exchange(s) on which its shares are listed and make an announcement containing the following within two trading days after the meeting of its Board of Directors:

- (I) General information of the fund-raising activity, including the time of the raising, the total and net amount raised and excessive amount;
- (II) Undertaking of not engaging in any high-risk investment or provide others with financial assistance within 12 months after replenishing working capital;
- (III) Opinions issued by independent directors, the Board of Supervisors and the sponsor or the independent financial advisor.

**Article 22** When the Company invested the Excess Proceeds in projects under construction and new projects (including acquisition of assets, etc.), the investment shall be limited to its principal businesses. The Company shall apply the relevant requirements of Article 23 to Article 27 herein to conduct the feasibility analysis of the investment projects in a scientific and diligent manner, and carry out the obligation of information disclosure in a timely manner.

#### CHAPTER 4 CHANGE OF INVESTMENT DIRECTION OF THE PROCEEDS

**Article 23** Change of the investment direction of the proceeds is subject to consideration and approval by the Board of Directors and the general shareholders' meeting, as well as explicit consents given by independent directors, the sponsor or the independent financial advisor and the Board of Supervisors.

**Article 24** The changed investment direction of the proceeds of the Company shall be invested in the principal business.

**Article 25** The Board of the Company shall scientifically and prudently conduct the feasibility analysis of the proposed change of new investment project for the proceeds, and ensure that the investment projects have promising market prospects and profitability, and effectively hedge investment risks and enhance the efficiency for utilization of proceeds.

**Article 26** Where the Company proposes to change the investment direction of proceeds, the Company shall, upon submission of the same to the Board of Directors for consideration, within 2 trading days, report to the stock exchange(s) on which its shares are listed and make an announcement including the following:

- (I) Basic information of the original projects and specific reasons for the change;

- (II) Basic information of the new project and risk warnings;
- (III) Investment plan of the new projects;
- (IV) Explanation on the approval of the relevant authority which have been obtained or to be obtained for the new projects (if applicable);
- (V) Opinions on the change of investment project of the independent directors, the Board of Supervisors and the sponsor or the independent financial advisor;
- (VI) Explanation on the requirement of consideration from general meeting that the changed investment project is still subject to;
- (VII) Other requirements of the stock exchange(s) on which its shares are listed.

New projects involving connected transaction, asset acquisition or external investments shall also be disclosed according to the requirements of the relevant rules.

**Article 27** In case the Company changes the investment direction of the proceeds to acquire assets (including equity) from the controlling shareholders or the de facto controllers, the Company shall ensure to effectively avoid competition within the industry after the acquisition and reduce related transactions.

**Article 28** Where an investment project is intended to be transferred to an external party or replaced (except for the ones that have been transferred to an external party or replaced in full during the Company's significant asset reorganization), the Company should report it to the stock exchange(s) on which its shares are listed within 2 trading days after the consideration by the Board of Directors, and announce the followings:

- (I) The specific reasons for external transfer or replacement of investment project;
- (II) The amount of the proceeds already used in the investment of the project;
- (III) The stage of completion and the realized benefits of the project;
- (IV) Basic information, a feasibility analysis and risk warnings (if applicable) regarding the substituted project;
- (V) The basis for determination of the price and relevant gains of the transfer or replacement;
- (VI) The opinions of the independent directors, the Board of Supervisors and the sponsor or the independent financial advisor in respect of the transfer or replacement of the investment project;



- (VII) The explanation on the requirement of consideration from general shareholders' meeting that the transfer or replacement of investment project is still subject to;
- (VIII) Such other information as required by the stock exchange(s) on which its shares are listed.

The Company shall pay full attention to the collection and use of the transfer price, the change information of the ownership of replacement assets, and the continuous operation of the replacement assets, and shall perform necessary obligations relating to information disclosure.

#### CHAPTER 5 MANAGEMENT AND SUPERVISION ON THE USE OF RAISED PROCEEDS

**Article 29** The Board of Directors shall fully examine the status of investment project for the proceeds every half a year, and issue the Special Report relating to Deposit and Actual Use of the Raised Proceeds of the Company based on the conditions concerning actual deposit and use of Raised Proceeds. The Company shall provide specific explanation in the Special Report relating to Deposit and Actual Use of the Raised Proceeds of the Company on the difference between the actual investment status and the investment plan of the investment project. When investing in products by use of unused Raised Proceeds for the current period, the Company shall disclose information, including revenue for the reporting period, share of investment at the end of the reporting period, signing parties, product name and maturity term, in the Special Report relating to Deposit and Actual Use of the Raised Proceeds of the Company. The Special Report relating to Deposit and Actual Use of the Raised Proceeds of the Company shall be subject to consideration and approval by the Board of Directors and the Board of Supervisors, and shall be reported to the stock exchange(s) on which its shares are listed and announced within 2 trading days after submitting to the Board of Directors for consideration. The Company shall appoint an accounting firm for issuance of a verification report based on the conditions of deposit and use of raised proceeds at the time of annual audit, shall submit to the stock exchange(s) on which its shares are listed at the time of disclosure of annual report and make disclosure on the website of the stock exchange(s) on which its shares are listed.

**Article 30** The sponsor or the independent financial advisor shall conduct an on-site investigation on the actual deposit and use situations of raised proceeds of the Company at least once half yearly.

Following the end of each accounting year, the sponsor or the independent financial advisor shall issue a special verification report relating to the annual deposit and use of Raised Proceeds of the Company, and shall submit to the stock exchange(s) on which its shares are listed at the time of disclosure of annual report and make disclosure on the website of the stock exchange(s) on which its shares are listed. The verification report shall include the followings:

- (I) Situations relating to the deposit, use of raised proceeds and the Special Account balance;



- (II) Progress of raised proceeds, including the difference between the actual progress and investment plan for the proceeds;
- (III) The information of the self-raised funds of the investment project that replaces the previously invested proceeds with raised proceeds (if applicable);
- (IV) The situation and effect of using unused raised proceeds to supplement working capital (if applicable);
- (V) The situation of the use of Excess Proceeds (if applicable);
- (VI) The situation of the change of allocation of raised proceeds;
- (VII) The conclusive opinion relating to whether the deposit and use of raised proceeds of the Company is compliant with laws and regulations;
- (VIII) Other requirements of the stock exchange(s) on which its shares are listed.

**Article 31** After each accounting year end, the Board of the Company shall disclose the conclusive opinion from the special examination report issued by the sponsor and the verification report issued by an accounting firm in the Special Report relating to Deposit and Actual Use of the Raised Proceeds of the Company.

**Article 32** The audit committee and Board of Supervisors under the Board of Directors or above half of the independent directors may appoint a certified public accountant to issue a verification report on the deposit and use of raised proceeds. The Company shall proactively facilitate the above and bear necessary costs arise.

The Board of Directors shall report to the stock exchange(s) on which its shares are listed within 2 trading days following its receipt of the verification report as stipulated in the preceding terms and publish an announcement thereof. If the Certified Public Accountant's verification report considers a breach of rule regarding the management and use of raised fund by the Company, the Board of Directors shall also announce the situation concerning the breach of rule by the deposit and use of Raised Fund, the consequences resulted in or possibly caused and measures adopted or intended to be adopted.

## CHAPTER 6 SUPPLEMENTARY ARTICLES

**Article 33** The term “more than”, “within”, “before”, as stated in the rules shall all include the given figure; the term “above”, “lower”, shall all exclude the given figure.

**Article 34** After consideration and approval at the general shareholders' meeting of the Company, the rules shall take effect from the date on which the A Shares initially and publicly issued by the Company are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange.

**Article 35** Matters not covered in the rules shall be governed by relevant national laws, regulations and normative documents as well as the provisions of the Articles of Association. In case of inconsistency between relevant provisions of the rules and relevant laws and regulations to be promulgated or revised in the future, the current Articles of Incorporation, or the Articles of Association as amended in accordance with the statutory procedures, the relevant laws and regulations, the current “Articles of Association” or revised provisions of the subsequent Articles of Association shall be implemented.

**Article 36** The Board of the Company shall be responsible for the formulation and interpretation of the rules.

**Shanghai HeartCare Medical Technology Corporation Limited**

**MANAGEMENT POLICIES FOR RELATED TRANSACTIONS**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to regulate the related party transactions of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”), protect the legitimate rights and interests of the Company, shareholders and creditors and ensure the fairness of the Company’s decision-making on related party transactions, the rules have been formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange and other relevant laws, regulations and normative documents as well as the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (the “**Articles of Association**”) and in consideration of specific conditions of the Company.

**CHAPTER 2 RELATED PARTIES AND RELATED PARTY TRANSACTIONS**

**Article 2** Related party transactions of the Company shall comply with the following basic principles:

- (I) related party transactions shall comply with the principle of good faith;
- (II) related party transactions shall not damage the legitimate rights and interests of the Company and unrelated shareholders;
- (III) related parties shall withdraw from voting on the matter at the general shareholders’ meeting of the Company;
- (IV) an interested Director shall withdraw from voting if the Board of Directors votes on the matter;
- (V) the Board of Directors of the Company shall judge whether related party transactions are beneficial to the Company based on objective criteria. If necessary, professional appraisers or financial advisors shall be engaged;
- (VI) independent Directors are required to express independent opinions on significant related party transactions.

In case of related party transactions of the Company, the Company shall ensure the legality, necessity, rationality and fairness of the related party transactions, maintain the independence of the Company, and shall not use related party transactions to adjust its financial indicators to the detriment of its interests.

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**APPENDIX X      PROPOSED FORMULATION OF THE MANAGEMENT  
POLICIES FOR RELATED TRANSACTIONS**

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**Article 3** Definition of related party transaction: Related party transaction means a transaction between the Company or its consolidated subsidiaries and other entities on the one hand and related parties of the Company on the other, including the following transactions and matters that may cause the transfer of resources or obligations within the scope of ordinary operation:

- (I) purchase or sale of assets (excluding purchase of raw materials, fuels and power, and sale of products or commodities, and other transactions that are related to ordinary operation);
- (II) external investment (except for the purchase of wealth management products of banks);
- (III) transfer or acquisition of research and development projects;
- (IV) signing license agreements;
- (V) providing guarantees;
- (VI) lease-in or out of assets;
- (VII) appointing or being appointed by others to manage assets and businesses;
- (VIII) giving or being given assets as gifts;
- (IX) restructuring of claims or debts;
- (X) providing financial support;
- (XI) other transactions as determined by the Shanghai Stock Exchange.

**Article 4** Related party of a company means

- (I) a natural person, legal person or any other organization that directly or indirectly controls the company;
- (II) a natural person that directly or indirectly holds more than 5% of the shares of the company;
- (III) a director, supervisor or senior management of the company;
- (IV) a family member who is closely related to the related natural persons referred to in items (I) to (III) of this paragraph, including spouse, children aged 18 or above and their spouses, parents and parents of the spouses, brothers and sisters and their spouses, brother and sister of spouses, parents of children's spouses;

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**APPENDIX X      PROPOSED FORMULATION OF THE MANAGEMENT  
POLICIES FOR RELATED TRANSACTIONS**

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- (V) a legal person or any other organization that directly holds more than 5% of the shares of the company;
- (VI) a director, supervisor, senior management or any other principal responsible person of the legal person or any other organization of the company that directly or indirectly controls the company;
- (VII) a legal person or any other organization that is directly or indirectly controlled by the related legal person or natural person specified in items (I) to (VI) of this paragraph, or in which the above related natural persons act as directors or senior management (other than an independent director), except for the company and its majority-owned subsidiaries;
- (VIII) a legal person or any other organization that indirectly holds more than 5% of the shares of the company;
- (IX) a natural person, legal person or any other organization that may, in the opinion of the China Securities Regulatory Commission (the “CSRC”), the Shanghai Stock Exchange or the company based on the principle of substance over form, tilt the interests of the Company in its favor.

A natural person, legal person or any other organization which meets the conditions specified in the preceding paragraph within 12 months before the date of the transaction, or within 12 months after the entry into force of a relevant transaction agreement or the implementation of a relevant arrangement shall be deemed to be a related party of the Company.

There is no related relationship between the Company and the legal person or any other organization that is directly or indirectly controlled by the legal person or any other organization specified in the first paragraph of this article, merely because they are controlled by the same state-owned assets supervision and administration institution, except that the legal representative, general manager, person in charge or a majority of directors of the legal person or organization concurrently serve as the Directors, Supervisors or senior management of the Company.

**CHAPTER 3 GENERAL PROVISIONS ON RELATED PARTY TRANSACTIONS**

**Article 5** Any related party transaction of the Company shall meet the following requirements:

- (I) a written agreement shall be signed for a related party transaction. The signature of the agreement shall comply with the principles of good faith, equality, voluntariness and equal value exchange, and the contents of the agreement shall be clear and specific;

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**APPENDIX X      PROPOSED FORMULATION OF THE MANAGEMENT  
POLICIES FOR RELATED TRANSACTIONS**

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- (II) the Company shall take effective measures to prevent related parties from monopolizing its purchase and sales channels, interfering with its operation and damaging its interests through related party transactions;
- (III) related party transactions shall comply with commercial principles, and the prices of related party transactions shall not deviate from the rate standards of independent third parties in the market in principle;
- (IV) if a related party has the right to vote at a general shareholders' meeting, it shall withdraw from voting on the related party transaction at the general shareholders' meeting except in special circumstances. Directors who have any interest in the related party shall withdraw from voting on the related party transaction at the meeting of the Board of Directors;
- (V) the Board of Directors of the Company may judge whether the related party transaction is beneficial to the Company or detrimental to the interests of the Company and the minority shareholders based on objective criteria, or, at the request of the independent Directors, determine whether to engage an intermediary to issue an independent financial advisory report on the related party transaction.

**Article 6** Related party transactions shall comply with the principles of market fairness, equality and openness. In principle, the prices or fees for related party transactions shall not deviate from the standards of independent third parties in the market. For related party transactions for which it is difficult to compare market prices or that are subject to pricing restrictions, the relevant cost and profit standards shall be specified in the contract.

**Article 7** Any related party that has a related party transaction with the Company or is aware of a related party transaction to be conducted with the Company shall make a report in writing to the general shareholders' meeting or the Board of Directors, which shall be submitted to the chairman of the Board of Directors directly or through the secretary to the Board of Directors. The report shall contain the following contents:

- (I) the fact, nature and extent of the related relationship or the draft related party transaction agreement;
- (II) indication of withdraw from any discussion and voting on the related party transaction.

**Article 8** If the Company and a related party sign a related party transaction agreement, the related party shall not interfere in any way with the Company's commercial decisions in relation to the related party transaction agreement.

**CHAPTER 4 WITHDRAWAL SYSTEM**

**Article 9** If the Board of Directors of the Company considers a related party transaction, the related Directors shall withdraw from voting and shall not exercise their voting rights on behalf of other Directors. The meeting of the Board of Directors may be held as long as a majority of the unrelated Directors are present, and resolutions made at the meeting shall be approved by a majority of the unrelated Directors. If there are less than three unrelated Directors present at the meeting of the Board of Directors, the Company shall submit the transaction to the general shareholders' meeting for consideration. Related Directors include a Director who:

- (I) is a counterparty;
- (II) has direct or indirect control over a counterparty;
- (III) works for the counterparty, or a legal person or any other organization that directly or indirectly controls the counterparty or is directly or indirectly controlled by the counterparty;
- (IV) is a close family member of the counterparty or its direct or indirect controller (for the specific scope, see item (IV) of paragraph 1 of Article 4 of the rules);
- (V) is a close family member of the directors, supervisors and senior management of the counterparty or its direct or indirect controller (for the specific scope, see item (IV) of paragraph 1 of Article 4 of the rules);
- (VI) is a Director whose independent business judgment may, in the opinion of the CSRC, the Shanghai Stock Exchange or the Company based on the principle of substance over form, be affected.

**Article 10** A shareholder shall withdraw from voting on related party transactions at the general shareholders' meeting if the shareholder:

- (I) is a counterparty;
- (II) directly or indirectly controls the counterparty;
- (III) is directly or indirectly controlled by the counterparty;
- (IV) and the counterparty are directly or indirectly controlled by the same natural person, legal person or other organizations;
- (V) has its voting rights restricted or affected due to outstanding equity transfer agreements or other agreements with the counterparty or its related parties;
- (VI) may, as determined by the CSRC or the Shanghai Stock Exchange, tilt the interests of the Company in its favor.

**CHAPTER 5 DECISION-MAKING AUTHORITY AND DISCLOSURE  
OBLIGATIONS IN RELATION TO RELATED PARTY TRANSACTIONS**

**Article 11** Proposed transactions between the Company and related parties that meet one of the following conditions shall be considered by the Board of Directors and disclosed in a timely manner:

- (I) a transaction with related natural persons with a transaction amount of more than RMB0.3 million;
- (II) a transaction with related legal persons with the transaction amount accounting for more than 0.1% of the Company's latest audited total assets or market value, and exceeding RMB3 million;
- (III) provision of guarantees by the Company for related parties;
- (IV) a transaction between the Company and a related party that is, in the opinion of a stock exchange based on the principle of substance over form, a related party transaction and meets the conditions specified in item (I) or (II) above.

**Article 12** A transaction between the Company and a related party (except for the provision of guarantee) with the transaction amount accounting for more than 1% of the Company's latest total audited assets or market value and exceeding RMB30 million requires an appraisal report or audit report and is subject to consideration at the general shareholders' meeting. A related party transaction that relates to the ordinary operation does not require an audit or appraisal.

**Article 13** Articles 11 and 12 of the rules shall apply to the following related party transactions of the Company conducted within 12 consecutive months based on the principle of summation:

- (I) transactions with the same related party;
- (II) transactions with different related parties for the related categories of subject matters.

The same related party mentioned above includes a legal person or any other organization that, together with the related party, is controlled by the same de facto controller, or that has an equity control relationship with the related party, or in which the same natural person acts as a director or senior management.

If relevant obligations are fulfilled in accordance with Articles 11 and 12 of the rules, relevant transactions are no longer included in the scope of summation.



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**APPENDIX X      PROPOSED FORMULATION OF THE MANAGEMENT  
POLICIES FOR RELATED TRANSACTIONS**

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**Article 14** If the Company conducts ordinary related party transactions with related parties, the Company shall disclose the matters according to the following provisions and perform the consideration procedures:

- (I) the Company may reasonably estimate the annual amount of ordinary related party transactions by category, perform the consideration procedures and disclose relevant information; if the actual amount exceeds the estimated amount, the consideration procedures shall be re-performed, and disclosure shall be made according to the excess;
- (II) the Company's annual report and semi-annual report shall disclose ordinary related party transactions by class;
- (III) if the term of an ordinary related party transaction agreement between the Company and a related party exceeds 3 years, the Company shall re-perform the relevant consideration procedures and disclosure obligations every 3 years.

**Article 15** If the Company provides guarantees for a related party, there shall be reasonable business logic, and the Company shall disclose the guarantees in a timely manner after the Board of Directors approves the guarantees, and submit them to the general shareholders' meeting for consideration.

If the Company provides guarantees for its controlling shareholder, de facto controller and related parties, the controlling shareholder, de facto controller and related parties shall provide counter-guarantees.

**Article 16** In considering related party transactions, the Directors shall make a clear judgment on the necessity, fairness, true intention of the related party transactions and the impact of the related party transactions on the Company, pay special attention to the pricing policy and pricing basis of the transactions, including the fairness of the appraised value, the relationship between the transaction price and the book value or appraised value of the subject matters of the transactions, etc., strictly comply with the withdrawal system for related Directors, and prevent the use of related party transactions to control profits, transfer benefits to related parties and damage the legitimate rights and interests of the Company and minority shareholders.

**Article 17** The Company shall obtain the prior affirmative opinions of the independent Directors before submitting to the Board of Directors for consideration, any related party transactions that are subject to consideration by the general shareholders' meeting.

The prior affirmative opinions of independent Directors shall be approved by a majority of all independent Directors and disclosed in the related party transaction announcement.

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**APPENDIX X      PROPOSED FORMULATION OF THE MANAGEMENT  
POLICIES FOR RELATED TRANSACTIONS**

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**Article 18** The following transactions between the Company and a related party are not required to be considered or disclosed as related party transactions:

- (I) subscription by a party in cash for shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
- (II) underwriting by a party, as an underwriting syndicate member, of shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
- (III) receipt by a party of dividends, bonuses or remuneration according to the resolutions of the general shareholders' meeting of the other party;
- (IV) participation by a party in the public bidding or auction by the other party, except that it is difficult to form a fair price for the bidding or auction;
- (V) transactions in which the Company unilaterally obtains benefits, including receipt of cash assets as gifts, obtaining of debt relief, guarantees and grants;
- (VI) the pricing of related party transactions is subject to national provisions;
- (VII) provision by the related party of funds to the Company at an interest rate not higher than the loan prime rate for the same period published by the People's Bank of China, without corresponding guarantee of the Company for such financial support;
- (VIII) provision by the Company of products and services to the Directors, Supervisors and senior management under the same terms as those of transactions with unrelated parties;
- (IX) other transactions as determined by the Shanghai Stock Exchange.

**Article 19** In considering a related party transaction, the Company shall:

- (I) detailedly understand the real situation of the subject matter of the transaction, including the operation conditions, the profitability of the subject matter, the existence of defects in rights to the subject matter such as mortgage and freezing, and legal disputes such as lawsuits and arbitrations in relation to the subject matter;
- (II) detailedly understand the credit records, credit standing, performance capabilities of the counterparty, etc., and carefully select a counterparty;
- (III) determine the transaction price based on a sufficient pricing basis;
- (IV) engage an intermediary to audit or evaluate the subject matter of the transaction, according to the requirements of the China Securities Regulatory Commission and if the Company considers it necessary.

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**APPENDIX X      PROPOSED FORMULATION OF THE MANAGEMENT  
POLICIES FOR RELATED TRANSACTIONS**

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The Company shall not consider and make decisions on related party transactions with an unclear subject matter, undetermined transaction price and unclear information on the counterparty.

**CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 20** For the purpose of the rules, the term “more than” shall be inclusive.

**Article 21** The rules and amendments thereto become effective from the date of approval by the general shareholders’ meeting of the Company. The provisions of the rules applicable to the Company become effective on the date of the Company’s initial public offering of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange.

**Article 22** The Board of Directors of the Company is responsible for the interpretation of the rules.

**Article 23** Matters not covered by the rules shall be subject to relevant national laws, regulations, normative documents and the Articles of Association. If relevant provisions of the rules conflict with relevant laws and regulations published or revised in the future, the current Articles of Association and the Articles of Association revised in accordance with statutory procedures, the latter shall prevail.

**Shanghai HeartCare Medical Technology Corporation Limited**

**MANAGEMENT POLICIES FOR EXTERNAL GUARANTEES**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** According to the requirements of establishing a modern enterprise system, in order to further enhance the corporate governance structure of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”), standardize its external guarantee behaviors, the Company has formulated these rules in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Mandatory Provisions of the Articles of Association of Companies Listing Overseas, the Guide for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**STAR Market Listing Rules**”) and other relevant provisions as well as the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (the “**Articles of Association**”).

**Article 2** The external guarantees referred to in these rules represent guarantees provided by the Company to other parties, including the guarantee provided by the Company to its controlled subsidiaries.

**Article 3** The Company exercises centralized management over external guarantees, unless otherwise approved by the Board of Directors or the general shareholders’ meeting of the Company, no individual is entitled to enter into any contracts, agreements or other similar legal documents on external guarantees in the name of the Company.

The Company’s external guarantees shall strictly comply with the information disclosure obligations in accordance with relevant provisions of laws, regulations, and the rules of the securities regulatory authorities or the exchange where the Company’s securities are listed (including but not limited to the Listing Rules, STAR Market Listing Rules and other relevant provisions).

**Article 4** The directors and senior management of the Company shall exercise caution and strict control over liability risks associated with guarantee, and accept joint responsibilities under the law for losses arising from illegal or inappropriate provision of external guarantees.

**Article 5** External guarantees provided by the holding subsidiaries or subsidiaries actually controlled by the Company are deemed as acts of the Company, and shall be executed in accordance with these rules (the amount of the external guarantees of the subsidiaries shall be calculated according to the standards of the Company’s consolidated financial statements).

Such holding subsidiaries shall inform the Company its obligations over information disclosure timely after a resolution is made by relevant decision-making bodies.

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**APPENDIX XI                      PROPOSED AMENDMENT TO THE MANAGEMENT  
POLICIES FOR EXTERNAL GUARANTEES**

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**Article 6** The Company shall observe the principle of legal compliance, caution, mutual benefit and guarantee when providing external guarantees, and shall control the guarantee risk in a stringent manner.

**Article 7** The Company shall take measures such as counter-guarantee necessary for risk control upon provision of guarantee to a third party, and the provider of the counter-guarantee shall be actually capable of honoring such undertakings.

**CHAPTER 2 EXAMINATION ON THE EXTERNAL GUARANTEED PARTY**

**Article 8** The Company may provide guarantee to an entity which is an independent legal person and meets one of the following criteria:

- (I) it is a mutual guarantee entity due to business needs of the Company;
- (II) it is an entity that has an important business relationship with the Company;
- (III) it is an entity that has a potential important business relationship with the Company;

The aforementioned entities shall have relatively strong solvency and shall meet relevant provisions of these rules.

**Article 9** Notwithstanding the criteria set out in Article 8 herein, the Company may still provide guarantees to parties who do not comply with such criteria upon the approval of members of the Board of Directors or the general shareholders' meeting, if the development of business relationship and partnership with such parties seeking guarantees is deemed desirable by the Company and the level of risks involved is relatively low.

**Article 10** The Company shall investigate the operation and reputation of the guarantee, carefully analyze the financial position, operating condition, industry background and credit status of the guarantor, and make decisions prudently and in accordance with the law. The Company shall engage external professional institutions to assess the risks of implementing external guarantees as a basis for decision-making by the Board of Directors or the general shareholders' meeting when necessary.

**Article 11** Credit documents and information of a guarantee applicant shall at least include the following items:

- (I) the primary information of the company including photocopies of the business license and the articles of association, identity proof of its legal representative, the relevant information indicating its related relationships and other relationships with the Company;

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**APPENDIX XI                      PROPOSED AMENDMENT TO THE MANAGEMENT  
POLICIES FOR EXTERNAL GUARANTEES**

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- (II) the guarantee application letter, including but not limited to the form, duration and amount of the guarantee;
- (III) the audited financial reports in the past three years and analysis on its solvency;
- (IV) the photocopy of the principal contracts related to the loan;
- (V) the conditions and relevant information of the counter-guarantee provided by guarantee applicant;
- (VI) a statement declaring that it is not involved in any potential or on-going material litigation, arbitration or administrative penalty;
- (VII) any other important information.

**Article 12** Based on the basic information provided by the guarantee applicant, the responsible officer shall investigate and verify the guarantee applicant's business operation, financial position, project status and credit status, as well as the prospects of the industry and then submit the application to the relevant departments for review in accordance with the contract approval procedures. Following the approval by line managers and the general manager, the relevant information shall be submitted to the Board of Directors or the general shareholders' meeting for approval.

**Article 13** The Board of Directors or the general shareholders' meeting shall review and vote upon the submitted materials. The voting results shall be kept in record. No guarantee shall be provided in case of any of the following circumstances or if the information provided is insufficient:

- (I) the use of capital does not comply with the laws, regulations or industry policies of the PRC;
- (II) false records or information are found in the financial and accounting documentation of the past three (3) years;
- (III) overdue of loan repayments or default of interest payments on bank loans for which the Company has provided guarantee, and they remained outstanding without any effective remedial measures confirmed as at the time of the guarantee application;
- (IV) deterioration in operating conditions and reputation, with no signs of improvement;
- (V) a failure in ascertaining any valid property against which counter-guarantee are to be provided;
- (VI) such other circumstances under which the Board of Directors or the general shareholders' meeting decide that a guarantee shall not be provided.

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**APPENDIX XI                      PROPOSED AMENDMENT TO THE MANAGEMENT  
POLICIES FOR EXTERNAL GUARANTEES**

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**Article 14** The counter-guarantee or other effective risk-control measures provided by the guarantee applicant shall match the guaranteed amount. No guarantee shall be provided to the guarantee applicant if the property pledged by the guarantee applicant as counter-guarantee is prohibited by the laws and regulations against free transfer or otherwise non-negotiable.

**CHAPTER 3 EXAMINATION AND APPROVAL PROCEDURES  
FOR EXTERNAL GUARANTEES**

**Article 15** External guarantees provided by the Company must be reviewed by the Board of Directors or the general shareholders' meeting. No external guarantee shall be provided by the Company without the approval of the Board of Directors or the general shareholders' meeting.

**Article 16** When the Board of Directors considers the external guarantees, the approval of at least two-thirds of all Directors (inclusive) is required.

**Article 17** The following external guarantees subject to approval by the general shareholders' meeting must be reviewed and approved by the Board of Directors before being submitted to the general shareholders' meeting for approval.

- (I) any single guarantee which amounts to more than 10% of the Company's audited net assets in the latest period;
- (II) any guarantee provided after the total external guarantee amount of the Company and its controlling subsidiaries exceeds 50% of the Company's audited net assets in the latest period;
- (III) any guarantee provided to the guaranteed party whose debt asset ratio exceeds 70%;
- (IV) any guarantee of which amount exceeds 30% of the Company's audited total assets in the latest period based on the principle of cumulative calculation for 12 consecutive months;
- (V) any guarantee to be provided to shareholders, de facto controllers and their related/connected parties;
- (VI) other guarantees as prescribed by laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed or the provisions of these rules.

When the guarantee specified in item (IV) above is considered at the general shareholders' meeting, it shall be approved by more than two-thirds of voting rights held by the shareholders attending the general shareholders' meeting.

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**APPENDIX XI                      PROPOSED AMENDMENT TO THE MANAGEMENT  
POLICIES FOR EXTERNAL GUARANTEES**

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If the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a holding subsidiary and other shareholders of the holding subsidiary provide an equivalent guarantee in proportion to the interests enjoyed by them, which is not detrimental to the interests of the Company, it may be exempted from the provisions of items (I), (II) and (III) above.

If the Company provides guarantee for related/connected persons, it should have reasonable business logic, submit it to the shareholders' meeting for consideration after the consideration and approval of the Board of Directors. If the Company provides guarantee for the controlling shareholders, de facto controllers and their related/connected persons, they shall provide counter-guarantee.

When reviewing the resolution of providing guarantee to shareholders, de facto controllers and their related/connected persons at the general shareholders' meeting, such shareholders or shareholders controlled by such de facto controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the general shareholders' meeting to be passed.

**Article 18** The Board of Directors of the Company considers and approves the external guarantees other than those required to be submitted to the general shareholders' meeting for approval in accordance with the laws, administrative regulations, departmental rules and regulations, the Listing Rules, the STAR Market Listing Rules, or the Articles of Association.

**Article 19** In respect of matters relating to the approval procedures for external guarantees, notwithstanding the above, if the applicable laws, regulations, securities supervisory authorities of the place where the securities of the Company are listed or the rules of the Stock Exchange (including but not limited to the Listing Rules, the STAR Market Listing Rules), the Articles of Association or the relevant regulatory authorities require the matters relating to the Company's external guarantees to be approved by the general shareholders' meeting, such matters must be submitted to the general shareholders' meeting of the Company for approval.

**Article 20** Where necessary, the Company may engage an external professional organization to evaluate the risks relating to the implementation of external guarantees, and such evaluation shall form basis of decision-making for the Board of Directors or the general shareholders' meeting.

**Article 21** The Company shall enter into a guarantee contract in respect of external guarantees in writing. If the guaranteed party provides a counter-guarantee, the Company shall enter into a written counter-guarantee contract with the guaranteed party. The guarantee contract and counter-guarantee contract shall have the contents required by the Civil Code of the People's Republic of China and other laws and regulations.



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**APPENDIX XI                      PROPOSED AMENDMENT TO THE MANAGEMENT  
POLICIES FOR EXTERNAL GUARANTEES**

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**Article 22** The guarantee contracts shall at least include the following particulars:

- (I) the category and amount of the principal creditor's right to be secured;
- (II) the term for the debtor to settle his debt;
- (III) the form of guarantee;
- (IV) the scope of guarantee;
- (V) the term of guarantee;
- (VI) such other matters deemed as necessary to be agreed upon by both parties.

**Article 23** Before signing a guarantee contract, the person in charge shall comprehensively and diligently review the signees and relevant particulars of the principal contract, the guarantee contract and the counter-guarantee contract. The person in charge shall request the relevant party to revise clauses which contravene the laws, regulations, the Articles of Association and relevant resolutions of the Board of Directors or the general shareholders' meeting and which impose unreasonable obligations on the Company or terms involving unpredictable risks. If such party refuses to revise these clauses, the person in charge shall decline to provide guarantee for such party and report to the Board of Directors or the general shareholders' meeting of the Company.

**Article 24** The legal representative or other personnel legally authorized may sign guarantee contracts on behalf of the Company pursuant to the resolutions of the Board of Directors or the general shareholders' meeting. No individual is entitled to sign guarantee contracts on behalf of the Company without the approval for and authorization by resolution of the general shareholders' meeting or the Board of Directors in accordance with the provisions of these rules. The person in charge shall not sign guarantee contracts or act as the guarantor to sign or seal principal contracts which are beyond his authorization.

**Article 25** The Company may enter into mutual guarantee agreements with corporate legal person who meets the conditions specified in these rules. The person in charge shall, in a timely manner, require such corporate legal person to provide authentic financial and accounting statements and other materials that reflects its solvency.

**Article 26** Upon receipt of a counter-guarantee mortgage or a counter-guarantee pledge, relevant departments of the Company shall complete relevant legal procedures, especially the timely registration of such mortgage or pledge and other procedures.

**Article 27** If a debt secured by the Company needs to be extended upon maturity and needs the Company to continue to provide guarantee, such guarantee shall be deemed as a new external guarantees and undergo relevant examination and approval procedures of guarantees.

**CHAPTER 4 MANAGEMENT OF EXTERNAL GUARANTEE**

**Article 28** External guarantees shall be managed by the financial department.

**Article 29** The major duties of the Company's financial department are as follows:

- (I) to investigate into and evaluate the credit status of the secured entity;
- (II) to complete the formalities for the guarantee procedures;
- (III) to duly keep track of, inspect and monitor the secured entity after external guarantees is provided;
- (IV) to manage the filing of the documentation of the secured enterprise in a serious manner;
- (V) to provide the Company's auditing department with a complete and accurate record of all the Company's external guarantees in a timely manner in accordance with the requirements;
- (VI) to handle such other matters related to guarantee.

**Article 30** The Company shall keep the guarantee contracts and relevant original materials in proper order and conduct reviews in a timely manner; it shall conduct cross-checking with relevant institutions such as the bank to ensure the completeness, accuracy and validity of its filed data, and take heed of the term of the guarantee.

During the course of contract management, the Company shall report to the Board of Directors and the Board of Supervisors in a timely manner upon identification of any improper contracts that have not been approved in accordance with the examination procedures of the Board of Directors or the general shareholders' meeting.

**Article 31** The Company shall assign a specific officer to monitor the condition of the guarantee continuously, gather the latest audited financial information and audit report of the guarantee, analyze regularly its financial position and solvency, and monitor its production and operation, assets and liabilities, external guarantees, division and merger and changes of legal representatives etc.

The relevant responsible officer shall report to the Board in a timely manner once any significant issues such as serious deterioration of the business operation, dissolution or division of the guarantee comes to his notification. The Board is obliged to adopt effective measures to minimize the losses.

**Article 32** In the event that the guarantee to which the Company provides guarantee fails to honor the obligation to repay debts upon maturity, or such guarantee becomes bankrupt or goes into liquidation or the creditors claim against the Company for performance of the guarantee obligations, the Company's responsible departments shall inquire the condition of the debt repayment of the guarantee in a timely manner, be prepared to activate the counter-guarantee claim procedures and simultaneously report such matter to the secretary to the Board of Directors, who shall inform the Board of Directors of the same promptly.

**Article 33** In the event that the guarantee fails to fulfill its contractual obligations and its creditor requests the Company to fulfill its guarantee obligation, the Company's responsible departments shall activate the counter-guarantee claim procedures instantly and simultaneously report such matter to the secretary to the Board of Directors, who shall inform the Board of Directors of the same promptly.

**Article 34** After fulfilling its guarantee obligation for the debtor, the Company shall adopt effective measures to demand compensation from the debtor. The Company's responsible departments shall report the claim issue to the secretary to the Board of Directors, who shall inform the Board of Directors of the same promptly.

**Article 35** If it becomes evident to the Company that the guarantee has become or is likely to become insolvent, the Company shall adopt necessary measures in a timely manner for effective risk control. If malicious collusion between the creditor and the debtor that impairs the Company's interests is found, the Company shall take prompt measures such as requesting confirmation of the nullification of the guarantee contract. The Company shall claim against the guarantee in a timely manner for any financial losses due to the default of the guarantee.

**Article 36** In response to other potential risks, the financial department shall adopt effective measures and propose corresponding measures for review by line managers, who shall then submit such measures to the Board of Directors or the Board of Supervisors of the Company, as the case may be.

**Article 37** If the Company acts as one of the guarantors of a debt that has been secured by two guarantors or more and it is agreed that the guarantors shall take their respective guarantee obligations in proportion, it shall refuse to undertake any guarantee obligation beyond and additional to the agreed proportion.

**Article 38** After the debtor's bankruptcy application is accepted by the People's Court and before any creditor has submitted its claims, the responsible officer, the financial department and the legal department shall propose the Company to participate in the property allocation for bankruptcy and exercise its rights to claim in advance.

**CHAPTER 5 RESPONSIBILITIES OF THE RESPONSIBLE OFFICER**

**Article 39** The Company’s external guarantees shall be provided in strict compliance with these rules. The Board of Directors of the Company shall impose corresponding penalty on the relevant officers who has committed misconduct with reference to the size of the loss and risk, and the significance of the misconduct.

**Article 40** If the Company’s Directors, general manager or other senior management members fail to act in accordance with the provisions of these rules and sign a guarantee contract beyond their authority without authorization, the liabilities of the relevant officer shall be investigated into.

**Article 41** If losses are sustained as a result of violations of the legal requirements or the provisions of these rules, negligence of risks and provision of guarantee without authorization on the part of any of the Company’s responsible departmental staff or other responsible officers, they shall assume liability for compensation.

**Article 42** If any of the Company’s responsible departmental staff or other responsible officers fails to fulfill his duties and subsequently causes a loss to the Company; he shall be subject to economic punishment or administrative sanctions depending on the severity of his failure in duties.

**Article 43** Where the Company is free from guarantee liability according to the laws, but the Company’s responsible departmental staff or other responsible officers acts without authorization and results in the Company’s assumption of liability and subsequent losses, such officers shall be subject to administrative sanctions by the Company and shall assume liability for compensation.

**CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 44** The term “more than”, as stated in these rules shall all include the given figure; the term “above” shall all exclude the given figure.

**Article 45** Matters not covered by these rules shall be executed in accordance with the relevant laws, regulation, regulatory documents, the Articles of Association and rules of securities regulatory authorities or exchanges where the securities of the Company are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules); if these rules conflict with laws, regulations, regulatory documents, the Articles of Association or rules of securities regulatory authorities or exchanges where the securities of the Company are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules), the provisions of laws, regulations, regulatory documents, the Articles of Association and rules of securities regulatory authorities or exchanges where the securities of the Company are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules) shall prevail.

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**APPENDIX XI                      PROPOSED AMENDMENT TO THE MANAGEMENT  
POLICIES FOR EXTERNAL GUARANTEES**

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**Article 46** The Board of Directors of the Company is responsible for the interpretation of the rules. The rules shall be reviewed and passed by the general meeting of the Company and shall take effect from the date of the Company's initial public offering of A shares and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange.

**Article 47** Unless otherwise specified, the terms used herein have the same meanings as those in the Articles of Association.

## Shanghai HeartCare Medical Technology Corporation Limited

## DECISION-MAKING POLICIES FOR EXTERNAL INVESTMENT

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to strengthen the external investment management of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”), standardize its external investment behaviors, prevent investment risks and improve the efficiency of external investment, these rules have been formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Mandatory Provisions of the Articles of Association of Companies Listing Overseas, the Guide for the Articles of Association of Listed Companies and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**STAR Market Listing Rules**”) and other laws and regulations, and the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (the “**Articles of Association**”), and in consideration of the specific situation of the Company.

**Article 2** For the purpose of these rules, the term “external investment” means the following investment by the Company at home and abroad for business development, profit or value preservation and appreciation:

- (I) equity investment in newly established enterprises;
- (II) capital increase, acquisition of equity interests and investment in new investees;
- (III) capital increase, acquisition of equity interests and investment in existing investees;
- (IV) operating project and asset investments of the Company;
- (V) investment in securities including stocks, funds and bonds, entrusted wealth management or investment in derivatives such as futures, options and warrants based on stocks, interest rates, exchange rates and commodities;
- (VI) borrowed funds, entrusted loans and other debt investments (other than debt between the Company and a majority-owned subsidiary or a subsidiary actually controlled);
- (VII) other investment behaviors as specified by the rules of the securities regulatory authority or the exchange of the place where the Company’s securities are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules);
- (VIII) disposal of external investments.

The external investment by a majority-owned subsidiary of the Company or a subsidiary actually controlled by the Company shall be regarded as an act of the Company and is subject to this system (if an external investment by a subsidiary is subject to an amount standard, the amount is calculated based on the consolidated financial statements of the Company).

**Article 3** Investment activities of the Company shall comply with the following principles:

- (I) national, provincial and municipal industrial policies;
- (II) strategic plans of the Company;
- (III) good economic benefits, and contribution to optimizing the industrial structure of the company and developing the core competitiveness;
- (IV) adherence to the scientific outlook on development, mutual adaptation between the investment size and the asset structure, action according to its capabilities, scientific argumentation and decision-making.

## CHAPTER 2 EXTERNAL INVESTMENT DECISION-MAKING AUTHORITY

**Article 4** The investment decision-making authority and decision-making procedures of the general shareholders' meeting, the Board of Directors and the general manager of the Company are implemented in accordance with the Company Law, the Articles of Association, the Listing Rules, the STAR Market Listing Rules and relevant management systems of the Company.

**Article 5** External investment transactions that are subject to consideration by the general shareholders' meeting as required by laws, administrative regulations, departmental rules, the Listing Rules, the STAR Market Listing Rules or the Articles of Association shall be submitted to the general shareholders' meeting for consideration.

**Article 6** The Board of Directors of the Company determines the authority as to the Company's external investments which are beyond the scope of approval by the general shareholders' meeting, including but not limited to authorizing the general manager to approve other external investment matters which are beyond the scope of approval by the general shareholders' meeting or the Board of Directors as required by laws and regulations, the Listing Rules, the STAR Market Listing Rules, the Articles of Association, etc. For details, see relevant provisions of the Articles of Association.

**Article 7** The Board of Directors of the Company considers and approves external investments which shall be submitted to the Board of Directors for approval as required by laws, administrative regulations, departmental rules, Listing Rules, the STAR Market Listing Rules or the Articles of Association and other provisions.

**Article 8** Except for external investments required to be considered and approved by the Board of Directors or the general shareholders' meeting as specified in Articles 5 to 7 of these rules, other foreign investment matters shall be considered and approved by the general manager.

**Article 9** Notwithstanding the foregoing, in relation to the authorization for external investments, an external investment shall be submitted to the general shareholders' meeting for approval, if so required by applicable laws, regulations, securities regulatory authorities or rules of the exchange of the place where the Company's securities are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules), the Articles of Association and other documents or relevant regulatory authorities.

### CHAPTER 3 INSPECTION AND SUPERVISION

**Article 10** During the demonstration phase of the investment project, the Company shall organize relevant departments and personnel to conduct special feasibility research and assessment for the investment project.

**Article 11** After the approval of the investment project and during its implementation, the Directors, senior management and relevant functional departments shall request the general manager and the Board of Directors to modify, change or terminate the investment plan if they find that there are significant omissions in the plan, significant changes in the external environment for the implementation of the project or the impact of force majeure, which may result in the failure of the investment. The modification, change or termination of the investment plan for an investment project approved by the general shareholders' meeting shall be subject to consideration by the general shareholders' meeting.

**Article 12** After the completion of the investment project, the Company shall organize relevant departments and personnel to conduct inspections and report to the general manager, the Board of Directors or the general shareholders' meeting according to the actual situation.

**Article 13** The general manager is required to report regularly or irregularly to the Board of Directors on the progress in significant investment projects.

### CHAPTER 4 SIGNIFICANT EVENT REPORTING AND INFORMATION DISCLOSURE

**Article 14** The Company's external investment shall strictly comply with the information disclosure obligations in accordance with relevant laws, regulations and the rules of the securities regulatory authority or the exchange where the Company's securities are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules).

**Article 15** Prior to the disclosure of external investments, each person with knowledge of the external investments shall have the obligation of confidentiality.

**Article 16** Subsidiaries shall comply with the information disclosure management system of the Company, and the Company has the right to know all information of subsidiaries.



**Article 17** Subsidiaries shall report to the Board of Directors of the Company in a timely manner on the following significant matters that meet the information disclosure standards specified by laws, regulations, the Articles of Association and the rules of the securities regulatory authority or the exchange of the place where the Company's securities are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules):

- (I) acquisition or disposal of assets;
- (II) significant lawsuits and arbitrations;
- (III) conclusion, modification and termination of important contracts (for loans, entrusted operation, entrusted wealth management, giving of gifts, contracting, lease, etc.);
- (IV) significant operating or non-operating losses;
- (V) significant losses;
- (VI) significant administrative penalties;
- (VII) other matters as specified by the securities regulatory authority or the rules of the exchange of the place where the Company's securities are listed.

**Article 18** The information provided by subsidiaries shall be true, accurate and complete and shall be submitted to the Company immediately for timely disclosure by the secretary of the Board of Directors.

#### CHAPTER 5 SUPPLEMENTARY PROVISIONS

**Article 19** For the purpose of these rules, "above" shall be inclusive, while "more than" shall be exclusive.

**Article 20** Matters not covered by these rules shall be governed by relevant laws, regulations, normative documents, the Articles of Association and the rules of the securities regulatory authority or the exchange of the place where the Company's securities are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules); if these rules conflict with laws, regulations, normative documents, the Articles of Association and the rules of the securities regulatory authority or the exchange of the place where the Company's securities are listed (including but not limited to the Listing Rules and the STAR Market Listing Rules), the latter shall prevail.

**Article 21** The Board of Directors of the Company is responsible for the interpretation of the rules. The rules shall be reviewed and passed by the general meeting of the Company and shall take effect from the date of the Company's initial public offering of A shares and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange.

**Article 22** Unless otherwise specified, the terms used in this system have the same meanings as those in the Articles of Association.



**Shanghai HeartCare Medical Technology  
Corporation Limited**

**上海心璋醫療科技股份有限公司**

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

**(Stock Code: 6609)**

**NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2022 first extraordinary general meeting (the “**EGM**”) of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at HeartCare Hall, 2/F, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC on Wednesday, November 9, 2022 at 10:00 a.m. for the purpose of considering, and if thought fit, passing the following resolutions. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated October 24, 2022 (the “**Circular**”).

**SPECIAL RESOLUTIONS**

1. To consider and approve the proposed Issue of A Shares as follows (each and every items as a separate resolution):
  - i. Class of new Shares to be issued: Ordinary Shares (A Shares).
  - ii. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board.
  - iii. Nominal value of new Shares to be issued: RMB1.00 each.
  - iv. Issue size: The Company proposes to issue not more than 13,000,000 new A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option), representing approximately 33.48% of the share capital of the Company as of the Latest Practicable Date, and approximately 25.08% of the enlarged share capital upon completion of the Issue of A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option). The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing shareholders. The Issue of A Shares can adopt the over-allotment option, which shall not exceed 15% of the Shares initially available under the Issue of A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter(s) according to the authorization (if granted at the EGM and the Class Meetings), and be subject to final number of A Shares registered by the CSRC.

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## NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

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- v. Target subscribers: Qualified price consultation participants, PRC natural person, legal persons and other investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
  - vi. Method of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities (including but not limited to offering to strategic investors).
  - vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter(s) by way of standby commitment.
  - viii. Pricing methodology: The issue price for the A Shares will be determined by the Company and the lead underwriter(s) in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
  - ix. Schedule of issuance: The Company will proceed with the Issue within 12 months after the Shanghai Stock Exchange issues the approval opinion and CSRC approves the Issue. The Board and the lead underwriter(s) will determine the listing date for the A Shares after the CSRC agrees to the registration of the A Shares and after completion of the offering.
  - x. Validity period of the resolutions: The resolutions will be valid for a period of 12 months from the date of approval at the EGM and the Class Meetings.
2. To consider and approve the authorization to the Board of Directors to fully handle matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board

The authorization proposed to be granted to the Board shall include without limitation:

- i. The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as issue size, target subscribers, method of issuance, timing of issuance, pricing methodology, issue price, and method of subscription in accordance with laws and regulations, the relevant requirements of securities regulatory authorities and the securities market conditions, and within the framework and in accordance with the principles adopted by the Shareholders at the EGM and the Class Meetings.

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## NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

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- ii. The performance of all procedures relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board, including the procedures relating to registration, approval, registration, review, filing with the relevant regulatory authorities, and to sign, execute, amend and complete all necessary documents to be submitted to the government, authority and organization.
- iii. The appropriate adjustment to the specific matters relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board within the effective period for the Issue of A Shares, including the amendment and submission of listing application materials as required by a change of policies or market circumstances.
- iv. The preparation, amendment, signing, submission, publication, disclosure, implementation, suspension and termination of all agreements, contracts, announcement or other documents relating to this issuance and listing (including but not limited to the prospectus for the Issue of A Shares and listing on the Sci-Tech Board, sponsoring agreement, underwriting agreement, listing agreement, engagement agreements of intermediaries), the engagement of sponsor(s), underwriter(s), legal adviser(s), auditing firm(s), asset valuer(s), receiving bank(s) and other involved intermediaries this issuance and listing, and the determination and payment of all expenses relating to this issuance and listing.
- v. The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company, the “Analysis on Dilution on Immediate Return by the Initial Public Offering of A Shares and Recovery Measures for the Immediate Return”, the “Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board”, the “Plan for Stabilization of Price of Shares after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board” and other application documents and undertakings by the Company according to the applicable laws and regulations, requirements and suggestions of the relevant securities regulatory authorities or according to the actual conditions of this issuance.
- vi. The appropriate adjustments to be made to the relevant matters of the investment projects funded by the proceeds raised according to the implementation process of this issuance and listing, market conditions, policy adjustments and comments of the relevant securities regulatory authorities, including but not limited to the confirmation of the process of the investment projects, the allocation of funds when applying the proceeds raised, the confirmation of a special deposit account for the proceeds raised, etc., so long as such adjustments comply with applicable laws.
- vii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, the amendments of the Articles, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- viii. According to the implementation process of this issuance, in accordance with the undertakings of each Shareholder, handling the matters of listing of the A Shares on the Shanghai Stock Exchange and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd. (including but not limited to the registration, circulation and lock-up of shares).

## **NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING**

- ix. The authorization to handle matters in relation to the opening of the depository account for the funds raised.
- x. To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

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

3. To consider and approve the use of proceeds raised from the Issue of A Shares and the listing on the Sci-Tech Board. The proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects after deducting the issuance expenses:

<b>No.</b>	<b>Project name</b>	<b>Proposed amount from proceeds raised (RMB)(million)</b>
1	Manufacture and R&D facility of high-end medical device	839.7
2	Marketing and branding	192.2
3	Working Capital	400.0
	<b>Total</b>	<b>1,431.9</b>

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds according to the needs of the projects, and after the proceeds raised are in place, the Company can replace the initial investment funds with the proceeds raised from the Issue of A Shares.

After the proceeds raised from the Issue of A Shares are in place, if the proceeds raised from this issuance cannot meet the capital requirements of the above proposed projects, the Company will invest according to the priority of the projects, the shortfall shall be covered by the Company with its own raised funds. If the proceeds raised from this issuance exceeds the capital requirements of the above projects, the surplus amount will be mainly used to supplement working capital and other projects relating to the main business.

The Company believes that there are good prospects for abovementioned projects which are complementary to the current businesses of the Company. The projects are also in line with the relevant national policies, environmental policies and other relevant laws and regulations. The projects and amounts of proceeds are appropriate for the current business size, financial status, technology standard and management capability of the Company. The proposed use of proceeds are in the interests of the Company and the Shareholders as a whole and are feasible.

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## **NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING**

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4. To consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares and the listing on the Sci-Tech Board:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit or unrecovered losses before the Issue of A Shares and listing on the Sci-Tech Board, then it is proposed that the new and existing Shareholders shall share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

5. To consider and approve the analysis on dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures for the immediate return.
6. To consider and approve the Company's three-year dividend distribution plan for Shareholders and profit distribution policy after the Company's initial public offering of A Shares and the listing on the Sci-Tech Board.
7. To consider and approve the Company's share price stabilization plan after the Company's initial public offering of A Shares and listing on the Sci-Tech Board.
8. To consider and approve the status of major transactions with related parties during the Track Record Period (i.e. the three years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022).
9. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and combining the review for listing on the Sci-Tech Board in practice and the actual situation of the Company.
10. To consider and approve the proposed amendments to the Articles.

### **ORDINARY RESOLUTIONS**

11. To consider and approve the amendments to or adoption of each of the following internal management policies:
  - (a) the "Rules of Procedures for the Meeting of Shareholders";
  - (b) the "Rules of Procedures for the Board of Directors";
  - (c) the "Rules of Procedures for the Supervisory Committee";

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## NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

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- (d) the “Terms of Reference for Independent Directors”;
  - (e) the “Management Policies for Raised Proceeds”;
  - (f) the “Management Policies for Related Transactions”;
  - (g) the “Management Policies for External Guarantees”; and
  - (h) the “Decision-Making Policies for External Investments”.
12. To consider and approve the appointment of Mr. Chen Shaoxiong as a non-executive Director of the Company with the term of office commencing from the effective date of his appointment and ending upon the expiry of the current session of the Board, and to authorize the Board to fix his remuneration.
13. To consider and approve the appointment of Ms. Jiang Xue as a supervisor of the Company with the term of office commencing from the date of obtaining approval at the EGM and ending upon the expiry of the current session of the Supervisory Committee.
14. To consider and approve the appointment of Mr. Jiang Xinbei as a supervisor of the Company with the term of office commencing from the date of obtaining approval at the EGM and ending upon the expiry of the current session of the Supervisory Committee.

By Order of the Board  
**Shanghai HeartCare Medical Technology Corporation Limited**  
**WANG Guohui**  
*Chairman of the Board*

Shanghai, October 24, 2022

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## NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. Any Shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the above meeting in person, and the board of directors of the Company respectfully recommends that, for the same reason, the shareholders to appoint the chairman of the above meeting as their proxy rather than a third party to attend and vote on their behalf at the above meeting (or any adjournment thereof).**
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer or attorney duly authorized.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) or the Company's registered office at Floor 1 and 3, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC (for holders of Unlisted Shares) as soon as practicable but in any event not less than 24 hours before the time appointed for holding the EGM (i.e., at or before 10:00 a.m. on November 8, 2022 (Hong Kong Time)), or any adjourned meeting thereof (as the case may be).
4. Completion and return of the form of proxy shall not preclude the Shareholders of the Company from attending and voting in person at the EGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the EGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.
6. For the purpose of determining the Shareholders of the Company entitled to attend and vote at the EGM, the register of members of the Company will be closed from November 4, 2022 to November 9, 2022 (both days inclusive). The record date for determining the entitlement of the Shareholders of the Company to attend and vote at the EGM will be November 9, 2022. In order to qualify for the entitlement to attend and vote at the above EGM, H Shareholders must lodge all transfer forms accompanied by the relevant H Share certificates with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:30 p.m. on November 3, 2022.
7. The EGM is expected to take less than half a day. Shareholders who attend the EGM shall be responsible for their own travel and accommodation expenses. Shareholders may contact the Investor Relations Department of the Company at +86 21 5897 5056 or info@strokemedical.com for any enquiries in respect of the EGM.

*As at the date of this notice, the executive Directors are Mr. Wang Guohui, Ms. Zhang Kun and Mr. Wei Jiawei; the non-executive Director is Mr. Ding Kui; and the independent non-executive Directors are Mr. Guo Shaomu, Mr. Feng Xiangqian and Mr. Gong Ping.*





**Shanghai HeartCare Medical Technology  
Corporation Limited**

**上海心璋醫療科技股份有限公司**

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

**(Stock Code: 6609)**

**NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the 2022 first class meeting of H Shareholders (the “**Class Meeting of H Shareholders**”) of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at HeartCare Hall, 2/F, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC immediately after the conclusion of the 2022 first extraordinary general meeting of the Company to be held at the same location on Wednesday, November 9, 2022 or any adjournment thereof for the purpose of considering, and if thought fit, passing the following resolutions. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated October 24, 2022 (the “**Circular**”).

**SPECIAL RESOLUTIONS**

1. To consider and approve the proposed Issue of A Shares as follows (each and every items as a separate resolution):
  - i. Class of new Shares to be issued: Ordinary Shares (A Shares).
  - ii. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board.
  - iii. Nominal value of new Shares to be issued: RMB1.00 each.
  - iv. Issue size: The Company proposes to issue not more than 13,000,000 new A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option), representing approximately 33.48% of the share capital of the Company as of the Latest Practicable Date, and approximately 25.08% of the enlarged share capital upon completion of the Issue of A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option). The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing shareholders. The Issue of A Shares can adopt the over-allotment option, which shall not exceed 15% of the Shares initially available under the Issue of A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter(s) according to the authorization (if granted at the EGM and the Class Meetings), and be subject to final number of A Shares registered by the CSRC.

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## NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

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- v. Target subscribers: Qualified price consultation participants, PRC natural person, legal persons and other investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
  - vi. Method of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities (including but not limited to offering to strategic investors).
  - vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter(s) by way of standby commitment.
  - viii. Pricing methodology: The issue price for the A Shares will be determined by the Company and the lead underwriter(s) in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
  - ix. Schedule of issuance: The Company will proceed with the Issue within 12 months after the Shanghai Stock Exchange issues the approval opinion and CSRC approves the Issue. The Board and the lead underwriter(s) will determine the listing date for the A Shares after the CSRC agrees to the registration of the A Shares and after completion of the offering.
  - x. Validity period of the resolutions: The resolutions will be valid for a period of 12 months from the date of approval at the EGM and the Class Meetings.
2. To consider and approve the authorization to the Board of Directors to fully handle matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board

The authorization proposed to be granted to the Board shall include without limitation:

- i. The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as issue size, target subscribers, method of issuance, timing of issuance, pricing methodology, issue price, and method of subscription in accordance with laws and regulations, the relevant requirements of securities regulatory authorities and the securities market conditions, and within the framework and in accordance with the principles adopted by the Shareholders at the EGM and the Class Meetings.

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## NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

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- ii. The performance of all procedures relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board, including the procedures relating to registration, approval, registration, review, filing with the relevant regulatory authorities, and to sign, execute, amend and complete all necessary documents to be submitted to the government, authority and organization.
- iii. The appropriate adjustment to the specific matters relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board within the effective period for the Issue of A Shares, including the amendment and submission of listing application materials as required by a change of policies or market circumstances.
- iv. The preparation, amendment, signing, submission, publication, disclosure, implementation, suspension and termination of all agreements, contracts, announcement or other documents relating to this issuance and listing (including but not limited to the prospectus for the Issue of A Shares and listing on the Sci-Tech Board, sponsoring agreement, underwriting agreement, listing agreement, engagement agreements of intermediaries), the engagement of sponsor(s), underwriter(s), legal adviser(s), auditing firm(s), asset valuer(s), receiving bank(s) and other involved intermediaries this issuance and listing, and the determination and payment of all expenses relating to this issuance and listing.
- v. The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company, the “Analysis on Dilution on Immediate Return by the Initial Public Offering of A Shares and Recovery Measures for the Immediate Return”, the “Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board”, the “Plan for Stabilization of Price of Shares after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board” and other application documents and undertakings by the Company according to the applicable laws and regulations, requirements and suggestions of the relevant securities regulatory authorities or according to the actual conditions of this issuance.
- vi. The appropriate adjustments to be made to the relevant matters of the investment projects funded by the proceeds raised according to the implementation process of this issuance and listing, market conditions, policy adjustments and comments of the relevant securities regulatory authorities, including but not limited to the confirmation of the process of the investment projects, the allocation of funds when applying the proceeds raised, the confirmation of a special deposit account for the proceeds raised, etc., so long as such adjustments comply with applicable laws.
- vii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, the amendments of the Articles, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- viii. According to the implementation process of this issuance, in accordance with the undertakings of each Shareholder, handling the matters of listing of the A Shares on the Shanghai Stock Exchange and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd. (including but not limited to the registration, circulation and lock-up of shares).

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## NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

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- ix. The authorization to handle matters in relation to the opening of the depository account for the funds raised.
- x. To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

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

- 3. To consider and approve the use of proceeds raised from the Issue of A Shares and the listing on the Sci-Tech Board. The proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects after deducting the issuance expenses:

<b>No.</b>	<b>Project name</b>	<b>Proposed amount from proceeds raised (RMB)(million)</b>
1	Manufacture and R&D facility of high-end medical device	839.7
2	Marketing and branding	192.2
3	Working Capital	400.0
	<b>Total</b>	<b>1,431.9</b>

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds according to the needs of the projects, and after the proceeds raised are in place, the Company can replace the initial investment funds with the proceeds raised from the Issue of A Shares.

After the proceeds raised from the Issue of A Shares are in place, if the proceeds raised from this issuance cannot meet the capital requirements of the above proposed projects, the Company will invest according to the priority of the projects, the shortfall shall be covered by the Company with its own raised funds. If the proceeds raised from this issuance exceeds the capital requirements of the above projects, the surplus amount will be mainly used to supplement working capital and other projects relating to the main business.

The Company believes that there are good prospects for abovementioned projects which are complementary to the current businesses of the Company. The projects are also in line with the relevant national policies, environmental policies and other relevant laws and regulations. The projects and amounts of proceeds are appropriate for the current business size, financial status, technology standard and management capability of the Company. The proposed use of proceeds are in the interests of the Company and the Shareholders as a whole and are feasible.

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## NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

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4. To consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares and the listing on the Sci-Tech Board:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit or unrecovered losses before the Issue of A Shares and listing on the Sci-Tech Board, then it is proposed that the new and existing Shareholders shall share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

5. To consider and approve the analysis on dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures for the immediate return.
6. To consider and approve the Company's three-year dividend distribution plan for Shareholders and profit distribution policy after the Company's initial public offering of A Shares and the listing on the Sci-Tech Board.
7. To consider and approve the Company's share price stabilization plan after the Company's initial public offering of A Shares and listing on the Sci-Tech Board.
8. To consider and approve the status of major transactions with related parties during the Track Record Period (i.e. the three years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022).
9. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and combining the review for listing on the Sci-Tech Board in practice and the actual situation of the Company.
10. To consider and approve the proposed amendments to the Articles.

By Order of the Board  
**Shanghai HeartCare Medical Technology Corporation Limited**  
**WANG Guohui**  
*Chairman of the Board*

Shanghai, October 24, 2022

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## NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

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*Notes:*

1. Any Shareholder of the Company entitled to attend and vote at the Class Meeting of H Shareholders is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the above meeting in person, and the board of directors of the Company respectfully recommends that, for the same reason, the shareholders to appoint the chairman of the above meeting as their proxy rather than a third party to attend and vote on their behalf at the above meeting (or any adjournment thereof).**
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer or attorney duly authorized.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) as soon as practicable but in any event not less than 24 hours before the time appointed for holding the Class Meeting of H Shareholders (i.e., at or before 10:00 a.m. on November 8, 2022 (Hong Kong Time)), or any adjourned meeting thereof (as the case may be).
4. Completion and return of the form of proxy shall not preclude the Shareholders of the Company from attending and voting in person at the Class Meeting of H Shareholders or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Class Meeting of H Shareholders, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.
6. For the purpose of determining the Shareholders of the Company entitled to attend and vote at the Class Meeting of H Shareholders, the register of members of the Company will be closed from November 4, 2022 to November 9, 2022 (both days inclusive). The record date for determining the entitlement of the Shareholders of the Company to attend and vote at the Class Meeting of H Shareholders will be November 9, 2022. In order to qualify for the entitlement to attend and vote at the above Class Meeting of H Shareholders, H Shareholders must lodge all transfer forms accompanied by the relevant H Share certificates with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:30 p.m. on November 3, 2022.
7. The Class Meeting of H Shareholders is expected to take less than half a day. Shareholders who attend the Class Meeting of H Shareholders shall be responsible for their own travel and accommodation expenses. Shareholders may contact the Investor Relations Department of the Company at +86 21 5897 5056 or info@strokemedical.com for any enquiries in respect of the Class Meeting of H Shareholders.

*As at the date of this notice, the executive Directors are Mr. Wang Guohui, Ms. Zhang Kun and Mr. Wei Jiawei; the non-executive Director is Mr. Ding Kui; and the independent non-executive Directors are Mr. Guo Shaomu, Mr. Feng Xiangqian and Mr. Gong Ping.*

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**NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC  
SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS**

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**Shanghai HeartCare Medical Technology  
Corporation Limited**

**上海心璋醫療科技股份有限公司**

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

**(Stock Code: 6609)**

**NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS  
AND UNLISTED FOREIGN SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the 2022 first class meeting of domestic shareholders and unlisted foreign shareholders (the “**Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders**”) of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at HeartCare Hall, 2/F, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC immediately after the conclusion of the 2022 first class meeting of H shareholders of the Company to be held at the same location on Wednesday, November 9, 2022 or any adjournment thereof for the purpose of considering, and if thought fit, passing the following resolutions. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated October 24, 2022 (the “**Circular**”).

**SPECIAL RESOLUTIONS**

1. To consider and approve the proposed Issue of A Shares as follows (each and every items as a separate resolution):
  - i. Class of new Shares to be issued: Ordinary Shares (A Shares).
  - ii. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board.
  - iii. Nominal value of new Shares to be issued: RMB1.00 each.
  - iv. Issue size: The Company proposes to issue not more than 13,000,000 new A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option), representing approximately 33.48% of the share capital of the Company as of the Latest Practicable Date, and approximately 25.08% of the enlarged share capital upon completion of the Issue of A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option). The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing shareholders. The Issue of A Shares can adopt the over-allotment option, which shall not exceed 15% of the Shares initially available under the Issue of A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter(s) according to the authorization (if granted at the EGM and the Class Meetings), and be subject to final number of A Shares registered by the CSRC.



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## NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS

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- v. Target subscribers: Qualified price consultation participants, PRC natural person, legal persons and other investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).
  - vi. Method of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities (including but not limited to offering to strategic investors).
  - vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter(s) by way of standby commitment.
  - viii. Pricing methodology: The issue price for the A Shares will be determined by the Company and the lead underwriter(s) in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.
  - ix. Schedule of issuance: The Company will proceed with the Issue within 12 months after the Shanghai Stock Exchange issues the approval opinion and CSRC approves the Issue. The Board and the lead underwriter(s) will determine the listing date for the A Shares after the CSRC agrees to the registration of the A Shares and after completion of the offering.
  - x. Validity period of the resolutions: The resolutions will be valid for a period of 12 months from the date of approval at the EGM and the Class Meetings.
2. To consider and approve the authorization to the Board of Directors to fully handle matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board

The authorization proposed to be granted to the Board shall include without limitation:

- i. The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as issue size, target subscribers, method of issuance, timing of issuance, pricing methodology, issue price, and method of subscription in accordance with laws and regulations, the relevant requirements of securities regulatory authorities and the securities market conditions, and within the framework and in accordance with the principles adopted by the Shareholders at the EGM and the Class Meetings.



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## NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS

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- ii. The performance of all procedures relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board, including the procedures relating to registration, approval, registration, review, filing with the relevant regulatory authorities, and to sign, execute, amend and complete all necessary documents to be submitted to the government, authority and organization.
- iii. The appropriate adjustment to the specific matters relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board within the effective period for the Issue of A Shares, including the amendment and submission of listing application materials as required by a change of policies or market circumstances.
- iv. The preparation, amendment, signing, submission, publication, disclosure, implementation, suspension and termination of all agreements, contracts, announcement or other documents relating to this issuance and listing (including but not limited to the prospectus for the Issue of A Shares and listing on the Sci-Tech Board, sponsoring agreement, underwriting agreement, listing agreement, engagement agreements of intermediaries), the engagement of sponsor(s), underwriter(s), legal adviser(s), auditing firm(s), asset valuer(s), receiving bank(s) and other involved intermediaries this issuance and listing, and the determination and payment of all expenses relating to this issuance and listing.
- v. The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company, the “Analysis on Dilution on Immediate Return by the Initial Public Offering of A Shares and Recovery Measures for the Immediate Return”, the “Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board”, the “Plan for Stabilization of Price of Shares after the Initial Public Offering of A Shares and the Listing on the Sci-Tech Board” and other application documents and undertakings by the Company according to the applicable laws and regulations, requirements and suggestions of the relevant securities regulatory authorities or according to the actual conditions of this issuance.
- vi. The appropriate adjustments to be made to the relevant matters of the investment projects funded by the proceeds raised according to the implementation process of this issuance and listing, market conditions, policy adjustments and comments of the relevant securities regulatory authorities, including but not limited to the confirmation of the process of the investment projects, the allocation of funds when applying the proceeds raised, the confirmation of a special deposit account for the proceeds raised, etc., so long as such adjustments comply with applicable laws.
- vii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, the amendments of the Articles, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- viii. According to the implementation process of this issuance, in accordance with the undertakings of each Shareholder, handling the matters of listing of the A Shares on the Shanghai Stock Exchange and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd. (including but not limited to the registration, circulation and lock-up of shares).

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## NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS

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- ix. The authorization to handle matters in relation to the opening of the depository account for the funds raised.
- x. To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

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

- 3. To consider and approve the use of proceeds raised from the Issue of A Shares and the listing on the Sci-Tech Board. The proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects after deducting the issuance expenses:

No.	Project name	<b>Proposed amount from proceeds raised (RMB)(million)</b>
1	Manufacture and R&D facility of high-end medical device	839.7
2	Marketing and branding	192.2
3	Working Capital	400.0
	<b>Total</b>	<u><u>1,431.9</u></u>

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds according to the needs of the projects, and after the proceeds raised are in place, the Company can replace the initial investment funds with the proceeds raised from the Issue of A Shares.

After the proceeds raised from the Issue of A Shares are in place, if the proceeds raised from this issuance cannot meet the capital requirements of the above proposed projects, the Company will invest according to the priority of the projects, the shortfall shall be covered by the Company with its own raised funds. If the proceeds raised from this issuance exceeds the capital requirements of the above projects, the surplus amount will be mainly used to supplement working capital and other projects relating to the main business.

The Company believes that there are good prospects for abovementioned projects which are complementary to the current businesses of the Company. The projects are also in line with the relevant national policies, environmental policies and other relevant laws and regulations. The projects and amounts of proceeds are appropriate for the current business size, financial status, technology standard and management capability of the Company. The proposed use of proceeds are in the interests of the Company and the Shareholders as a whole and are feasible.

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**NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC  
SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS**

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4. To consider and approve the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares and the listing on the Sci-Tech Board:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit or unrecovered losses before the Issue of A Shares and listing on the Sci-Tech Board, then it is proposed that the new and existing Shareholders shall share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

5. To consider and approve the analysis on dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures for the immediate return.
6. To consider and approve the Company's three-year dividend distribution plan for Shareholders and profit distribution policy after the Company's initial public offering of A Shares and the listing on the Sci-Tech Board.
7. To consider and approve the Company's share price stabilization plan after the Company's initial public offering of A Shares and listing on the Sci-Tech Board.
8. To consider and approve the status of major transactions with related parties during the Track Record Period (i.e. the three years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022).
9. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and combining the review for listing on the Sci-Tech Board in practice and the actual situation of the Company.
10. To consider and approve the proposed amendments to the Articles.

By Order of the Board  
**Shanghai HeartCare Medical Technology Corporation Limited**  
**WANG Guohui**  
*Chairman of the Board*

Shanghai, October 24, 2022

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## NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS AND UNLISTED FOREIGN SHAREHOLDERS

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*Notes:*

1. Any Shareholder of the Company entitled to attend and vote at the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the above meeting in person, and the board of directors of the Company respectfully recommends that, for the same reason, the shareholders to appoint the chairman of the above meeting as their proxy rather than a third party to attend and vote on their behalf at the above meeting (or any adjournment thereof).**
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer or attorney duly authorized.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Company's registered office at Floor 1 and 3, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, PRC (for holders of Unlisted Shares) as soon as practicable but in any event not less than 24 hours before the time appointed for holding the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders (i.e., at or before 10:00 a.m. on November 8, 2022 (Hong Kong Time)), or any adjourned meeting thereof (as the case may be).
4. Completion and return of the form of proxy shall not preclude the Shareholders of the Company from attending and voting in person at the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.
6. The Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders is expected to take less than half a day. Shareholders who attend the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders shall be responsible for their own travel and accommodation expenses. Shareholders may contact the Investor Relations Department of the Company at +86 21 5897 5056 or info@strokemedical.com for any enquiries in respect of the Class Meeting of Domestic Shareholders and Unlisted Foreign Shareholders.

*As at the date of this notice, the executive Directors are Mr. Wang Guohui, Ms. Zhang Kun and Mr. Wei Jiawei; the non-executive Director is Mr. Ding Kui; and the independent non-executive Directors are Mr. Guo Shaomu, Mr. Feng Xiangqian and Mr. Gong Ping.*