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

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

**If you have sold or transferred** all your shares in Hua Medicine, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**HUA MEDICINE**  
**華領醫藥**

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 2552)

**(I) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**  
**(II) PROPOSED GRANTING OF GENERAL MANDATES TO**  
**REPURCHASE SHARES AND TO ISSUE SHARES;**  
**(III) PROPOSED RE-APPOINTMENT OF AUDITOR;**  
**AND**  
**(IV) NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the Annual General Meeting of the Company to be held at the Company's headquarter in Shanghai at 2 Building, No. 36, Xuelin Road, Pudong, Shanghai on Tuesday, June 29, 2021 at 10 a.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 10 a.m. on Sunday, June 27, 2021 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.huamedicine.com](http://www.huamedicine.com)).

April 23, 2021



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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Hua Medicine’s headquarter in Shanghai at 2 Building, No. 36, Xuelin Road, Pudong, Shanghai on Tuesday, June 29, 2021 at 10 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 16 to 20 of this circular, or any adjournment thereof
“Articles of Association”	the amended and restated articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	Hua Medicine, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting
“Latest Practicable Date”	April 16, 2021, 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 as amended from time to time

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## DEFINITIONS

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“Memorandum of Association”	the amended and restated memorandum of association of the Company currently in force
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.001 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

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## LETTER FROM THE BOARD

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### HUA MEDICINE

華領醫藥

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 2552)

*Executive Directors:*

Dr. Li CHEN (*Chief Executive Officer  
and Chief Scientific Officer*)

Mr. George Chien Cheng LIN  
(*Executive Vice President and  
Chief Financial Officer*)

*Registered Office:*

The offices of Maples Corporate  
Services Limited  
PO Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

*Non-executive Directors:*

Mr. Robert Taylor NELSEN (*Chairman*)  
Dr. Lian Yong CHEN

*Corporate Headquarters:*

Hua Medicine, Building 2  
Lane 36, Xuelin Road  
Pudong New Area  
Shanghai 201203, PRC

*Independent Non-executive Directors:*

Mr. Walter Teh-Ming KWAIK  
Mr. William Robert KELLER  
Mr. Junling LIU  
Mr. Yiu Wa Alec TSUI

*Principal Place of Business in Hong Kong:*

Suite 2202, Methodist House  
36 Hennessy Road  
Wanchai, Hong Kong

April 23, 2021

*To the Shareholders*

Dear Sir/Madam,

- (I) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;  
(II) PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES;  
(III) PROPOSED RE-APPOINTMENT OF AUDITOR;  
AND  
(IV) NOTICE OF ANNUAL GENERAL MEETING**

#### **1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on June 29, 2021.

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## LETTER FROM THE BOARD

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### 2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.18 of the Articles of Association, Dr. Li CHEN, Mr. Junling LIU and Mr. Yiu Wa Alec TSUI will retire at the AGM. All of the above Directors, being eligible, will offer themselves for re-election at the AGM.

#### **Recommendation of the Nomination Committee**

The Nomination Committee has assessed the independence of each of the independent non-executive Directors including Mr. Junling LIU and Mr. Yiu Wa Alec TSUI based on reviewing their annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that all of them remain independent. In addition, the Nomination Committee had considered the criteria set out in board diversity policy (including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience) and had evaluated the performance of each of the retiring Directors for the year ended December 31, 2020 and found their performance satisfactory and valuable contribution to the diversity of the Board. Therefore, the Nomination Committee nominated the retiring Directors to the Board for it to propose to the Shareholders for re-election at the AGM

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the retiring Directors, namely Dr. Li CHEN, Mr. Junling LIU and Mr. Yiu Wa Alec TSUI stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders at the AGM.

Details of the Directors proposed for re-election at the AGM are set out in Appendix I to this circular.

### 3. PROPOSED GRANTING OF THE SHARE BUY-BACK MANDATE

Pursuant to the resolutions passed at the last general meeting of the Shareholders, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting (i.e. a total of 105,489,380 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Buy-back Mandate.

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## LETTER FROM THE BOARD

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An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

#### **4. PROPOSED GRANTING OF THE ISSUANCE MANDATE**

Pursuant to the resolutions passed at the last general meeting of the Shareholders, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. a total of 210,978,760 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

#### **5. PROPOSED RE-APPOINTMENT OF AUDITOR**

Following the recommendation of the audit committee of the Board, the Board proposed to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company with a term expiring upon the next annual general meeting of the Company; and the Board proposed it be authorized to fix the remuneration of the auditor. An ordinary resolution in respect of the re-appointment of the auditor of the Company will be proposed at the AGM for consideration and approval by the Shareholders.

#### **6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The Annual General Meeting will be held at the Company's headquarter in Shanghai at 2 Building, No. 36, Xuelin Road, Pudong, Shanghai on Tuesday, June 29, 2021 at 10 a.m..The notice of the Annual General Meeting is set out on pages 16 to 20 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.huamedicine.com](http://www.huamedicine.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183

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## LETTER FROM THE BOARD

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Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 10a.m. on Sunday, June 27, 2021 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

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

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions to be proposed at the Annual General Meeting will be voted by way of poll. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **8. RECOMMENDATION**

The Directors consider that the proposed re-election of retiring Directors, granting of the Share Buy-back Mandate and the Issuance Mandate, and re-appointment of the Company's auditor are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### **9. 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.

By Order of the Board  
**Dr. Li Chen**  
*Chief Executive Officer and  
Executive Director*



Details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

**(1) DR. LI CHEN, AGED 58, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR**

**Position and Experience**

Dr. Li CHEN (陳力), is our founder, Chief Executive Officer, Chief Scientific Officer, and the Chairman of the Company's Strategy Committee. He was appointed as a Director on June 4, 2010 and re-designated as an executive Director on May 11, 2018. He has been our Chief Executive Officer since June 4, 2010. Since August 2010 and March 2011, respectively, he has served as a director of Hua HK and Hua Shanghai and Hua USA.

Dr. Chen has over 20 years of experience in the biopharmaceutical industry. He is a pioneer in collaborative innovation in China and has been actively involved in the development of dorzagliatin including the years he spent at Roche (from whom we acquired our rights to dorzagliatin in 2011). Dr. Chen joined Roche in 1992 in the United States, focusing on R&D. Dr. Chen held many leadership positions rising to become a member of Roche's Research Leadership Team. In his last position at Roche before joining the Group, he served as the founding director and chief scientific officer of Roche China R&D Center in Shanghai, China. In that role, Dr. Chen was responsible for development and implementation of Roche China drug discovery strategy, creation of China discovery portfolio, and management of China operations with several drugs from the Roche R&D portfolio during his tenure (including dorzagliatin).

Dr. Chen obtained his Bachelor of Science in Chemistry from Zhengzhou University in July 1982, a Master of Science in Chemistry from East China Normal University in November 1985 in Shanghai and a Ph.D. in Organic Chemistry in August 1992 from Iowa State University in the United States. He is an inventor of 38 granted patents and has authored 58 scientific publications. From September 2007 to September 2010, Dr. Chen served as an adjunct professor at Tongji University in Shanghai. In 2001, Dr. Chen served as the President of the Sino-American Pharmaceutical Professionals Association ("SAPA").

From 2014 to October 2020, Dr. Chen has served as an independent director of Coland Pharmaceutical Co., Ltd (康聯藥業有限公司), a company primarily engaged in sales, marketing and distribution of pharmaceutical products and medical devices, listed on Taiwan Stock Exchange (stock code: 4144) and withdrawal from listing due to privatization effective on 30 October 2020.

Save as disclosed above, Dr. Chen did not hold any other directorships in companies listed in Hong Kong or overseas in the last three years.

### Length of service

Dr. Chen has entered into a letter of appointment with the Company for a term of three years, which may be terminated by not less than 30 days' notice in writing served by either himself or the Company. Dr. Chen is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

### Relationships

Dr. Chen does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

### Interests in Shares

As at the Latest Practicable Date, Dr. Chen had the following interests in Shares pursuant to Part XV of the SFO:

Nature of interest	Number of Shares held	Approximate percentage of shareholding in the Company
Interest of spouse <sup>(Note 1)</sup>	25,220,690	2.39%
Beneficial Owner <sup>(Note 2)</sup>	29,000,725	2.74%
Interest of Controlled Corporation <sup>(Note 3)</sup>	10,000,000	0.95%
	<u>64,221,415</u>	<u>6.08%</u>

*Notes:*

- (1) Dr. CHEN is the spouse of Ms. Jane Xingfang HONG. Under the SFO, Dr. CHEN is deemed to be interested in the same number of Shares in which Ms. Jane Xingfang HONG maintains an interest.
- (2) Being options for 13,921,725 Shares granted pursuant to the Pre-IPO Share Incentive Scheme and 15,079,000 Share Options granted pursuant to the Share Option Scheme, respectively.
- (3) Chen Family Investments, LLC is 100% controlled by Ms. Jane Xingfang HONG and therefore, Ms. Jane Xingfang HONG and Dr. CHEN are deemed to be interested in the same number of Shares held by Chen Family Investments, LLC.

**Director's emoluments**

Dr. Chen has entered into a Letter of appointment with the Company for a term of three years which may be terminated by not less than one month's notice in writing served by either party. Dr. Chen did not receive director's emoluments for his position as executive director.

As at the Latest Practicable Date, Dr. Li Chen was deemed under SFO to be also interested in 25,220,690 and 10,000,000 shares of the Company held by his spouse and held by Chen Family Investments, LLC, respectively and was beneficially interested in 13,921,725 options granted under the Pre-IPO Share Incentive Scheme of the Company, and 15,079,000 Share Options granted under the Share Option Scheme of the Company.

**Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders**

There is no information which is disclosable nor is Dr. Chen involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Dr. Chen that need to be brought to the attention of the Shareholders.

**(2) MR. JUNLING LIU, AGED 56, INDEPENDENT NON-EXECUTIVE DIRECTOR****Position and Experience**

**Junling LIU (劉峻嶺)**, was appointed as an independent non-executive Director on August 26, 2018, effective from September 14, 2018. He is also a member of the Nomination Committee and Strategy Committee. Mr. Liu is the chairman and chief executive officer of 111, Inc., a digital and mobile healthcare platform operator in China, a company listed on NASDAQ (stock code: YI). Mr. Liu was a co-founder and chief executive officer of Yihaodian. Before establishing Yihaodian in 2008, Mr. Liu was a co-president of Dell (China) Company Limited from 2006 to 2007. He has been an independent director of Autohome Inc., company listed on New York Stock Exchange (stock code: ATHM) since January 12, 2015.

Mr. Liu received his Master of International Business Administration degree from Flinders University in Australia in 1998. Save as disclosed above, Mr. Liu is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Save as disclosed above, Mr. Liu did not hold any other directorships in companies listed in Hong Kong or overseas in the last three years.

**Length of service**

Mr. Liu has entered into a letter of appointment with the Company for a term of three years, which may be terminated by not less than one months' notice in writing served by either himself or the Company. Mr. Liu is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

**Relationships**

Mr. Liu does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

**Interests in Shares**

As at the Latest Practicable Date, Mr. Liu does not hold any interest in the Shares or underlying Shares pursuant to Part XV of the SFO.

**Director's emoluments**

Mr. Liu has entered into a Letter of appointment with the Company for a term of three years, which may be terminated by not less than one month's notice in writing served by either party on the other. Mr. Liu is entitled to receive emoluments of RMB450,000 per annum for acting as the Director as determined by the Board with reference to his job responsibility, and prevailing market rate.

**Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders**

There is no information which is discloseable nor is Mr. Liu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders.

**(3) MR. YIU WA ALEC TSUI, AGED 71, INDEPENDENT NON-EXECUTIVE DIRECTOR****Position and Experience**

**Yiu Wa Alec TSUI (徐耀華)**, was appointed as an independent non-executive Director on August 26, 2018, effective from September 14, 2018. He is also a member of the Audit Committee. Mr. Tsui has extensive experience in finance and administration, corporate and strategic planning, information technology and human resources management. He served at various positions, including the chief executive of the Stock Exchange from February 1997 to

August 2000, the chief operating officer of Hong Kong Exchanges and Clearing Limited from March 2000 to August 2000 and the chairman of Hong Kong Securities Institute from December 2001 to December 2004. Mr. Tsui was the chairman and director of WAG Worldsec Corporate Finance Limited, a private professional consulting services and financial solutions company from February 2006 to June 2016, and presently serves as a director to WAG Worldsec Management Consultancy Limited.

Mr. Tsui is an independent non-executive director of a number of companies listed in Hong Kong, namely, COSCO Shipping International (Hong Kong) Co., Ltd., (stock code: 517) since February 2004, Pacific Online Limited (stock code: 543) since November 2007. He also serves as independent director of two NASDAQ listed companies, ATA Creativity Global (previous known as ATA Inc.) (stock code: AACG) since January 2008 and Melco Resorts & Entertainment Limited (stock code: MLCO) since December 2006. From December 2012 to November 2020, Mr. Tsui also served as independent director of Melco Resorts and Entertainment (Philippines) Corporation (stock code: MRP), a company listed on the Philippine Stock Exchange and withdrawal from listing effective on 11 June 2019. Mr. Tsui is also an independent non-executive director of Industrial & Commercial Bank of China (Asia) Limited, a company previously listed in Hong Kong, since August 2000. He also served as independent non-executive directors in various other Hong Kong listed companies, including China Power International Development Limited (stock code: 2380) from March 2004 to December 2016, China Oilfield Services Limited (stock code: 2883) from June 2009 to June 2015, Summit Ascent Holdings Limited (stock code: 102) from March 2011 to September 2018, Kangda International Environmental Company Limited (stock code: 6136) from July 2014 to April 2019, and DTXS Silk Road Investment Holdings Company Limited (stock code: 620) from December 2015 to May 2020.

Mr. Tsui graduated from the University of Tennessee in the United States, with a bachelor's degree in science in industrial engineering in June 1975 and a master's degree in engineering in June 1976. He completed the programme for senior managers in government at the John F. Kennedy School of Government at Harvard University in the United States in August 1993.

Save as disclosed above, Mr. Tsui did not hold any other directorships in companies listed in Hong Kong or overseas in the last three years.

**Length of service**

Mr. Tsui has entered into a letter of appointment with the Company for a term of three years, which may be terminated by not less than one months' notice in writing served by either himself or the Company. Mr. Tsui is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

**Relationships**

Mr. Tsui does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

**Interests in Shares**

As at the Latest Practicable Date, Mr. Tsui does not hold any interest in the Shares or underlying Shares pursuant to Part XV of the SFO.

**Director's emoluments**

Mr. Tsui has entered into a Letter of appointment with the Company for a term of three years, which may be terminated by not less than one month's notice in writing served by either party on the other. Mr. Tsui is entitled to receive emoluments of RMB450,000 per annum for acting as the Director as determined by the Board with reference to his job responsibility, and prevailing market rate.

**Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders**

There is no information which is disclosable nor is Mr. Tsui involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Tsui that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,054,893,800 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 1,054,893,800 Shares, the Directors would be authorized under the Share Buy-back Mandate to repurchase, during the period in which the Share Buy-back Mandate remains in force, a total of 105,489,380 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting during the period from the passing of this resolution until (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or (ii) revoked or varied by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

### **2. REASONS FOR SHARE BUY-BACK**

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

### **3. FUNDING OF SHARE BUY-BACK**

The Company may only apply funds legally available for share buy-back in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

**4. IMPACT OF SHARE BUY-BACK**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended December 31, 2020) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. SHARE REPURCHASE MADE BY THE COMPANY IN PREVIOUS SIX MONTHS**

No repurchase of Shares has been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

**6. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous twelve months before and up to the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2020</b>		
May	5.89	2.78
June	7.42	4.31
July	8.22	6.60
August	9.00	5.64
September	6.16	4.82
October	5.28	4.18
November	5.78	3.85
December	7.21	4.72
<b>2021</b>		
January	6.48	5.08
February	5.69	4.68
March	5.17	4.22
April ( <i>up to the Latest Practicable Date</i> )	4.71	4.15



**7. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

**8. TAKEOVERS CODE**

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the proposed Share Buy-back Mandate.

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## NOTICE OF ANNUAL GENERAL MEETING

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### HUA MEDICINE

華領醫藥

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 2552)

Notice is hereby given that the Annual General Meeting of Hua Medicine (the “**Company**”) will be held at Hua Medicine’s headquarter (2 Building, No. 36, Xuelin Road, Pudong, Shanghai) on Tuesday, June 29, 2021 at 10 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended December 31, 2020.
- 2(a). To re-elect Dr. Li CHEN as executive director of the Company.
- 2(b). To re-elect Mr. Junling LIU as independent non-executive director of the Company.
- 2(c). To re-elect Mr. Yiu Wa Alec TSUI as independent non-executive director of the Company.
- 2(d). To authorize the board of directors of the Company to fix the respective directors’ remuneration.
3. To re-appoint Deloitte Touche Tohmatsu as the Company’s auditor and to authorize the board of directors of the Company to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

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(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

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

(i) the conclusion of the next annual general meeting of the Company following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) revoked or varied by ordinary resolution of the Shareholders in general meeting,

whichever occurs first.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

(a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

(b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

(i) a Rights Issue (as defined below);

(ii) the exercise of options under a share option scheme of the Company; and

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- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

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6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

By Order of the Board

**Dr. Li Chen**

*Chief Executive Officer and  
Executive Director*

Hong Kong, April 23, 2021

*Registered Office:*

The offices of Maples Corporate  
Services Limited  
PO Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

*Corporate Headquarters:*

Hua Medicine, Building 2  
Lane 36, Xuelin Road  
Pudong New Area  
Shanghai 201203, PRC

*Principal Place of Business  
in Hong Kong:*

Suite 2202, Methodist House  
36 Hennessy Road  
Wanchai, Hong Kong

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*Notes:*

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy/more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
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 certified copy of that power of attorney or authority, must be deposited at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 10a.m. on Sunday, June 27, 2021 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Thursday, June 24, 2021 to Tuesday, June 29, 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, June 23, 2021.
5. References to time and dates in this notice are to Hong Kong time and dates.

As of the date of this announcement, the Board of Directors comprises Dr. Li Chen and Mr. George Chien Cheng Lin as executive Directors; Mr. Robert Taylor Nelsen and Dr. Lian Yong Chen as non-executive Directors; and Mr. Walter Teh-Ming Kwauk, Mr. William Robert Keller, Mr. Junling Liu and Mr. Yiu Wa Alec Tsui as independent non-executive Directors.

6. Precautionary measures for the annual general meeting:

The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending shareholders, staff and stakeholders from the risk of infection:–

- (i) Compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) The Company encourages each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all shareholders that physical attendance in person at the meeting 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 meeting instead of attending the meeting in person, by completing and return the proxy form attached to this document.

If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or to our email at [ir@huamedicine.com](mailto:ir@huamedicine.com). If any shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company's share registrar in Hong Kong as follows:–

Tricor Investor Services Limited  
Level 54, Hopewell Centre 183 Queen's Road East, Hong Kong  
Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)  
Tel: (852) 2980 1333  
Fax: (852) 2810 8185