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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.

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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**

The notice convening the Annual General Meeting of the Company to be held at the Company's headquarter in Shanghai at 780 Cailun Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai on Thursday, June 25, 2020 at 10a.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 10a.m. on Tuesday, June 23, 2020 (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) and the Company (www.huamedicine.com).

May 22, 2020

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DEFINITIONS

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 the Company’s headquarter in Shanghai at 780 Cailun Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, PRC on Thursday, June 25, 2020 at 10a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 21 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
“Core Connected Persons”	Director, chief executive or substantial shareholder of the company or any of its subsidiaries or close associate of any of them
“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
“Hua HK”	Hua Medicine Technology (Hong Kong) Limited (華領醫藥技術(香港)有限公司), formerly known as Hua Medicine Limited (華醫藥有限公司), a limited liability company incorporated under the laws of Hong Kong on August 12, 2010, being a wholly-owned subsidiary of the Company
“Hua Shanghai”	Hua Medicine (Shanghai) Ltd. (華領醫藥技術(上海)有限公司), a limited liability company incorporated under the laws of PRC on June 22, 2011, being an indirect wholly-owned subsidiary of the Company

DEFINITIONS

“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”	May 15, 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Date”	September 14, 2018, being the date on which the Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“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

DEFINITIONS

“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

LETTER FROM THE BOARD



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*)

Non-executive Directors:

Mr. Robert Taylor NELSEN (*Chairman*)

Dr. Lian Yong CHEN

Independent Non-executive Directors:

Mr. Walter Teh-Ming KWAIK

Mr. William Robert KELLER

Mr. Junling LIU

Mr. Yiu Wa Alec TSUI

Registered Office:

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

Head Office:

Hua Medicine
275 Ai Di Sheng Road
Shanghai 201203
PRC

*Principal Place of Business
in Hong Kong:*

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

May 22, 2020

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 25, 2020.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.18 of the Articles of Association, Dr. Lian Yong CHEN, Mr. Walter Teh-Ming KWAUK and Mr. William Robert KELLER 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. Walter Teh-Ming KWAUK and Mr. William Robert KELLER based on reviewing his 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, 2019 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. Lian Yong CHEN, Mr. Walter Teh-Ming KWAUK and Mr. William Robert KELLER 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.

LETTER FROM THE BOARD

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 780 Cailun Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai on Thursday, June 25, 2020 at 10a.m.. The notice of the Annual General Meeting is set out on pages 17 to 21 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) and the Company (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

LETTER FROM THE BOARD

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 Tuesday, June 23, 2020 (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.

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

APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.

Save as disclosed herein and as at the Latest Practicable Date, none of the following Directors has any interests in Shares within the meaning of Part XV of the Securities and Future Ordinance.

Save as disclosed herein and as at the Latest Practicable Date, none of the following Directors holds any directorships in other listed public companies in Hong Kong or overseas in the last three years.

Save as disclosed herein and as at the Latest Practicable Date, none of the following Directors holds any other positions with the Group.

Save as disclosed herein and as at the Latest Practicable Date, none of the following Directors has any relationship with any other Directors, senior management, substantial or controlling Shareholders.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

(1) DR. LIAN YONG CHEN, AGED 57, NON-EXECUTIVE DIRECTOR

Position and Experience

Dr. Lian Yong CHEN is the member of the Audit Committee and the Remuneration Committee of the Company. He has also been a director of our subsidiaries, Hua HK and Hua Shanghai, since January 2015 and April 2016 respectively. Dr. Chen is currently the founding managing partner and CEO of 6 Dimensions Capital.

He has over 20 years of experience in the life sciences industry in China and the United States as a venture capitalist, senior management executive, entrepreneur, and scientific inventor. He was the founder and managing partner at Frontline BioVentures and a partner at FIL Capital Management (Hong Kong) Limited in Asia from May 2008 to March 2014.

APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Since May 2019, he has served as a director at 111, Inc., a company listed on NASDAQ (stock code: YI). Since August 2018, he has served as a director at CStone Pharmaceuticals, a company listed on the main board of the Stock Exchange (stock code: 2616). He served as a director of Shanghai Hile Bio-Pharmaceutical Co. Ltd., a company listed on the Shanghai Stock Exchange (stock code:603718) since December 2014.

Dr. Chen conducted postdoctoral research at the Massachusetts Institute of Technology after obtaining his Ph.D. degree in Chemistry (with top honor) from the University of Louvain, Louvain-La-Neuve in Belgium in July 1991. He obtained his Bachelor of Science degree in Chemistry from Peking University in June 1984.

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 was appointed as a Director on January 6, 2015 and re-designated as a non-executive Director on May 11, 2018. He has entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by not less than one months' 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 Controlled Corporation (<i>Note 1</i>)	8,571,420	0.81%
Beneficial owner	108,486	0.01%

Note:

- (1) Dr. Chen is the general partner of China Life Sciences Access Fund, L.P. and is therefore deemed to be interested in the same number of Shares held by China Life Sciences Access Fund, L.P..

**APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Director's emoluments

Dr. CHEN has entered into a service contract with the Company for a term of three years commencing from September 14, 2018 which may be terminated by not less than one month's notice in writing served by either party on the other. Dr. CHEN is not entitled to receive emoluments of RMB nil per annum.

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. WALTER TEH-MING KWAUK, AGED 67, INDEPENDENT
NON-EXECUTIVE DIRECTOR**

Position and Experience

Mr. Walter Teh-Ming KWAUK is the chairman of Audit Committee and member of Remuneration, Committee of the Company. Mr. Kwauk is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Kwauk has been serving as an independent director at Alibaba Group Holding Limited, a company primarily engaged in internet commerce services and listed on the New York Stock Exchange (stock code: BABA) and the Stock Exchange (stock code: 9988), since September 2014 and November 2019, and is currently the chairman of the audit committee of Alibaba Group Holding Limited. He previously served as an independent non-executive director and chairman of the audit committee of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited which was listed on the Stock Exchange, from October 2007 to July 2012. Mr. Kwauk is also currently a senior adviser of Motorola Solutions (China) Co., Ltd., a software and services company primarily engaged in provision of data communications and telecommunications equipment, and serves as an independent non-executive director of Sinosoft Technology Group Limited, a software and services company listed on the Stock Exchange (stock code: 1297), and WuXi Biologics (Cayman) Inc., a company primarily engaged in biologics services provision and listed on the Stock Exchange (stock code: 2269), for both of which Mr. Kwauk is also the chairman of their audit committees.

From June 2014 to August 2016, he served as an independent non-executive director and the chairman of the audit committee of China Fordoo Holding Limited, a menswear design and manufacturing company listed on the main board of the Stock Exchange (stock code: 2399) and has been responsible for providing independent judgment to the board of the company. From August 2014 to December 2015, Mr. Kwauk also served as an independent director of WuXi

APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

PharmaTech, a biopharmaceutical company formerly listed on the New York Stock Exchange during the same period. Mr. Kwauk was a vice president of Motorola Solutions, Inc., data communications and telecommunications equipment provider, and its director of corporate strategic finance and tax for Asia Pacific from 2003 to 2012. Mr. Kwauk served with KPMG from 1977 to 2002 and held a number of senior positions, including the general manager of KPMG's joint venture accounting firm in Beijing, the managing partner in KPMG's Shanghai office and a partner in KPMG's Hong Kong office.

Mr. Kwauk has been a member of the Hong Kong Institute of Certified Public Accountants since March 1983. He received a bachelor's degree in science and a licentiate's degree in accounting from the University of British Columbia in Canada in April 1975 and April 1977 respectively.

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

Length of service

Mr. Kwauk was appointed as an independent non-executive Director on August 26, 2018 (effective from the Listing Date). He has entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by not less than one month's notice in writing served by either himself or the Company. Mr. Kwauk is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

Relationships

Mr. Kwauk 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. Kwauk does not hold any interest in the Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Mr. Kwauk has entered into a service contract with the Company for a term of three years commencing from September 14, 2018, which may be terminated by not less than one month's notice in writing served by either party on the other. Mr. Kwauk 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.

**APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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. Kwauk 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. Kwauk that need to be brought to the attention of the Shareholders.

(3) MR. WILLIAM ROBERT KELLER, AGED 71, INDEPENDENT NON-EXECUTIVE DIRECTOR

Position and Experience

Mr. William Robert KELLER is the chairman of Remuneration Committee as well as the member of Audit Committee and Nomination Committee of the Company. Mr. Keller is primarily responsible for supervising and providing independent judgment to our Board.

Since May 2017, Mr. Keller has served as an independent non-executive director on the board of WuXi Biologics, a company primarily engaged in biologics services provision and listed on the main board of the Stock Exchange (stock code: 2269). Since December 2010, he holds directorship at Coland Pharmaceutical Co., Ltd., a company listed on the Taiwan Stock Exchange (stock code: 4144).

From September 2014 to December 2015, Mr. Keller served as an independent director of WuXi PharmaTech, a biopharmaceutical company formerly listed on the New York Stock Exchange during the same period. Between 1974 to 2003, Mr. Keller served in various positions at the Roche Group, including as the general manager of Roche China Ltd. and Shanghai Roche Pharmaceutical Ltd. He has been a vice chairman of the Shanghai Association of Enterprises with Foreign Investment, a senior consultant to the Shanghai Foreign Investment Development Board, and the deputy general manager of Zhangjiang Biotech and Pharmaceutical Base Development Co., Ltd. Mr. Keller previously held directorships in biopharmaceutical companies including Alexion Pharmaceuticals, Inc., a company listed on NASDAQ (stock code: ALXN) from December 2009 to May 2015, China Nuokang Pharmaceutical Inc. a company listed on NASDAQ (stock code: NKBP) from August 2008 to December 2011. He has also served as a chairman of HBM Biomed China Partners.

Mr. Keller obtained a Bachelor of Science degree from the School of Economics and Business Administration in Switzerland in July 1972.

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

**APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Length of service

Mr. Keller was appointed as independent non-executive Director on August 26, 2018 (effective from the Listing Date). He has entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by not less than one months' notice in writing served by either himself or the Company. Mr. Keller is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

Relationships

Mr. Keller 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. Keller does not hold any interest in the Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Mr. KELLER has entered into a service contract with the Company for a term of three years commencing from September 14, 2018, which may be terminated by not less than one month's notice in writing served by either party on the other. Mr. KELLER 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. Keller 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. Keller 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, 2019) 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:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
May	7.33	6.48
June	7.20	6.00
July	7.20	6.38
August	7.03	6.60
September	7.15	6.70
October	7.10	6.80
November	7.19	3.90
December	5.28	4.90
2020		
January	5.05	4.19
February	4.98	3.80
March	4.20	2.47
April	3.42	2.80
May (<i>up to the Latest Practicable Date</i>)	4.58	2.78

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.

NOTICE OF ANNUAL GENERAL MEETING



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 (780 Cailun Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, PRC) on Thursday, June 25, 2020 at 10a.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 31 December 2019.
- 2(a). To re-elect Dr. Lian Yong CHEN as non-executive director of the Company.
- 2(b). To re-elect Mr. Walter Teh-Ming KWAUK as independent non-executive director of the Company.
- 2(c). To re-elect Mr. William Robert KELLER 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;

NOTICE OF ANNUAL GENERAL MEETING

(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

NOTICE OF ANNUAL GENERAL MEETING

- (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).”

- 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

NOTICE OF ANNUAL GENERAL MEETING

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, May 22, 2020

Registered Office:

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

Head Office:

Hua Medicine
275 Ai Di Sheng Road
Shanghai 201203
PRC

*Principal Place of Business
in Hong Kong:*

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

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 Tuesday, June 23, 2020 (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 Monday, June 22, 2020 to Thursday, June 25, 2020, 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 Friday, June 19, 2020.

NOTICE OF ANNUAL GENERAL MEETING

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. 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
Tel: (852) 2980 1333
Fax: (852) 2810 8185