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

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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 Shanghai Office (780 Cailun Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, PRC) on Monday, June 24, 2019 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 35 to 39 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
"Grant of Share Options"	the tenditional grant of the Share Options resolved by the Board on March 7, 2019
"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
"Independent Shareholders"	The Shareholders other than the core connected persons of the Company

“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 of5f5Annutotaf5generon

“Share Option(s)”	share options conditionally granted to Dr. Li Chen under the



HUA MEDICINE

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(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 KWAUK
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 17, 2019

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) GRANT OF SHARE OPTIONS;
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 24, 2019.

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.18 of the Articles of Association, Dr. Li CHEN, Mr. Robert Taylor

2. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

3. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

4. For any person that is nominated by a Shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of director at the general meeting.

(b) Re-election of Director at General Meeting

1. The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.

2. The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.

3. The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of director at the general meeting.

4. Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

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, Mr. William Robert KELLER, Mr. Junling LIU, and Mr. Yiu Wa Alec TSUI 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 evaluated the performance of each of the Retiring Directors for the year ended December 31, 2018 and found their performance satisfactory. 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 Mr. Robert Taylor NELSEN, Dr. Li CHEN, Mr. George Chien Cheng LIN, Dr. Lian Yong CHEN, Mr. Walter Teh-Ming KWAUK, Mr. William Robert KELLER, 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 GENERAL MANDATE TO REPURCHASE SHARES

Pursuant to the resolutions passed at the general meeting of the Shareholders on August 26, 2018, 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.

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 GENERAL MANDATE TO ISSUE SHARES

Pursuant to the resolutions passed at the general meeting of the Shareholders on August 26, 2018, 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 GRANTING OF SHARE OPTIONS TO DR. LI CHEN

As disclosed in the announcement of the Company dated March 8, 2019, on March 8, 2019, the Board resolved to grant to Dr. Li Chen 12,079,000 Share Options (approximately 1.15% of the total

issued shares of the Company as at the Latest Practicable Date) at the exercise price of HK$8.866 per Share, 10,519,300 Share Options of which will be conditional with vesting commencement to start on the date upon positive Phase III results as determined in the Board's sole discretion (without Dr. Chen's participation), subject to and conditional upon the approval of the Grant of Share Options by the Independent Shareholders at the Annual General Meeting and the acceptance of the Share Options by Dr. Li Chen. The Board will determine whether positive Phase III results has been achieved at each of the following planned announcements, although the Board in its sole discretion (without Dr. Chen's participation) will be able to determine positive Phase III results has been achieved at any one of the following planned announcements: (i) the top-line 24-week Phase III monotherapy trial (HMM0301) results, (ii) the top-line 52-weeks Phase III monotherapy trial results; (iii) the top-line 24-week Phase III trial in combination with metformin (HMM0302) results; and (iv) the top-line 52-week Phase III trial in combination with metformin results. Factors which the Board will consider in determining whether positive Phase III results has been achieved include but are not limited to: reduction in HbA1c levels (as adjusted against placebo), safety profile and signals of disease modifying effect, if any. The vesting commencement date will begin upon the Board's decision after deliberations over these factors described above and any other factors the Board determines to be relevant in due course (without Dr. Chen's participation).

The first of such top-line results (top-line 24-week Phase III monotherapy trail) is expected to be announced by the fourth quarter of 2019 and the last of which (top-line 52-week safety Phase III trial in combination with metformin) is expected to be announced by late 2020.

For further information on the status of the Company's Phase III trials, please refer to the Annual Report pages 6, 8, 9, 10, 11, (Management Discussion and Analysis). As of April 30, 2019, enrollment for the combination with metformin Phase III trial (HMM0302) was 595 patients.

The following are the details of the Share Options conditionally granted to Dr. Li Chen under the Share Option Scheme:

Date of Grant of Share Options : March 8, 2019

Exercise price of Share Options granted : HK$8.866 per Share, which is the higher of:

i. the closing price of HK$8.600 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of Grant of Share Options, being March 8, 2019;

ii. the average closing price of HK$8.866 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of Grant of Share Options; and

iii. the nominal value of US$0.001 per Share

Total number of Share Options granted	:	12,079,000 Share Options (approximately 1.15% of the total issued shares of the Company as at the Latest Practicable Date) at the exercise price of HK$8.866 per Share, 10,519,300 Share Options of which will be conditional with vesting commencement to start on the date upon positive Phase III results as determined in the Board's sole discretion (each Share Option shall entitle the Grantees to subscribe for one Share)
Closing price of the Shares on the Date of Grant of Share Options	:	HK$8.600 per Share
Validity period of the Share Options	:	The Share Options shall be valid for a period of ten (10) years from the date of grant. 25% of the Share Options shall be vested on the first anniversary of the vesting commence date. The remaining 75% of the Share Options shall be vested in 36 monthly installments thereafter, subject to the Grantees' continued employment from the date of grant.

Minimum period for which a Share Option must be (be)-382.9cbeHd per Share1.9cbe-382.9cbc]TJ T*9(the)-382..9(of)-382.9(grant.)]T

Rights are personal to the Grantee

General Meeting to be convened by the Company and such grant shall not take effect or be exercisable until such approval is obtained.

As at the Latest Practicable Date, other than the Share Options conditionally granted to Dr. Li Chen for the subscription of 12,079,000 Shares (representing approximately 1.15 % of all Shares in issue 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 (representing approximately 2.39% and 0.95% of all Shares in issue as at the Latest Practicable Date) and was beneficially interested in 13,921,725 options granted under the Pre-IPO Share Option Scheme of the Company.

As at the Latest Practicable Date, to the extent that it is aware by the Board having made all reasonable enquires, Dr. Li Chen, Ms. Jane Xingfang Hong, Mr. George Chien Cheng Lin, Mr. Robert Taylor Nelsen, Dr. Lian Yong Chen, ARCH Venture Partners VII, L.P., China Life Sciences Access Fund, The George and Ann Lin 2005 Trust, are core connected persons of the Company and are thus required to abstain from voting in favour on the resolution contained in item 6 of the notice of the Annual General Meeting.

Under the Share Option Scheme, the Board may grant share options to eligible participants to subscribe a maximum of 105,191,330 Shares, being 10% of the Shares in issue as at the Listing Date. As at the Latest Practicable Date, Share Options (including share options granted to grantees on March 8, 2019 other than the Share Options conditionally granted to Dr. Li Chen) carrying the rights to subscribe for up to a total of 9,040,300 Shares have been granted under the Share Option Scheme, of which no Shares were lapsed, cancelled or exercised. Accordingly, there is sufficient unissued Share Options for the Grant of Share Options.

None of the above core connected persons, who are required to abstain from voting in favour on resolution no. 6 at contained in item 6 of the notice of the Annual General Meeting, are required under the Listing Rules to abstain from voting on any other resolutions to be proposed at the Annual General Meeting.

Save for the disclosed above, no other Shareholders are required to abstain from voting on any resolutions to be proposed at the Annual General Meeting.

None of the Directors is the trustee of the Share Option Scheme nor has direct or indirect interest in the trustee of the Share Option Scheme.

REASONS FOR GRANTS OF SHARE OPTIONS TO DR. LI CHEN

Dr. Li Chen is a key person at the Company, and has devoted his services to the Company and the development of innovative, first-in-class drugs in China since the founding of the Company. As the Company nears achieving its pivotal milestone relating to the development of dorzagliatin, the Board (without the participation of Dr. Li Chen) has considered that the grant of 10,519,300 Share Options (representing approximately1.00% of the total issue shares of the Company as at the Latest Practicable Date) at an exercise price of HK8.866 per share would be reasonable subject to the Board determining (in its sole discretion) the Phase III result is positive (without the participation of Dr. Li Chen). The remaining 1,559,700 Share Options (representing approximately 0.15% of the total issues

shares of the Company as at the Latest Practicable Date) were granted to Dr. Li Chen in consideration of his continuing service as Chief Executive Officer and Executive Director, and his principal role in leading the execution of the business strategies of the Company and maintaining the conduct of the clinical trials of the Company in high quality.

The Company and the independent non-executive directors consider the Grant of Share Options in the interest of the Company and the Shareholders as a whole is fair and reasonable, in recognition of the long term devotion of Dr. Li Chen to the Company, and the value creation he has created for its Shareholders. This is consistent with the remuneration policy of the Company for the position held by Dr. Li Chen. The Company would also consider that the Grant of Share Options is an incentive for the continuing effort of Dr. Li Chen.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY UPON EXERCISING OF THE SHARE OPTIONS

The shareholding structure of the Company (a) as at the Latest Practicable Date as recorded in the register required to be kept under Section 336 of SFO; (b) immediately upon exercise of all Share Options granted to Dr. Li Chen (assuming that there is no other change in the issued share capital of

Shareholders	As at the Latest Practicable Date		Upon full exercise of the Share Options	
	Number of Shares	Approximate shareholding (%)	Number of Shares	Approximate shareholding (%)
Abigail P. Johnson (Note 6) (Note 7)	105,581,040	10.01%	105,581,040	9.90%
Edward C. Johnson IV (Note 6) (Note 7)	105,581,040	10.01%	105,581,040	9.90%
FMR LLC (Note 6) (Note 7)	105,581,040	10.01%	105,581,040	9.90%
FIL Limited (Note 6) (Note 8)	107,686,470	10.21%	107,686,470	10.09%
Pandanus Partners L.P. (Note 6) (Note 8)	107,686,470	10.21%	107,686,470	10.09%
Pandanus Associates Inc. (Note 6) (Note 8)	107,686,470	10.21%	107,686,470	10.09%
Wuxi Pharmatech Healthcare Fund I L.P. (Note 9)	74,029,635	7.02%	74,029,635	6.94%
WuXi AppTec Co., Ltd. (Note 9)	74,029,635	7.02%	74,029,635	6.94%
Ge LI (Note 9)	102,044,805	9.67%	102,044,805	9.56%
Ning ZHAO (Note 9)	102,044,805	9.67%	102,044,805	9.56%
Harvest Yuanxiang (Cayman) Limited (Note 10)	65,665,860	6.22%	65,665,860	6.15%
Harvest Investment Management Co., Ltd (嘉實投資管理有限公司) (Note 10)	65,665,860	6.22%	65,665,860	6.15%
The Core Trust Company Limited (Note 11)	115,664,694	10.96%	115,664,694	10.84%
HLYY Limited (Note 11)	115,664,694	10.96%	115,664,694	10.84%
Other public Shareholders	343,461,901	32.56%	343,461,901	32.19%
Total	1,054,893,800	100%	1,066,972,800	100.00%

Notes:

1) Dr. CHEN is the spouse of Mrs. Jane Xingfang HONG. Under the SFO, Dr. CHEN is deemed to be interested in the same number of Shares of 35,220,690 in which Mrs. Jane Xingfang HONG maintains interest.

2) The George and Ann Lin 2005 Trust is a family trust set up by Mr. LIN, therefore, Mr. LIN is deemed to be interested in the same number of Shares of 1,152,258 held by The George and Ann Lin 2005 Trust.

3) As at the Latest Practicable Date, Dr. Lian Yong CHEN, a Director of the Company, is the general partner of China Life Sciences which is interested in approximately 0.81% of the issued share capital of the Company.

4) As at the Latest Practicable Date, ARCH Venture Fund VII, L.P. is a Delaware limited partnership established in the United States. The general partner of ARCH Venture Fund VII, L.P. is ARCH Venture Partners VII, L.P., a Delaware

limited partnership established in the United States. The general partner of ARCH Venture Partners VII, L.P. is ARCH Venture Partners VII, LLC, a limited liability company incorporated in the United States. ARCH Venture Partners VII, LLC is controlled as to one-third by each of Mr. Robert Taylor NELSEN, our non-executive Director, Mr. Keith Lawrence CRANDELL and Mr. Clinton Whitewood BYBEE. As such, each of ARCH Venture Partners VII, L.P., ARCH Venture Partners VII, LLC, Mr. Robert Taylor NELSEN, Mr. Keith Lawrence CRANDELL and Mr. Clinton Whitewood BYBEE is deemed to be interested in the equity interest held by ARCH Venture Fund VII, L.P. and the ultimate controllers of

PharmaTech Investments (Cayman) Inc., an exempted limited liability company established in the Cayman Islands. Wuxi PharmaTech Investments (Cayman) Inc. is a wholly-owned subsidiary of Wuxi PharmaTech Investment Holdings (Cayman) Inc., which is in turn wholly-owned by Wuxi (an))-527ech Inc.,Inc.,

8. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, granting of the Share

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. LI CHEN, AGED 56, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Position and Experience

Dr. Li CHEN, is our founder and Chief Scientific Officer. He has been our Chief Executive Officer since June 4, 2010. He is also the chairman of the Strategy Committee of the Company. Since

now in the clinical development in China. Since June 2014, Dr. CHEN has served as an independent director of Coland Pharmaceutical Co., Ltd.(康聯藥業有限公司), listed on Taiwan Stock Exchange (stock code: 4144) and primarily engaged in sales, marketing and distribution of pharmaceutical products and medical devices.

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 35 granted patents and has authored 58 scientific publications. Since September 2007, Dr. Chen has served as an adjunct professor at Tonji University in Shanghai. In 2001, Dr. Chen served as the President of the Sino-American Pharmaceutical Professionals Association (SAPA).

Dr. Chen's awards and recognitions include:

- "Thousand Talents Program"(千人計劃) awarded by the PRC government (2012);
- "Shanghai Pudong Hundred Talents Program"(浦東新區百人計劃) awarded by the Shanghai Pudong New Area government (2012);
- Shanghai Leading Talent Award (2009);
- IBC China Parma R&D award (2010);
- Roche Olympiad Awards: Golden Award in Pharma Research (2005); and
- SAPA President Award (2002).

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 June 4, 2010 and re-designated as an 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 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(Note 1)	25,220,690	2.39%
Beneficial Owner(Note 2)	26,000,725	2.46%
Interest of Controlled Corporation(Note 3)	10,000,000	0.94%
	61,221,415	5.80%

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 on interest.

(2) Being options for 13,921,725 Shares granted pursuant to the Pre-IPO Share Incentive Scheme and 12,079,000 Share Options conditionally granted to be approved by the Independent Shareholders 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 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 entitled to receive emoluments of US$580,000 per annum as determined by the Board with reference to his job responsibility, prevailing market rate together with discretionary bonus based on his performance.

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 12,079,000 Share Options conditionally granted to be approved by the Independent Shareholders.

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. GEORGE CHIEN CHENG LIN, AGED 48, CHIEF FINANCIAL OFFICER AND EXECUTIVE DIRECTOR

Position and Experience

Mr. George Chien Cheng LIN has been the Company's Executive Vice President and Chief Financial Officer since December 22, 2017.

Mr. Lin has been serving as a member of the Biotech Advisory Panel of the Stock Exchange since April 24, 2018. Mr. Lin has over 18 years of experience in investment banking working with numerous private and public companies globally. Prior to joining the Group, he worked for Bank of America Merrill Lynch in Hong Kong as an investment banker, and held a number of senior positions including Asia Pacific head of consumer, retail and healthcare investment banking, and head of Hong Kong and Taiwan investment banking coverage from June 2013 to December 2017. From July 2000 to May 2013, he worked for Credit Suisse as an investment banker in the Los Angeles, San Francisco and Hong Kong offices. At Credit Suisse, he focused on financings and merger and acquisitions for a variety of global clients, including, but not limited to, U.S. biotechnology companies and Chinese healthcare companies. His last position at Credit Suisse was Asia Pacific (ex-Japan) head of consumer, retail and healthcare investment banking based in Hong Kong. Prior to investment banking, Mr. Lin practiced corporate law in Los Angeles including working for O'Melveny & Myers for over 4 years from September 1995 to July 1999.

Mr. Lin obtained his bachelor's degree in biological sciences from the University of California at Davis in June 1992 and a juris doctor degree from The University of Chicago Law School in June 1995. Mr. Lin was admitted to the California State Bar in December 1995.

Mr. Lin did not hold any other directorships in companies listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Lin was appointed as an 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 30 days' notice in writing served by either himself or the Company. Mr. Lin is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

Relationships

Mr. Lin 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. Lin 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
Founder and beneficiary of trust(Note 1)	1,152,258	0.11%
Beneficial Owner(Note 2)	33,239,442	3.15%
	34,391,700	3.26%

Notes:

(1) The George and Ann Lin 2005 Trust is a family trust set up by Mr. Lin; therefore, Mr. Lin is deemed to be interested in the same number of Shares held by the George and Ann Lin 2005 Trust.

(2) Being options and awards for 32,939,442 Shares and 300,000 Shares granted pursuant to the Pre-IPO Share Incentive Scheme and the Share Option Scheme respectively.

Director's emoluments

Mr. Lin 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. Lin is entitled to receive emoluments of US$ 500,000 per annum as determined by the Board with reference to his job responsibility, prevailing market rate together with discretionary bonus based on his performance.

As at the Latest Practicable Date, Mr. Lin has interests in 1,152,258 Shares of the Company and 25,980,405 options and 6,959,037 vested and unvested restricted share units granted under the Pre-IPO Share Option Scheme of the Company and 300,000 of IPO ShShare Inc.8(thion)-382.8(S9D [(XV)-3

(3) MR. ROBERT TAYLOR NELSEN, AGED 55, CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Position and Experience

Mr. Robert Taylor NELSEN, is the chairman of our Board, the chairman of the Nomination Committee and a member of the Strategy Committee of the Company. Since August 2010, he has also been a director of our subsidiary, Hua HK.

Since 1994, Mr. Nelsen has served as a co-founder and managing director of ARCH Venture

Save as disclosed above, Mr. Nelsen does not have any other 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. Nelsen 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 (Note 1)	125,088,960	11.85%

Note:

(1) ARCH Venture Partners VII, LLC is controlled as to one-third by Mr. Nelsen and is the general partner of ARCH Venture Partners VII, L.P. Mr. Nelsen is therefore deemed to be interested in the same number of Shares held by ARCH Venture Fund VII, L.P..

Director's emoluments

Mr. NELSEN 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. NELSEN is not entitled to receive emoluments.

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..

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 discloseable 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.

(5) MR. WALTER TEH-MING KWAUK, AGED 66, 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), since September 2014, and is currently the chairman of the audit committee of Alibaba Groupis t36st36st36s

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 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

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.

(6) 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.

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.

(7) MR. JUNLING LIU, AGED 54, INDEPENDENT NON-EXECUTIVE DIRECTOR

Position and Experience

Mr. Junling LIU is the member of Nomination Committee and Strategy Committee of the Company. Mr. Liu is the chairman and chief executive officer of New Peak Group, a digital and mobile healthcare platform operator in China. 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. 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 did not hold any other directorships in companies listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Liu 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 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 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. 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.

(8) MR. YIU WA ALEC TSUI, AGED 69, INDEPENDENT NON-EXECUTIVE DIRECTOR

Position and Experience

Mr. Yiu Wa Alec TSUI has over 21 years of 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 November 1998 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 and DTXS Silk Road Investment Holdings Company Limited (stock code: 620) since December 2015. He also serves as independent director of NASDAQ listed companies, ATA Inc. (stock code: ATAI) since January 2008 and Melco Resorts & Entertainment Limited (stock code: MLCO) since December 2006 as well as Melco Resorts and Entertainment (Philippines) Corporation (stock code: MRP), a company listed on the Philippine Stock Exchange, since December 2012. 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, and Kangda International Environmental Company Limited (stock code: 6136) from October 2013 to April 2019. Save as disclosed above, Mr. Tsui is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. Tsui graduated from the University of Tennessee in the United States, with a bachelor degree in science in industrial engineering in June 1975 and a master 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 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 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

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 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. 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 first 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, 2018) 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. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during the period from September 14, 2018 (being the Listing Date) up to and including the Latest Practicable Date were as follows:

Month	Highest HK$	Lowest HK$
2018		
September (since the Listing Date)	8.37	7.17
October	8.99	6.52
November	8.23	6.98
December	8.41	7.61
2019		
January	8.50	8.12
February	8.92	8.00
March	8.92	7.00
April	7.80	6.95
May (up to the Latest Practicable Date)	7.10	6.90

6. 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 s Tf to 93-384.9(935es)-429..9(935384.9(s Tf-382.9(s Tfany)-310.5(s Tf266.9(s Tf-382.9(s Tfs)-nt6.9(s T

7. 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.

8. SHARE BUY-BACK MADE BY THE COMPANY



HUA MEDICINE

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(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 Shanghai Office (780 Cailun Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, PRC) on Monday, June 24, 2019 at 10a.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2018.

2(a). To re-elect Dr. Li CHEN as executive director of the Company.

2(b). To re-elect Mr. George Chien Cheng LIN as executive director of the Company.

2(c). To re-elect Mr. Robert Taylor NELSEN as non-executive director of the Company.

2(d). To re-elect Dr. Lian Yong CHEN as non-executive director of the Company.

2(e). To re-elect Mr. Walter Teh-Ming KWAUK as independent non-executive director of the Company.

2(f). To re-elect Mr. William Robert KELLER as independent non-executive director of the Company.

2(g). To re-elect Mr. Junling LIU as independent non-executive director of the Company.

2(h). To re-elect Mr. Yiu Wa Alec TSUI as independent non-executive director of the Company.

2(i). To authorize the board of directors of the Company to fix the respective directors' remuneration.

3. To re-appoint Deloitte Touche Tohmatsu as auditors 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;

(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 first 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

(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 the grant of Share Options pursuant to the Share Option Scheme which will entitle Dr. Li Chen to subscribe for 10,519,300 Shares (the principal terms and conditions of the Share Options are set out in the circular of the Company dated May 17, 2019 of the Company, a copy of which is produced to this meeting and marked "A" and initialed by the chairman of this meeting for identification purpose) be and is hereby approved and that any of the Directors be and are hereby authorized to do all such acts, execute all such documents and deeds as he in his absolute discretion consider necessary, desirable or expedient to give effect to the foregoing."

7. 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, May 17, 2019

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 22, 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 10 a.m. on Saturday, June 22, 2019 (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 Wednesday, June 19, 2019 to Monday, June 24, 2019, both dates inclusive, during which period no transfer of shares