

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

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

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Fusen Pharmaceutical Company Limited

福森藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1652)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Fusen Pharmaceutical Company Limited to be held at 7/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 28 June 2019 at 12:15 p.m. is set out on pages 15 to 20 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise.

| | |
|------------------------------------|---|
| “AGM” | the annual general meeting of the Company to be held at 7/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 28 June 2019 at 12:15 p.m. |
| “Articles of Association” | the amended and restated memorandum and articles of association of the Company currently in force |
| “Board” | the board of Directors |
| “Company” | Fusen Pharmaceutical Company Limited (福森藥業有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the PRC |
| “Issue Mandate” | a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares not exceeding of 20% of the total number of issued Shares as at the date of passing of the resolution approving the Issue Mandate |
| “Latest Practicable Date” or “LPD” | 23 April 2019, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |
| “Repurchase Mandate” | a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares not exceeding of 10% of the total number of issued Shares as at the date of passing of the resolution approving the Repurchase Mandate |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |

DEFINITIONS

| | |
|------------------|--|
| “Shareholder(s)” | registered holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Code on Takeovers and Mergers and Share Buy-backs, as amended, modified and supplemented from time to time |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent |

LETTER FROM THE BOARD



Fusen Pharmaceutical Company Limited

福森藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1652)

Executive Directors:

Mr. Cao Changcheng (*Chairman*)
Mr. Cao Dudu
Mr. Hou Taisheng
Ms. Meng Qingfen
Mr. Chi Yongsheng

Registered office:

PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Non-executive Director:

Mr. Wang Jianhang

*Headquarter and principal place of
business in China:*

Urban Industrial Zone
Xichuan County, Henan Province
China
(中國河南省淅川縣城區工業園區)

Independent non-executive Directors:

Mr. Sze Wing Chun
Mr. Shang Lei
(*resigned on 15 April 2019*)
Mr. Ho Ka Chun
Mr. Lee Kwok Tung Louis
(*appointed on 15 April 2019*)

*Place of business in Hong Kong registered
under Part 16 of the Companies Ordinance*
29/F, Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

29 April 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of Directors and re-appointment of auditors, and to seek your approval at the AGM in connection with, inter alia, the aforesaid proposals.

LETTER FROM THE BOARD

ISSUE MANDATE

On 14 June 2018, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to allot, issue and deal with Shares or other securities. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM. The Issue Mandate will be proposed at the AGM to grant a general mandate to the Directors to allot, issue and otherwise deal with additional Shares up to a limit equal to 20% of the total number of issued Shares as at the date of passing of the resolution approving the Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 800,000,000 Shares. Assuming that there is no change in the issued share capital between the Latest Practicable Date and the date of passing of the resolution approving the Issue Mandate, the maximum number of Shares or securities which may be issued pursuant to the Issue Mandate will be 160,000,000 Shares, representing 20% of the total number of Shares in issue as at the date of passing of the resolution approving the Issue Mandate.

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate and authorize an extension of the limit of the Issue Mandate granted by adding to it an amount representing the Shares repurchased by the Company under the Repurchase Mandate.

Details of the Issue Mandate are set out in ordinary resolutions numbers 5 and 7 in the notice of AGM.

REPURCHASE MANDATE

On 14 June 2018, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Share on the Stock Exchange. Such general mandate will lapse at the conclusion of the AGM.

As at the Latest Practicable Date, the number of the issued Shares is 800,000,000 Shares. Assuming that there is no change in the issued share capital between the Latest Practicable Date and the date of passing of the resolution approving the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 80,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of passing of the resolution approving the Repurchase Mandate.

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution number 6 in the notice of AGM.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Repurchase Mandate, is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, Mr. Cao Changcheng, Mr. Cao Dudu, Mr. Hou Taisheng, Ms. Meng Qingfen, Mr. Chi Yongsheng, Mr. Wang Jianhang, Mr. Sze Wing Chun, Mr. Lee Kwok Tung Louis and Mr. Ho Ka Chun.

Pursuant to Article 108 of the Articles of Association, Mr. Chi Yongsheng, Ms. Meng Qingfen and Mr. Ho Ka Chun will retire at the AGM and will be eligible, offer themselves for re-election.

Pursuant to Article 112 of the Articles of Association, Mr. Lee Kwok Tung Louis was appointed as an independent non-executive Director by the Board on 15 April 2019. He will hold office until the AGM and will offer himself for re-election.

Brief biographical details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

Explanatory statement provided under Code Provision A.5.5 of Appendix 14 of the Listing Rules

According to the Listing Rules and the board diversity policy adopted by the Company (the “**Board Diversity Policy**”), the nomination committee of the Company (the “**Nomination Committee**”) will, among other things, undertake the nomination and selection of independent non-executive Director candidates on the completion of their specified terms and make relevant recommendations to the Board.

Furthermore, when changes to composition of the Board or members of any committee of the Company are required or when casual vacancies arise, the Nomination Committee shall adhere to the principles stated in the Board Diversity Policy. The Nomination Committee will take into account the existing composition of the Board and the business requirements of the Group, and nominate potential candidates by reference to their capacity and the selection criteria to the Board for approval.

Mr. Ho Ka Chun and Mr. Lee Kwok Tung Louis have met the independence criteria under the Listing Rules. Moreover, Mr. Ho Ka Chun and Mr. Lee Kwok Tung Louis have given confirmation of independence respectively to the Company. With due consideration on the above factors, the Board believes that Mr. Ho Ka Chun and Mr. Lee Kwok Tung Louis are independent.

In view of the diversified knowledge, experience and skills of each of Mr. Ho Ka Chun and Mr. Lee Kwok Tung Louis in finance, operation, financial accounting, corporate governance and compliance, the Board believes that their expertise will enable them to fulfill their roles as independent non-executive Directors effectively and can provide useful and constructive opinion and make contribution to the Board and future development of the Company.

LETTER FROM THE BOARD

Based on the background of Mr. Ho Ka Chun and Mr. Lee Kwok Tung Louis including but not limited to gender, cultural and educational background, ethnicity, professional experience, skills and knowledge, it is believed that Mr. Ho Ka Chun and Mr. Lee Kwok Tung Louis can contribute to diversity of the Board.

Having considered the above aspects and in view of the contribution that Mr. Ho Ka Chun and Mr. Lee Kwok Tung Louis have made to the Board, their re-election will be in the best interests of the Company and its Shareholders as a whole.

RE-APPOINTMENT OF THE AUDITORS

Messrs. KPMG will retire as the auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board, upon the recommendation of the audit committee of the Board, proposed to re-appoint Messrs. KPMG as the auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Issue Mandate, the Repurchase Mandate, the re-appointment of auditors and the re-election of the Directors is set out on pages 15 to 20 of this circular.

VOTING BY WAY OF POLL

All the resolutions at the AGM shall be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and Article 72 of the Articles of Association, except where the chairman may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands pursuant to the Listing Rules.

Pursuant to Article 79 of the Articles of Association, subject to any special rights or restrictions as to voting for the time being attached to any Shares, at any general meeting every Shareholder present in person (or in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy shall have one vote for each Share registered in his name in the Company's register of members. Where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy is under no obligation to cast all his votes in the same way.

An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed herein. Such form of proxy is also published on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (www.fusenyy.com). Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions

LETTER FROM THE BOARD

printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM, or any adjourned meeting, should they so wish.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors believe that the proposed resolutions mentioned in this circular, including the proposals to re-elect the Directors, to re-appoint the Company's auditors to declare final dividend, and to grant to the Directors the Issue Mandate and the Repurchase Mandate are in the best interests of the Company as well as to its Shareholders. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant resolutions relating to aforesaid matters.

Yours faithfully
For and on behalf of the Board of
Fusen Pharmaceutical Company Limited
Cao Changcheng
Chairman and Executive Director

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide information reasonably necessary to enable you to make an informed decision on whether to vote for or against Ordinary Resolution 6 in respect of the approval of the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 800,000,000 Shares in issue at the Latest Practicable Date, could result in up to 80,000,000 Shares being repurchased by the Company during the period up to (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 or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

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

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The law of the Cayman Islands provides that the amount to be repaid in connection with a share repurchase may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. UNDERTAKING

There might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the memorandum of association and articles of association of the Company, the laws of Hong Kong and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

5. EFFECT OF TAKEOVERS CODE AND PUBLIC FLOAT

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, as far as the Directors are aware, Mr. Cao Changcheng and parties acting in concert (as defined in the Takeovers Code) with him were entitled to control an aggregate of 60.9% of the voting rights of the Company. In the event that the Directors exercised in full the power to repurchase Shares pursuant to the Repurchase Mandate, Mr. Cao Changcheng and parties acting in concert (as defined in the Takeovers Code) with him will be entitled to control approximately 67.7% of the voting rights of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code and would not reduce the percentage of Shares held by the public to below the prescribed minimum percentage of 25% required by the Listing Rules.

The Directors will use their best endeavours to ensure that the Repurchase Mandate will not be exercised to the extent that the number of Shares held by the public being reduced to less than 25% as required under the Listing Rules.

6. SHARE PURCHASED MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

7. SHARE PRICES

The table below is a summary of the highest and lowest traded prices in each of the previous ten months between the listing date of the Company and the Latest Practicable Date.

| | Highest Traded Price <i>HK\$</i> | Lowest Traded Price <i>HK\$</i> |
|--|--|---|
| July 2018 | 2.69 | 2.03 |
| August 2018 | 2.22 | 1.90 |
| September 2018 | 2.30 | 2.05 |
| October 2018 | 2.48 | 2.18 |
| November 2018 | 2.55 | 2.25 |
| December 2018 | 2.60 | 2.00 |
| January 2019 | 2.55 | 2.32 |
| February 2019 | 3.17 | 2.44 |
| March 2019 | 3.94 | 2.45 |
| April 2019 (up to the Latest Practicable Date) | 5.48 | 3.80 |

The following are the particulars of the Directors proposed to be re-elected at the AGM:

1. Mr. Chi Yongsheng

Mr. Chi Yongsheng (遲永勝先生), aged 57, is our executive Director. Mr. Chi joined our Group in October 2003 as a director and vice president of Henan Fusen. Mr. Chi is primarily responsible for overseeing the financial operation of our Group. He has over 21 years of experience in the pharmaceutical industry in PRC. Prior to joining our Group, Mr. Chi worked in Henan Xichuan Pharmaceutical, a state-owned enterprise established in the PRC principally carrying on the pharmaceutical business, from 1995 to October 2003. Mr. Chi was responsible for the audit work in Henan Xichuan Pharmaceutical and he was promoted to manage the finance department in 2000.

Mr. Chi obtained an Associate Degree of Business Management from the Henan Agricultural University (河南農業大學) in July 1994 through an off-the-job learning programme.

Mr. Chi has entered into a service agreement with the Company pursuant to which he has agreed to act as an executive Director for a fixed term of three years commencing from 11 July 2018, the date of the listing of the Company, subject to early termination by either party in accordance with the terms thereof. Mr. Chi is entitled to an annual remuneration of RMB66,000. Such remuneration was determined in accordance with, and covered by, the aforesaid service agreement. Mr. Chi is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, (i) Mr. Chi has not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; and (ii) there is no other information relating to Mr. Chi that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning Mr. Chi that needs to be brought to the attention of the Shareholders.

2. Ms. Meng Qingfen

Ms. Meng Qingfen (孟慶芬女士), aged 54, is our executive Director. Ms. Meng joined our Group in October 2003 as a director and vice president of Henan Fusen. Ms. Meng is primarily responsible for overseeing the research, development and quality control of our products and the production of our Group. She has over 24 years of experience in the pharmaceutical industry in the PRC. Prior to joining our Group, Ms. Meng worked in Henan Xichuan Pharmaceutical, a state-owned enterprise established in the PRC principally carrying on the pharmaceutical business, from 1988 to October 2003 with her latest position as deputy general manager. Ms. Meng was the supervisor of the production line for extraction of traditional Chinese medicine (提取車間) in 1993 and she was also in charge of the quality control system in 1998 during her time in Henan Xichuan Pharmaceutical. Ms. Meng has been the head of our Group's production house since 2003 responsible for ensuring the safety and quality of our products. With her help, Henan Fusen was able to obtain the GMP certifications for five dosage forms, including

small volume injection, oral solution, tablet, capsule and granule (including pre-treatment and extraction of traditional Chinese medicine) in 2008. Ms. Meng has also been appointed as the head of our Group's research and development team in 2013 to strengthen our research and development effort and broaden our product offering.

Ms. Meng obtained a Diploma in Animal Husbandry from Zhengzhou Animal Husbandry and Veterinary College (鄭州畜牧獸醫專科學校) in July 1986 and an Associate Degree of Pharmacy from the Pharmaceutical College of Henan University (河南大學藥學院) in July 2006 through long distance learning.

Ms. Meng has entered into a service agreement with the Company pursuant to which he has agreed to act as an executive Director for a fixed term of three years commencing from 11 July 2018, the date of the listing of the Company, subject to early termination by either party in accordance with the terms thereof. Ms. Meng is entitled to an annual remuneration of RMB78,000. Such remuneration was determined in accordance with, and covered by, the aforesaid service agreement. Ms. Meng is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, (i) Ms. Meng has not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; and (ii) there is no other information relating to Ms. Meng that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning Ms. Meng that needs to be brought to the attention of the Shareholders.

3. Mr. Ho Ka Chun

Mr. Ho Ka Chun (何家進先生), aged 38, is our independent non-executive Director. Mr. Ho has over 11 years of experience in professional auditing and is experienced in investors relationship management, mergers & acquisitions and overseas financing. Mr. Ho is currently an independent non-executive director of Bao Shen Holdings Limited (listed on GEM of the Stock Exchange) (stock code: 8151). Mr. Ho's previous working experiences include the following:

| Name of companies | Principal business activities | Latest position | Period of services |
|---|---|-------------------------|--------------------------------|
| China Tontine Wines Group Limited (listed on the Main Board of the Stock Exchange (stock code: 389) | Manufacturing and sale of wine products | Chief Financial Officer | January 2016– July 2018 |
| Deloitte Touche Tohmatsu Certified Public Accountants LLP Guangzhou Branch | Professional accounting and auditing services | Senior Manager | January 2013– December 2015 |

| Name of companies | Principal business activities | Latest position | Period of services |
|--------------------------|--------------------------------------|-----------------|-------------------------------|
| Deloitte Touche Tohmatsu | Professional accounting and auditing | Manager | August 2004– December 2012 |

Mr. Ho obtained a Bachelor of Business Administration (Professional Accountancy) from the Chinese University of Hong Kong (香港中文大學) in 2004. He is member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ho has entered into a service agreement with the Company pursuant to which he has agreed to accept the appointment as an independent non-executive Director for a fixed term of three years commencing from 11 July 2018, the date of the listing of the Company, subject to early termination by either party in accordance with the terms thereof. Mr. Ho is entitled to an annual remuneration of HK\$180,000. Such remuneration was determined in accordance with, and covered by, the aforesaid service agreement. Mr. Ho is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, (i) Mr. Ho has not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; and (ii) there is no other information relating to Mr. Ho that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning Mr. Ho that needs to be brought to the attention of the Shareholders.

4. Mr. Lee Kwok Tung Louis

Mr. Lee Kwok Tung Louis (“Mr. Lee”), aged 51, was appointed as an INED of the Company in 15 April 2019. Mr. Lee was admitted as a Certified Practising Accountant of the CPA Australia in June 1996 and a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants (“HKICPA”) in October 1999. Mr. Lee is currently a Fellow Certified Practising Accountant of the CPA Australia and a Fellow Certified Public Accountant of HKICPA. Mr. Lee graduated with a Bachelor of Economics degree from Macquarie University in Australia in 1992. He has possessed over 26 years of experience with unlisted groups, listed groups and professional firms in finance, accounting and auditing.

Mr. Lee is currently an INED of CGN Mining Company Limited (listed on the Main Board of the Stock Exchange, stock code: 1164), Worldgate Global Logistics Ltd. (listed on the GEM of the Stock Exchange, stock code: 8292), Windmill Group Limited (listed on the Main Board of the Stock Exchange, stock code: 1850), China Singyes New Materials Holdings Limited (listed on the GEM of the Stock Exchange, stock code: 8073) and Redsun Properties Group Limited (listed on the Main Board of the Stock Exchange, stock code: 1996).

Mr. Lee was also an INED of Winto Group (Holdings) Limited (listed on GEM of the Stock Exchange, stock code: 8238) from 23 January 2015 to 9 May 2016 and Zhong Ao Home Group Limited (listed on the Main Board of the Stock Exchange, stock code: 1538) from 5 November 2015 to 5 July 2017.

The Company entered into a service contract with Mr. Lee for an initial term of three years. The service contract may be terminated by either party by written notice of not less than three months. Mr. Lee is subject to retirement by rotation of directors in the annual general meeting of the Company in accordance with the memorandum and articles of association and the Listing Rules. Mr. Lee is entitled to a remuneration of HK\$180,000 per annum, which is determined by the Board with reference to his duties and responsibilities, the prevailing market conditions and the recommendation from the remuneration committee.

Save as disclosed above, as at the date of this announcement, Mr. Lee (i) does not hold any other position in the Company or its subsidiaries (ii) does not hold any other directorships in the last three years in the public companies the securities of which are listed in Hong Kong or overseas saved as disclosed (iii) does not have or is not deemed to have any interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company; (iv) does not have any relationship with the Directors, senior management or substantial or controlling shareholders of the Company; and (v) there is no other information in relation to him that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules on the Stock Exchange.

NOTICE OF ANNUAL GENERAL MEETING



Fusen Pharmaceutical Company Limited

福森藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1652)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Fusen Pharmaceutical Company Limited (the “**Company**”) will be held at 7/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong, on Friday, 28 June 2019 at 12:15 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements of the Company, the reports of the directors and the independent auditors of the Company for the year ended 31 December 2018.
2.
 - (a) To re-elect Mr. Chi Yongsheng as executive director of the Company;
 - (b) To re-elect Ms. Meng Qingfen as executive director of the Company;
 - (c) To re-elect Mr. Ho Ka Chun as independent non-executive director of the Company;
 - (d) To re-elect Mr. Lee Kwok Tung Louis as independent non-executive director of the Company; and
 - (e) To authorise the board of directors of the Company to fix the remuneration of directors.
3. To re-appoint Messrs. KPMG as auditors of the Company and to authorise the board of directors of the Company to fix the auditors’ remuneration for the ensuing year.
4. To declare a final dividend of RMB0.74 cents per ordinary share for the year ended 31 December 2018.

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SPECIAL BUSINESS

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

“**THAT:**

- (a) subject to paragraph (c) below and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with any unissued shares or securities in the capital of the Company and to make or grant offers and agreements which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers and agreements which might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (c) the total number of Shares or securities allotted or issued or conditionally or unconditionally agreed to be allotted or issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of the subscription rights attaching to any convertible securities or similar rights which may be issued by the Company from time to time; or (iii) an issue of shares upon the exercise of options which may be granted under any option scheme or similar arrangement for the time being adopted or to adopt for the grant or issue to officers, employees and/or directors of the Company and/or any of its subsidiaries of shares or rights to acquire shares; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the total number of Shares in issue as at the date of passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this resolution) and the said approval shall be limited accordingly; and

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- (d) 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; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution; and

“Rights Issue” means an offer of Shares or issue of options, warrants or other securities by way of rights to subscribe for Shares, open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

6. 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, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase securities of the Company on the Stock Exchange or any other stock exchange of which the shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of the Shares repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this resolution) and the authority granted pursuant to paragraph (a) above shall be limited accordingly; 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; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution.”

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

“**THAT** subject to the passing of the Resolutions nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with any unissued Shares or securities pursuant to Resolution no. 5 set out in the notice convening this meeting be and is hereby extended by the addition to the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the total number of Shares repurchased by the Company under the authority granted pursuant to Resolution no. 6 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of total number of Shares in issue as at the date of passing of the said Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this resolution).”

By order of the Board
Fusen Pharmaceutical Company Limited
Cao Changcheng
Chairman and Executive Director

Hong Kong, 29 April 2019

NOTICE OF ANNUAL GENERAL MEETING

*Headquarter and Principal place of
business in China:*

Urban Industrial Zone
Xichuan County, Henan Province
China
(中國河南省淅川縣城區工業園區)

*Place of business in Hong Kong registered
under Part 16 of the Companies Ordinance:*

29/F, Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

Registered Office:

PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Notes:

- (1) A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company.
- (2) In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or the adjourned meeting (as the case may be).
- (3) Completion and return of the proxy form will not preclude shareholders of the Company from attending and voting in person at the AGM, or any adjourned meeting, should they so wish.
- (4) The register of members will be closed from Tuesday, 25 June 2019 to Friday, 28 June 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 24 June 2019.
- (5) Subject to the approval of shareholders at the AGM, the register of members of the Company will be closed from Friday, 5 July 2019 to Tuesday, 9 July 2019, both days inclusive, during which period, no transfer of Shares will be registered. The proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Tuesday, 9 July 2019 being the record date for determination of entitlement to the final dividend. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 4 July 2019.
- (6) The Board recommends the payment of a final dividend of RMB0.74 cents per ordinary share for the year ended 31 December 2018, totalling RMB5,920,000 (equivalent to HK\$0.86 cents by adopting the prevailing exchange rate on 28 March 2019 set by the People's Bank of China).
- (7) With regard to Resolution no. 2 in this notice, the board of directors of the Company proposes that the directors of the Company, namely Mr. Chi Yongsheng, Ms. Meng Qingfen, Mr. Ho Ka Chun and Mr. Lee Kwok Tung Louis be re-elected as directors of the Company. Particulars of the said directors of the Company are set out in Appendix II to the circular to the shareholders of the Company dated 29 April 2019.

NOTICE OF ANNUAL GENERAL MEETING

- (8) An explanatory statement containing further details regarding Resolution no. 6 as required by the Stock Exchange is set out in Appendix I to the circular to the shareholders of the Company dated 29 April 2019.
- (9) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange, all votes of shareholders at the AGM will be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the matter prescribed under Rule 13.39(5) of the Listing Rules.

As at the date of this notice, the Board of the Company comprises Mr. Cao Changcheng (Chairman), Mr. Hou Taisheng, Mr. Chi Yongsheng, Ms. Meng Qingfen and Mr. Cao Dudu as executive Directors, Mr. Wang Jianhang as a non-executive Director, and Mr. Sze Wing Chun, Mr. Lee Kwok Tung Louis and Mr. Ho Ka Chun as independent non-executive Directors.