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If you have sold or transferred all your shares in GUSHENGTANG HOLDINGS LIMITED, you should at once hand this circular 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 the transferee.

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**GUSHENGTANG HOLDINGS LIMITED****固生堂控股有限公司**

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 2273)

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
(2) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;
(3) PROPOSED ADOPTION OF THE TENTH AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Units 01–04, 36 Floor, Lifeng Centre, No. 761 Dongfeng East Road, Yuexiu District, Guangzhou, PRC on Thursday, June 16, 2022 at 10:00 a.m. is set out on pages 28 to 32 of this circular.

A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gstzy.cn). Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In order to facilitate the prevention and control of the spread of COVID-19 at the Annual General Meeting, the Company will implement the following measures at the Annual General Meeting:

1. compulsory body temperature checks;
2. wearing of surgical face masks; and
3. no distribution of corporate gifts and refreshments.

The Shareholders are encouraged to appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting, instead of attending the Annual General Meeting in person.

April 28, 2022

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DEFINITIONS

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

“Action Thrive”	Action Thrive Group Limited, a BVI business company with limited liability incorporated under the laws of BVI on November 5, 2020 which is indirectly wholly owned by Mr. Tu, and one of our Controlling Shareholders
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at Units 01–04, 36 Floor, Lifeng Centre, No. 761 Dongfeng East Road, Yuexiu District, Guangzhou, PRC on Thursday, June 16, 2022 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages 28 to 32 of this circular
“Articles of Association”	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Cayman Companies Act”	the Companies Act (2021 Revision) of the Cayman Islands, as amended, supplemented, or otherwise modified from time to time
“Celestial City”	Celestial City Investments Limited, a BVI business company with limited liability incorporated under the laws of BVI on November 9, 2020 which is indirectly wholly owned by Mr. Tu, and one of the Controlling Shareholders
“Clearing House”	means a clearing house recognised by the laws of the jurisdiction in which the Shares are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction
“Company”	GUSHENGTANG HOLDINGS LIMITED (固生堂控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 8, 2014, the Shares of which are listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Mr. Tu, Action Thrive, Celestial City, Dream True and Wumianshan Ltd.
“Director(s)”	the director(s) of the Company
“Dream True”	Dream True Limited, a BVI business company with limited liability incorporated under the laws of BVI on February 9, 2021 and wholly owned by Trident Trust Company (Singapore) Pte. Limited pursuant to the TZL Family Trust, and one of the Controlling Shareholders

DEFINITIONS

“General Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolution granting the General Mandate
“Group”	the Company, its subsidiaries and consolidated affiliated entities controlled by the Company through the contractual arrangement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	April 19, 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	the date, namely December 10, 2021, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Mr. Tu”	Mr. Tu Zhiliang (涂志亮), the executive Director, the chairman of the Board, the chief executive officer of our Company, and one of our Controlling Shareholders
“Memorandum” or “Memorandum of Association”	the memorandum of association of the Company (as amended, supplemented or otherwise modified from time to time)
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China, but for the purpose of this circular and for geographical reference only, references herein do not apply to Hong Kong, Macau and Taiwan
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.0001 each
“Shareholder(s)”	the 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 issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“TZL Family Trust”	the trust arrangement established by Celestial City as the settlor, with Mr. Tu as the protector, Trident Trust Company (Singapore) Pte. Limited as the trustee and Celestial City, Mr. Tu and Mr. Tu’s family members as beneficiaries
“US\$”	United States dollars, the lawful currency of the United States of America
“Wumianshan Ltd.”	Wumianshan Ltd., a BVI business company incorporated under the laws of the BVI on April 23, 2014 which is wholly owned by Mr. Tu, and one of our Controlling Shareholders
“%”	per cent



GUSHENGTANG HOLDINGS LIMITED
固生堂控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 2273)

Executive Director:

Mr. Tu Zhiliang (*Chairman*)

Non-executive Directors:

Mr. Jiang Xiaodong

Mr. Huang Jingsheng

Mr. Xu Yongjiu

Mr. Liu Kanghua

Mr. Gao Jian

Independent non-executive Directors:

Ms. Jin Xu

Mr. Li Tie

Mr. Wu Taibing

Registered office:

Harneys Fiduciary (Cayman) Limited

4th Floor, Harbour Place

103 South Church Street

P.O. Box 10240

Grand Cayman KY1-1002

Cayman Islands

Headquarters in the PRC:

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No. 138, Shiyu Road

Nansha District, Guangzhou City

PRC

Principal place of business

in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

April 28, 2022

To the Shareholders

Dear Sir or Madam

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
(2) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES;
(3) PROPOSED ADOPTION OF THE TENTH AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting including, among other matters, (i) the proposed re-election of

LETTER FROM THE BOARD

the retiring Directors, (ii) the proposed grant to the Directors of General Mandate to issue Shares and the Repurchase Mandate to repurchase Shares, and (iii) the proposed adoption of the tenth amended and restated Memorandum and Articles of Association, and to give you notice of the Annual General Meeting.

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 109(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

In accordance with Article 109(b) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In accordance with Article 109 of the Articles of Association, Mr. Huang Jingsheng (non-executive Director), Mr. Xu Yongjiu (non-executive Director) and Mr. Liu Kanghua (non-executive Director), will retire by rotation at the Annual General Meeting. Further, the abovementioned Directors, being eligible, have offered themselves for re-election as Directors at the Annual General Meeting.

The Nomination Committee has reviewed and assessed the background, expertise, experience and time commitment of the retiring Directors according to the nomination policy of the Company, taking into account various aspects set out in the board diversity policy of the Company including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Nomination Committee has considered Mr. Huang Jingsheng, Mr. Xu Yongjiu and Mr. Liu Kanghua's extensive experience respectively, their working profiles and other experience and factors as set out in their biographical details in Appendix I to this circular. The Nomination Committee is satisfied that Mr. Huang Jingsheng, Mr. Xu Yongjiu and Mr. Liu Kanghua have performed their duties as non-executive Directors effectively. The Board is of the opinion that Mr. Huang Jingsheng, Mr. Xu Yongjiu and Mr. Liu Kanghua with their knowledge and experience will continue to bring valuable contribution to the Board.

Therefore, the Nomination Committee has nominated and the Board has recommended Mr. Huang Jingsheng, Mr. Xu Yongjiu and Mr. Liu Kanghua to stand for re-election at the AGM.

The biographical details of the aforesaid retiring Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, an ordinary resolution no. 4 will be proposed at the Annual General Meeting to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares in the share capital of the Company of up to 20% of the total number of issued Shares as at the date of the passing of such resolution. As at the Latest Practicable Date, the total number of issued Shares comprised 230,396,458 Shares. Subject to the passing of the ordinary resolution no. 4 and assuming there is no change to the number of issued Shares after the Latest Practicable Date and up to the date of the Annual General Meeting, the Directors will be authorized to issue a maximum of 46,079,291 Shares under the General Mandate.

In addition, subject to a separate approval of the ordinary resolution no. 6, the number of Shares repurchased by the Company under the ordinary resolution no. 5 will also be added to extend the General Mandate as mentioned in the ordinary resolution no. 4 provided that such additional amount shall not exceed 10% of the total number of issued Shares as at the date of the passing of the General Mandate and Repurchase Mandate.

The Directors wish to state that the Company has no immediate plan to issue any new Shares pursuant to the General Mandate.

4. PROPOSED GRANTING OF REPURCHASE MANDATE TO REPURCHASE SHARES

An ordinary resolution no. 5 will be proposed at the Annual General Meeting to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares, representing up to 10% of the total number of issued Shares as at the date of the passing of the resolution in relation to the Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

LETTER FROM THE BOARD

5. PROPOSED ADOPTION OF THE TENTH AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated March 30, 2022. As set out in the said announcement, the Board proposes to seek approval from the Shareholders at the Annual General Meeting to adopt the tenth amended and restated Memorandum and Articles of Association (the “**Amended Memorandum and Articles**”) to replace the existing ninth amended and restated Memorandum and Articles of Association. The main reason for the adoption of the Amended Memorandum and Articles is to bring the Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules (in particular the amendments made to Appendix 3 to the Listing Rules which took effect on January 1, 2022).

The major proposed amendments in the Amended Memorandum and Articles (the “**Proposed Amendments**”) are summarised as follows:

- (i) to require the annual general meeting to be held in each financial year and such annual general meeting shall be held within six months after the end of the Company’s financial year;
- (ii) to provide that in addition to the right to convene an extraordinary general meeting on the requisition of one or more Shareholders holding not less than one tenth (1/10) of the voting rights (on a one vote per share basis) in the share capital of the Company, such Shareholder(s) shall also have the right to add resolutions to the meeting agenda of a general meeting;
- (iii) to provide that all Shareholders shall have the right to speak at a general meeting of the Company; except a Shareholder is required, by the Listing Rules to abstain from voting to approve the matter under consideration;
- (iv) to provide that a corporation or a Clearing House which is a Shareholder to execute a form of proxy under the hand of a duly authorised officer to authorise a representative or representatives at any meeting of the Company (including but not limited to general meetings and creditors meetings);
- (v) to require an ordinary resolution of shareholders or other body of the Company independent of the Board to approve the appointment, removal and remuneration of the Company’s auditor; and
- (vi) other amendments to better align with core shareholder protection standards in the Listing Rules.

Details of the Proposed Amendments are set out in Appendix III to this circular.

The Company has been advised by its legal advisers that the Proposed Amendments are not inconsistent with the requirements of the Listing Rules and do not violate the laws of the Cayman Islands, respectively. The Company confirms that there is nothing unusual in the Proposed Amendments from the perspective of a Cayman Islands company listed on the Stock Exchange.

The Proposed Amendments as well as the adoption of the Amended Memorandum and Articles are subject to the Shareholders’ approval by way of special resolution at the Annual General Meeting. The Amended Memorandum and Articles will take effect on the date on which the Proposed Amendments are approved by the Shareholders at the Annual General Meeting.

LETTER FROM THE BOARD

6. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from June 13, 2022 to June 16, 2022, both days inclusive, during which period no transfer of Shares can be registered. The record date will be June 16, 2022. In order to be eligible for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on June 10, 2022.

7. NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 28 to 32 of this circular is the notice of the Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to the Shareholders to consider and approve (i) the proposed re-election of the retiring Directors, (ii) the proposed grant to the Directors of General Mandate to issue Shares and the Repurchase Mandate to repurchase Shares, and a special resolution will be proposed to the Shareholders to consider and approve the proposed adoption of the tenth amended and restated Memorandum and Articles of Associations.

8. FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.gstzy.cn), respectively. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

9. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the Annual General 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 chairman of the Annual General Meeting shall therefore demand voting on all resolutions set out in the notice of Annual General Meeting be taken by way of poll pursuant to Article 72 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

LETTER FROM THE BOARD

10. RESPONSIBILITY STATEMENT

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

11. RECOMMENDATION

The Directors consider that the proposed resolutions for the re-election of the retiring Directors, the grant to the Directors of General Mandate to issue Shares, the Repurchase Mandate to repurchase Shares and the adoption of the tenth amended and restated Memorandum and Articles of Associations are in the interests of the Group and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully
By order of the Board
GUSHENGTANG HOLDINGS LIMITED
固生堂控股有限公司
Mr. Tu Zhiliang
Chairman

The following are the particulars of the retiring Directors being eligible for re-election at the Annual General Meeting.

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

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

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

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

Mr. Huang Jingsheng (“Mr. Huang”), aged 64, was appointed as our Director on August 21, 2014 and re-designated as our non-executive Director on May 25, 2021, and is responsible for providing strategic advice and making recommendations on financial management and business development to our Board. Mr. Huang is a member of the Remuneration Committee.

Mr. Huang has about 20 years of experience in startups business, financing and investment. From January 2002 to September 2005, he was the managing director of SoftBank Asia Infrastructure Fund (軟銀亞洲信息基礎投資基金), mainly responsible for fund-raising and investment. From October 2005 to August 2011, he was the managing director of Bain Capital Private Equity Advisors (China) Ltd. (貝恩投資顧問(中國)有限公司), a private equity investment firm. From December 2011 to July 2014, he served at TPG HuHua (Shanghai) Equity Investment Management Enterprise (Limited Partnership) (德太滬華(上海)股權投資管理企業(有限合夥)). From July 2014 to June 2020, he was a general manager of Harvard Center Shanghai and responsible for the overall management of the center. Mr. Huang has also been serving as a supervisor of Guangdong Gushengtang TCM Health Technology Co., Ltd. (廣東固生堂中醫養生健康科技股份有限公司) since September 2010.

From May 2010 to May 2019, Mr. Huang was the independent non-executive director of Besunyen Holdings Company Limited (碧生源控股有限公司) (Stock Code: 0926.HK), a provider of therapeutic teas in the PRC. Since December 2015, he has served at Yiren Digital Ltd. (Stock Code: YRD.NYSE), a personal financial service platform in the PRC, where he was the independent director and re-designated as a director in January 2020. Since August 2018, he has served as the independent non-executive director of SOHO China Limited (Stock Code: 0410.HK), a Chinese building developer.

Mr. Huang graduated, majoring in English, from the Beijing Foreign Studies University (北京外國語大學) (formerly known as Beijing Foreign Languages Institute (北京外國語學院)) in January 1982 and obtained a master’s degree in sociology in January 1988 from Stanford University. He received a master’s degree in business administration from Harvard University in June 1999.

Mr. Huang has entered into a letter of appointment with the Company for an initial term of 3 years commencing from the Listing Date or until the third annual general meeting of the Company after the Listing Date, whichever ends earlier (subject to retirement by rotation and re-election in accordance with the Articles and the Listing Rule), which may be terminated by not less than 1 months' notice in writing by either party. Mr. Huang is entitled to receive emoluments of RMB300,000 per annum.

As of the Latest Practicable Date, Mr. Huang is deemed to be interested in 1,236,094 ordinary shares of the Company within the meaning of Part XV of the SFO.

Mr. Xu Yongjiu (徐永久) (“Mr. Xu”), aged 44, was appointed as our Director on July 15, 2017 and re-designated our non-executive Director on May 25, 2021 and is responsible for providing strategic advice and making recommendations on financial management and business development to our Board.

Mr. Xu has about 13 years of experience in strategy and investment. From April 2009 to December 2009, Mr. Xu joined Shanghai International Group Company Limited (上海國際集團有限公司) and served as a senior project manager of strategic development department. From December 2009 to June 2011, he served at Shanghai International Trust Co., Ltd. (上海國際信託投資有限公司). From November 2011 to August 2016, he served at the vice president of investment director of GP Capital Co., Ltd (金浦產業投資基金管理有限公司). Since September 2016, he has served as the managing director of investment at GP Health Service Capital Co., Ltd (上海金浦健服股權投資管理有限公司). Since October 2021, Mr. Xu has served as a shareholder representative supervisor of Wunzhou Kangning Hospital Co., Ltd. (溫州康寧醫院股份有限公司) (Stock Code: 2120.HK).

Mr. Xu received a bachelor's degree in economics majoring in accounting from Southwestern University of Finance and Economics (西南財經大學) in Chengdu, Sichuan province, in July 2000. He obtained a master's degree in economics majoring in finance from Fudan University (復旦大學) in Shanghai in June 2004. He was admitted by Fudan University (復旦大學) in January 2015 to study biotechnology. He was also admitted by China Europe International Business School (中歐國際工商管理學院) in April 2019 to study business administration and is currently a candidate for an executive master's degree of business administration.

Mr. Xu has entered into a letter of appointment with the Company for an initial term of 3 years commencing from the Listing Date or until the third annual general meeting of the Company after the Listing Date, whichever ends earlier (subject to retirement by rotation and re-election in accordance with the Articles and the Listing Rule), which may be terminated by not less than 1 months' notice in writing by either party. Mr. Xu is entitled to receive emoluments of RMB300,000 per annum.

Mr. Liu Kanghua (劉康華) (“Mr. Liu”), aged 35, was appointed as our non-executive Director on May 25, 2021 and is responsible for providing strategic advice and making recommendations on financial management and business development to our Board. Mr. Liu is the brother-in-law of Mr. Tu, an executive Director.

Mr. Liu has approximately 13 years of experience in quality control and internal control. From July 2009 to March 2011, he served in GP Batteries Industrial Limited. From June 2011 to September 2017, he worked at SGS-CSTC Standards Technical Services Co., Ltd., Guangzhou Branch (通標標準技術服務有限公司廣州分公司), mainly responsible for auditing and supplier audit review. From October 2017 to April 2018, he served at Guangzhou Evergrande Materials Equipment Company Limited (廣州恆大材料設備有限公司). He also served as a senior accountant at Ernst & Young (China) Enterprise Consulting Co., Ltd., Guangzhou branch (安永(中國)企業諮詢有限公司廣州分公司) and responsible for consulting business from April 2018 to May 2021.

Mr. Liu graduated from the South China University of Technology (華南理工大學), with a bachelor’s degree in chemical engineering and technology July 2009. He was accredited as a certified internal auditor by The Institution of Internal Auditors in March 2019 and a certified information systems auditor by Information Systems Audit and Control Association in June 2019. He was also accredited as an intermediate economist by the Ministry of Human Resources and Social Security of the People’s Republic of China in November 2020.

Mr. Liu has entered into a letter of appointment with the Company for an initial term of 3 years commencing from the Listing Date or until the third annual general meeting of the Company after the Listing Date, whichever ends earlier (subject to retirement by rotation and re-election in accordance with the Articles and the Listing Rule), which may be terminated by not less than 1 months’ notice in writing by either party. Mr. Liu is entitled to receive emoluments of RMB300,000 per annum.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of Shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares comprised 230,396,458 Shares of nominal value of US\$0.0001 each. Subject to the passing of the resolution granting the Repurchase Mandate and assuming there is no change to the number of issued Shares after the Latest Practicable Date and up to the date of the Annual General Meeting, the Directors will be authorized to repurchase a maximum of 23,039,645 Shares, representing 10% of the total number of issued Shares as at the date of the passing of the resolution in relation to the Repurchase Mandate during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Cayman Companies Act or the Articles of Association; or (iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

REASONS OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole. The Directors consider that if the Repurchase Mandate was to be exercised in full at the current prevailing market value, it may not have a material adverse impact on the working capital and the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2021, being the date to which the latest published audited consolidated financial statements of the Company were made up. 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 the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

FUNDING OF REPURCHASES OF SHARES

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Cayman Companies Act and/or any other applicable laws, as the case may be.

The Cayman Companies Act provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Cayman Companies Act. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Cayman Companies Act.

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 the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

None of the Director nor any of their respective associates (as defined under the Listing Rules), to the best of their knowledge and belief, having made all reasonable enquiries, currently intends to sell any Shares to the Company or its subsidiaries, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands, the Articles of Association and/or any other applicable laws, as the case may be.

No core connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If as a result of a repurchase of 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. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as disclosed herein and as at the Latest Practicable Date, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the proposed Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Tu was deemed to control approximately 36.31% of the existing issued share capital of the Company as (i) Mr. Tu through his wholly-owned investment companies (Celestial City and Action Thrive) controlled an aggregate of approximately 13.04% of the voting power at general meetings of the Company, (ii) pursuant to the TZL Family Trust, Trident Trust Company (Singapore) Pte. Limited held (through Dream True) approximately 8.13% of the voting power at the general meetings of the Company, and (iii) pursuant to the Voting Deeds, Mr. Tu was interested in and controlled an aggregate of approximately 15.14% of the voting power at general meetings of the Company. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of Mr. Tu in the Company will be increased to approximately 40.34% of the issued share capital of the Company. To the best knowledge and belief of the Directors, such increase would give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent it will trigger the obligations under the Takeovers Code for Mr. Tu to make a mandatory offer.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange during the period from the Listing Date to the Latest Practicable Date were as follows:

Month	Highest traded prices HK\$	Lowest traded prices HK\$
2021		
December (<i>from the Listing Date</i>)	42.00	23.15
2022		
January	49.80	29.50
February	42.45	29.95
March	44.20	14.86
April (<i>up to the Latest Practicable Date</i>)	33.10	27.45

Details of the Proposed Amendments are set out as follows:

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 1(d)	At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than <u>three-quarters</u> of the <u>votes cast</u> by such Shareholders as, being entitled so to do, vote in person or by proxy or, in the case of any Shareholder being a corporation, by its duly authorised representatives at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.	Article 1(d)	At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than <u>three-fourths</u> of the <u>voting rights held</u> by such Shareholders as, being entitled so to do, vote in person or by proxy or, in the case of any Shareholder being a corporation, by its duly authorised representatives at a general meeting of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given.
Article 5(a)	If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated <u>either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, provided that:</u> (i) <u>the necessary quorum (other than at an adjourned meeting)</u> shall be not less than two persons holding (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or	Article 5(a)	If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, provided that: (i) the necessary quorum shall be not less than two persons holding (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or representing by proxy <u>holding at least one-third in nominal value of the issued Shares of that class;</u> and

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	<p>representing by proxy one-third in nominal value of the issued Shares of that class. <u>In the event of any adjourned meeting as a result of a lack of quorum, two Shareholders present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of Shares held by them) shall be a quorum; and</u></p> <p>(ii) any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.</p>		<p>(ii) any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.</p>
Article 17(c)	During the Relevant Period (except when the Register is closed), any Shareholder may inspect during business hours any Register maintained in Hong Kong without charge and require the provision to him of copies or extracts thereof in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.	Article 17(c)	During the Relevant Period (except when the Register is closed <u>in accordance with the Companies Ordinance</u>), any Shareholder may inspect during business hours any Register maintained in Hong Kong without charge and require the provision to him of copies or extracts thereof in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 62	At all times during the Relevant Period <u>other than the year of the Company's adoption of these Articles</u> , the Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; <u>and not more than 15 Months (or such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next.</u> The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.	Article 62	At all times during the Relevant Period, the Company shall in each <u>financial year</u> hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it, <u>and such annual general meeting shall be held within six months after the end of the Company's financial year.</u> The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 64	The Board may, whenever it thinks fit, convene an extraordinary general meeting. <u>Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, as at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings.</u> Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.	Article 64	The Board may, whenever it thinks fit, convene an extraordinary general meeting. <u>One or more Shareholders holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company may also make a requisition to convene an extraordinary general meeting and add resolutions to the agenda of a meeting.</u> Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 65	<p>An annual general meeting of the Company shall be called by at least 21 days' (<u>and not less than 20 clear business days</u>') notice in writing, and a general meeting of the Company, other than an annual general meeting, shall be called by at least 14 days' (<u>and not less than 10 clear business days</u>') notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day, the hour and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:</p> <p>(a) in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and</p> <p>(b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent of the total voting rights at the meeting of all members of the Company.</p>	Article 65	<p>An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and a general meeting of the Company, other than an annual general meeting, shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day, the hour and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:</p> <p>(a) in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and</p> <p>(b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent of the total voting rights at the meeting of all members of the Company.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 80	Where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, in which case any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted. No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.	Article 80	<p>(a) <u>All Shareholders (including a Shareholder which is a Clearing House (or its nominee(s))) must have the right to: (a) speak at general meetings of the Company; and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.</u></p> <p>(b) Where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, in which case any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted. No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 86	Any Shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Shareholder. On a poll or a show of hands votes may be given either personally (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy. A proxy shall be entitled to exercise the same powers on behalf of a Shareholder who is an individual and for whom he acts as proxy as such Shareholder could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a Shareholder which is a corporation and for which he acts as proxy as such Shareholder could exercise if it were an individual Shareholder.	Article 86	Any Shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. <u>A corporation which is a Shareholder may execute a form of proxy under the hand of a duly authorised officer.</u> A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Shareholder. On a poll or a show of hands votes may be given either personally (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy. A proxy shall be entitled to exercise the same powers on behalf of a Shareholder who is an individual and for whom he acts as proxy as such Shareholder could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a Shareholder which is a corporation and for which he acts as proxy as such Shareholder could exercise <u>as if it were an individual Shareholder present in person at any general meeting.</u>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 93(b)	Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 94) authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Shareholders, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Shareholder, including the right to vote individually on a show of hands.	Article 93(b)	Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 94) <u>appoint proxies or</u> authorise such person or persons as it thinks fit to act as its representative or representatives, <u>who enjoy rights of other Shareholders,</u> at any meeting of the Company (<u>including but not limited to general meetings and creditors meetings</u>) or at any meeting of any class of Shareholders, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Shareholder, including the right to <u>speak and</u> vote individually on a show of hands <u>or on a poll.</u>
Article 106(h)	A Director shall vacate his office: (h) if he shall be removed from the office by notice in writing served on him signed by not less than <u>three-quarters</u> in number (or if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.	Article 106(h)	A Director shall vacate his office: (h) if he shall be removed from the office by notice in writing served on him signed by not less than <u>three-fourths</u> in number (or if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 113	The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director, provided that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.	Article 113	The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director, provided that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy <u>on or as an addition to the existing Board</u> shall hold office only until the first <u>annual</u> general meeting of the Company after his appointment and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 114	No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director signed by a Shareholder and notice in writing signed by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office. The <u>period for lodgement of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.</u>	Article 114	No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director signed by a Shareholder and notice in writing signed by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office. <u>The Company shall include the particulars of such proposed person for election as a Director in its announcement or supplementary circular, and shall give the Shareholders at least seven days to consider the relevant information disclosed in such announcement or supplementary circular prior to the date of the meeting of the election.</u>
Article 115	<u>The Company may by Ordinary Resolution remove any Director (including a managing director or other executive director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by Ordinary Resolution elect another person in his stead. Any Director so appointed shall be subject to retirement by rotation pursuant to Article 109.</u>	Article 115	<u>The Shareholders may by Ordinary Resolution remove any Director (including a managing director or other executive director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by Ordinary Resolution elect another person in his stead. Any Director so appointed shall be subject to retirement by rotation pursuant to Article 109.</u>

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
Article 177	(a) <u>The Company</u> shall at each annual general meeting appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of <u>the Company</u> in the <u>annual</u> general meeting except that in any particular year <u>the Company</u> in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.	Article 177	(a) <u>The Shareholders</u> shall at each annual general meeting <u>by Ordinary Resolution (or other body of the Company independent of the Board shall)</u> appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of <u>the Shareholders</u> in the general meeting <u>by Ordinary Resolution (or fixed by other body of the Company independent of the Board)</u> except that in any particular year <u>the Shareholders</u> in general meeting may <u>by Ordinary Resolutions</u> delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.

Currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Articles of Association
	(b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by <u>Special Resolution</u> at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term.		(b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by Ordinary Resolution at any time before the expiration of the term of office and shall, by <u>Ordinary Resolution</u> , at that meeting appoint new auditors in its place for the remainder of the term. <u>The Auditors may also be removed by other body of the Company independent of the Board.</u>

Note: The Amended Memorandum and Articles is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.



GUSHENGTANG HOLDINGS LIMITED

固生堂控股有限公司

(incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 2273)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “**Annual General Meeting**”) of GUSHENGTANG HOLDINGS LIMITED (the “**Company**”) will be held at Units 01–04, 36 Floor, Lifeng Centre, No. 761 Dongfeng East Road, Yuexiu District, Guangzhou, PRC on Thursday, June 16, 2022 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and consolidated affiliated entities, and the reports of the directors (the “**Directors**”) and auditor of the Company for the year ended December 31, 2021.
2. (A) To re-elect Mr. Huang Jingsheng as non-executive Director.
(B) To re-elect Mr. Xu Yongjiu as non-executive Director.
(C) To re-elect Mr. Liu Kanghua as non-executive Director.
(D) To authorize the board of directors (the “**Board**”) to fix the remuneration of all Directors.
3. To re-appoint Ernst & Young as auditor of the Company, to hold office until the conclusion of the next annual general meeting of the Company, and to authorize the Board to fix its remuneration.
4. To consider and, if thought fit, to pass (with or without amendments) the following resolution as an ordinary resolution:

“THAT:

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;

- (iii) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as hereinafter defined) pursuant to the approval in paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or (3) any scrip dividend or similar arrangements providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of 20% of the total number of Shares in issue as at the date of passing this resolution and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of Shares that may be issued under the mandate in paragraph (i) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation and subdivision shall be the same the said approval shall be limited accordingly;

- (iv) for the purpose of this resolution:
 - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

 - (b) “**Rights Issue**” means an offer of Shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion 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, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

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

“THAT:

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited and, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time be and is hereby generally and unconditionally approved;
- (ii) the total number of Shares, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of Shares in issue at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

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

“THAT conditional upon the resolutions numbered 4 and 5 set out in the notice convening this meeting being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4 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 by the Directors pursuant to such general mandate an amount representing the total number of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5 set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the total number of Shares in issue at the date of passing of the said resolutions.”

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SPECIAL RESOLUTION

7. To consider and, if thought fit, to pass (with or without amendments) the following resolution as a special resolution:

“**THAT** the proposed amendments to the articles of associations of the Company as set out in the Appendix III to the circular of the Company dated April 28, 2022 (the “**Circular**”) and the Company’s new tenth amended and restated memorandum and articles of association in the form the document marked “A” produced to the meeting (for the purpose of identification initialed by the chairman of this meeting), which consolidated all of the proposed amendments as mentioned in the Circular, be and are hereby approved and adopted in substitution for and to the exclusion of the existing ninth amended and restated memorandum and articles of association of the Company with immediate effect after the close of the Annual General Meeting and **THAT** any Director or the company secretary of the Company be and is hereby authorized to do all things necessary to effect and record the adoption of the Company’s new tenth amended and restated memorandum and articles of association.”

By order of the Board
GUSHENGTANG HOLDINGS LIMITED
固生堂控股有限公司
Mr. Tu Zhiliang
Chairman

Hong Kong, April 28, 2022

Registered office:
Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Headquarters in the PRC:
Room 102, Building 1
No. 138, Shiyu Road
Nansha District
Guangzhou City
PRC

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen’s Road East
Wanchai
Hong Kong

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Notes:

1. Resolution numbered 6 will be proposed to the shareholders for approval provided that ordinary resolutions numbered 4 and 5 are passed by the shareholders of the Company.
2. A shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of himself/herself/itself; a proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to be valid, a form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
5. For the purpose of determining the entitlement to attend and vote at the Annual General Meeting, the register of members will be closed from June 13, 2022 to June 16, 2022, both days inclusive, during which period no share transfers can be registered. The record date will be June 16, 2022. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on June 10, 2022.
6. In order to facilitate the prevention and control of the spread of COVID-19 at the Annual General Meeting, the Company will implement the following measures at the Annual General Meeting:
 - i. compulsory body temperature checks;
 - ii. wearing of surgical face masks; and
 - iii. no distribution of corporate gifts and refreshments.

The Shareholders are encouraged to appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting, instead of attending the Annual General Meeting in person.

As of the date of this notice, the Board of the Company comprises Mr. TU Zhiliang as Chairman and executive Director, Mr. JIANG Xiaodong, Mr. HUANG Jingsheng, Mr. XU Yongjiu, Mr. LIU Kanghua and Mr. GAO Jian as non-executive Directors, Ms. JIN Xu, Mr. LI Tie and Mr. WU Taibing as independent non-executive Directors.