

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 AGM of Fusen Pharmaceutical Company Limited to be held at Units 5906–5912, 59th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 30 May 2023 at 2:00 p.m. is set out on pages 15 to 19 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 AGM or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the AGM, or any adjourned meeting, should they so wish and in such event, the proxy form previously submitted shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Measures will be taken to prevent and control the spread of the coronavirus disease 2019 (“COVID-19”) at the AGM, including:

- compulsory body temperature checks and health declarations
- compulsory wearing of a surgical face mask for each attendee
- no distribution of corporate gift or refreshment

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. For further details, please refer to page 3 of this circular.

The Company reminds Shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the AGM as an alternative to attending the AGM in person.

Due to the constant evolving novel coronavirus situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the Company’s website at www.fusenyy.com for the latest announcements and information.

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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 Units 5906–5912, 59th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 30 May 2023 at 2:00 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 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”	21 April 2023, 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
“Memorandum”	the memorandum of association of the Company as amended from time to time
“Option(s)”	a right to subscribe for Shares granted pursuant to the terms of the Share Option Scheme
“Outstanding Options”	all the Options granted on 19 July 2019 under the Share Option Scheme with an exercise price of HK\$3.098 per Share which remain outstanding as at the date of this circular
“PRC”	the People’s Republic of China (which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)

DEFINITIONS

“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares not exceeding 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
“Share Option Scheme”	the share option scheme of the Company adopted on 14 June 2018, which is valid and effective for a period of 10 years commencing on 14 June 2018 and will expire on 13 June 2028
“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

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

We care about the health of our Shareholders, staff and stakeholders which is of paramount importance. In view of the ongoing COVID-19 pandemic, the Company will implement the following precautionary measures at the AGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at the meeting venue entrance. Any person whose body temperature over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) Each attendee shall declare whether (a) he/she has traveled outside Hong Kong within the 14-day period immediately before the date of AGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions or is wearing a wristband for compulsory quarantine may be denied entry into the meeting venue or be required to leave the meeting venue.
- (iii) Each attendee inside the meeting venue shall wear self-prepared surgical face mask throughout the meeting and to maintain a safe distance.
- (iv) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all Shareholders that physical attendance in person at the meeting for the purpose of exercising voting rights is not necessary. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and returning the proxy form attached to this circular.

If any Shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our email at enquiry@fusenyy.com.

If any Shareholder has any question relating to precautionary measures of the meeting, please contact the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, as follows:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: (852) 2862 8555

Website: www.computershare.com/hk/contact

Fax: (852) 2865 0990

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 Zhiming
Mr. Hou Taisheng
Ms. Meng Qingfen
Mr. Chi Yongsheng

Registered office:

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Independent non-executive Directors:

Mr. Sze Wing Chun
Mr. Lee Kwok Tung, Louis
Dr. To Kit Wa

*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:*

Workshop 05 & 06, 15/F,
Hundun International Center,
44 Heung Yip Road
Aberdeen
Hong Kong

28 April 2023

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 the re-appointment of auditors and to seek your approval at the AGM in connection with, inter alia, the aforesaid proposals.

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ISSUE MANDATE

On 31 May 2022, 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 or other securities 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 758,439,000 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 151,687,800 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 authorise 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 4 and 6 in the notice of AGM.

REPURCHASE MANDATE

On 31 May 2022, 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 758,439,000 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 75,843,900 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 5 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.

The Issue Mandate and the Repurchase Mandate, if granted at the AGM, will remain in effect until 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

LETTER FROM THE BOARD

Company is required by law or the Articles of Association to be held; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

RE-ELECTION OF DIRECTORS

The Board currently consists of eight Directors, Mr. Cao Changcheng, Mr. Cao Zhiming, Mr. Hou Taisheng, Ms. Meng Qingfen, Mr. Chi Yongsheng, Mr. Sze Wing Chun, Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa.

Pursuant to Article 108 of the Articles of Association, Mr. Cao Changcheng, Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa will retire at the AGM and will, being eligible, offer themselves 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.

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.

The Nomination Committee had, among other things, having regard to the Board Diversity Policy, evaluated the skills, experience, background, expertise and performance of each of Mr. Cao Changcheng, Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa during the period from the respective dates of their appointments to 31 December 2022 and found their performance satisfactory.

Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa have met the independence criteria under the Listing Rules. Moreover, each of Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa has given confirmation of independence to the Company. With due consideration on the above factors, the Board believes that Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa are independent.

In view of the knowledge, experience and skills of Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa in business management, 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.

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

Having considered the above aspects and in view of the contribution that Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa have made to the Board, their re-elections 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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following period for determining eligibility to attend and vote at the AGM:

Latest time to lodge transfer documents for registration:	4:30 p.m., Tuesday, 23 May 2023
Closure of register of members:	Wednesday, 24 May 2023 to Tuesday, 30 May 2023 (both days inclusive)
Record date:	Tuesday, 30 May 2023

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 19 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 authorised representative) or by proxy shall have one vote for each Share registered in his

LETTER FROM THE BOARD

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 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 and to grant to the Directors the Issue Mandate and the Repurchase Mandate and to amend the Memorandum 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 5 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 758,439,000 Shares in issue at the Latest Practicable Date, could result in up to 75,843,900 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 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 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 THE 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 approximately 71.08% 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 78.98% 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, but would result in the percentage of issued Shares held by the public to be reduced 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 issued Shares held by the public being reduced to less than 25% as required under the Listing Rules.

6. SHARE REPURCHASE MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company has repurchased a total of 5,879,000 Shares.

Details of the repurchase of Shares are as follows:

Date of repurchase	Number of Shares repurchased	Price per Share		Aggregate consideration (excluding expenses) <i>HK\$'000</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
March 2023	1,718,000	1.35	1.22	2,270
April 2023	4,161,000	1.35	1.25	5,585

The above repurchases of Shares were made by the Directors pursuant to the general mandate granted by the Shareholders at the annual general meeting held of the Company on 31 May 2022 with a view to benefiting the Shareholders as a whole by enhancing the net asset value per Share and earnings per Share.

Save as disclosed above, the Company has not purchased any Shares (whether on Stock Exchange or otherwise) in the previous 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 twelve months and up to the Latest Practicable Date.

	Highest Traded Price <i>HK\$</i>	Lowest Traded Price <i>HK\$</i>
May 2022	1.10	0.90
June 2022	1.00	0.90
July 2022	0.98	0.91
August 2022	1.02	0.89
September 2022	0.97	0.89
October 2022	1.02	0.92
November 2022	1.20	0.92
December 2022	2.10	0.98
January 2023	1.45	1.27
February 2023	1.38	1.26
March 2023	1.38	1.15
April 2023 (the Latest Practicable Date)	1.38	1.22

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

1. Mr. Cao Changcheng

Mr. Cao Changcheng (曹長城先生), aged 66, is an executive Director, the chairman of the Board and the founder of the Group. Mr. Cao is one of the Controlling Shareholders of the Company (as defined in the Listing Rules) and also a director of a wholly-owned subsidiary of the Company, Henan Fusen. Mr. Cao is primarily responsible for the formulation of overall business development strategy and major business decision of the Group. He has over 22 years of experience in the pharmaceutical industry. Prior to joining the Group, Mr. Cao was the general manager of Henan Xichuan Pharmaceutical Group Company Limited (河南浙川製藥集團有限公司) (“**Henan Xichuan Pharmaceutical**”), a state-owned enterprise established in the PRC principally carrying on the pharmaceutical business, from November 2000 to October 2003.

Under the leadership of Mr. Cao, Henan Fusen successfully developed Shuanghuanglian Oral Solutions and Shuanghuanglian Injections and they have become our major products since 2004. Henan Fusen also obtained 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. Mr. Cao’s innovation also led to the establishment of the Henan Province Microencapsulation Technology Research Centre (河南微囊化藥物工程技術研究中心) in 2012 and Henan Fusen was recognised by the Henan Department of Science and Technology (河南省科學技術廳) as a High New Technology Enterprise (高新技術企業) in 2015.

Mr. Cao obtained a graduation certificate of the major of Economic Administration from Northeastern University (東北大學) in July 2000 through long distance learning. He was awarded a Certificate of the completion of Advance Course in Business Development Strategy and Innovative Operation Skills (企業戰略與創新經營高級研修班) by Tsinghua University (清華大學) in October 2014 through long distance learning.

Mr. Cao has been a member of the 12th People’s Congress of Henan Province (第12屆河南省人民代表大會委員) since January 2013.

Mr. Cao is the father of Mr. Cao Zhiming who is an executive Director and the chief executive officer of the Company.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, (i) Mr. Cao Changcheng has not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; (ii) Mr. Cao Changcheng is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) Mr. Cao Changcheng is not interested in any Shares within the meaning of the Part XV of the SFO; and (iv) there is no other information relating to Mr. Cao Changcheng that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning Mr. Cao Changcheng that needs to be brought to the attention of the Shareholders.

2. Mr. Lee Kwok Tung, Louis

Mr. Lee Kwok Tung, Louis (李國棟先生), aged 55, was appointed as an independent non-executive Director on 15 April 2019. Mr. Lee graduated from Macquarie University in Australia with a Bachelor of Economics in 1992. 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 has accumulated and possessed extensive experience with unlisted groups, listed groups and professional firms in finance, accounting and auditing since 1993.

Mr. Lee is currently an independent non-executive director of CGN Mining Company Limited (listed on the Main Board of the Stock Exchange, stock code: 1164), Redsun Properties Group Limited (listed on the Main Board of the Stock Exchange, stock code: 1996), Titan Invo Technology Limited (listed on the Main Board of the Stock Exchange, stock code: 872), ZONQING Environmental Limited (listed on the Main Board of the Stock Exchange, stock code: 1855) and Zhengwei Group Holdings Company Limited (listed on the Main Board of the Stock Exchange, stock code: 2147).

Mr. Lee was also an independent non-executive director of Winto Group (Holdings) Limited (listed on GEM of the Stock Exchange, stock code: 8238) from January 2015 to May 2016, Zhong Ao Home Group Limited (listed on the Main Board of the Stock Exchange, stock code: 1538) from November 2015 to July 2017, Worldgate Global Logistics Ltd. (listed on GEM of the Stock Exchange, stock code: 8292) from June 2016 to June 2019, China Singyes New Materials Holdings Limited (listed on GEM of the Stock Exchange, stock code: 8073) from June 2017 to December 2019 and Windmill Group Limited (listed on the Main Board of the Stock Exchange, stock code: 1850) from March 2017 to November 2021.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, (i) Mr. Lee Kwok Tung, Louis has not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; (ii) Mr. Lee Kwok Tung, Louis is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) Mr. Lee Kwok Tung, Louis is not interested in any Shares within the meaning of the Part XV of the SFO; and (iv) there is no other information relating to Mr. Lee Kwok Tung, Louis that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning Mr. Lee Kwok Tung, Louis that needs to be brought to the attention of the Shareholders.

3. Dr. To Kit Wa

Dr. To Kit Wa (杜潔華博士), aged 49, was appointed as an independent non-executive Director on 13 August 2020. Dr. To obtained a Bachelor of Science in General Biology in 1996, a Master of Philosophy in 2002 and a Doctor of Philosophy in Cancer Biology in 2007 from The University of Hong Kong. She also received the Certificate and the Diploma of Marketing from HKU School of Professional and Continuing Education in 2000 and 2001 respectively. She also obtained Master of Corporate Governance from Hong Kong Metropolitan University in 2022.

Dr. To joined Winsor (Hong Kong) Limited as an assistant manager to supervise a group of research assistants for the daily operation of a laboratory from 2010 to 2013. Dr. To conducted research in the Laboratory of Biomedical Imaging and Signal Processing in the Department of Electrical and Electronic Engineering, The University of Hong Kong from 2015 to 15 June 2020.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, (i) Dr. To Kit Wa has not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; (ii) Dr. To Kit Wa is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) Dr. To Kit Wa is not interested in any Shares within the meaning of the Part XV of the SFO; and (iv) there is no other information relating to Dr. To Kit Wa that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning Dr. To Kit Wa that needs to be brought to the attention of the Shareholders.

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 Units 5906–5912, 59th Floor, The Center, 99 Queen’s Road Central, Hong Kong, on Tuesday, 30 May 2023 at 2:00 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 2022.
2. (a) To re-elect Mr. Cao Changcheng as executive director of the Company;
(b) To re-elect Mr. Lee Kwok Tung, Louis as independent non-executive director of the Company;
(c) To re-elect Dr. To Kit Wa as independent non-executive director of the Company; and
(d) 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.

SPECIAL BUSINESS

4. 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

NOTICE OF ANNUAL GENERAL MEETING

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
- (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

NOTICE OF ANNUAL GENERAL MEETING

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.”

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

“THAT:

- (a) subject to paragraph (b) below, 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;
- (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.”

NOTICE OF ANNUAL GENERAL MEETING

6. 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. 4 and 5 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. 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 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. 5 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, 28 April 2023

*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:*
Workshop 05 & 06, 15/F,
Hundun International Center,
44 Heung Yip Road
Aberdeen
Hong Kong

Registered Office:
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

NOTICE OF ANNUAL GENERAL MEETING

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 and in such event, the form of proxy previously submitted shall be deemed to be revoked.
- (4) The register of members will be closed from Wednesday, 24 May 2023 to Tuesday, 30 May 2023, 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, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 23 May 2023.
- (5) 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. Cao Changcheng, Mr. Lee Kwok Tung, Louis and Dr. To Kit W 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 28 April 2023.
- (6) An explanatory statement containing further details regarding Resolution no. 5 as required by the Stock Exchange is set out in Appendix I to the circular to the shareholders of the Company dated 28 April 2023.
- (7) 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 Zhiming as executive Directors, and Mr. Sze Wing Chun, Mr. Lee Kwok Tung, Louis and Dr. To Kit Wa as independent non-executive Directors.