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## **Modern Chinese Medicine Group Co., Ltd.**

### **現代中藥集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1643)**

## **NOTICE OF THE 2022 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Modern Chinese Medicine Group Co., Ltd. (the “**Company**”) will be held at Conference Room, 5/F, Dongcaiku Business Port at the intersection of Zhaiying South Street and Huaian Road, Yuhua Area, Shijiazhuang City, Hebei Province, PRC on Monday, 23 May 2022 at 10:00 a.m. for the following purposes:

1. To consider, adopt and receive the audited consolidated financial statements of the Company and the reports of the directors and auditor of the Company for the year ended 31 December 2021;
2. To declare a final dividend of 1.67 Hong Kong cents per ordinary share for the year ended 31 December 2021;
3. To re-elect Mr. Jiang Zhendong as an executive director of the Company;
4. To re-elect Mr. Chan Kam Leung as an independent non-executive director of the Company;
5. To authorize the board of directors of the Company to fix the respective directors’ remuneration;
6. To re-appoint Mazars CPA Limited as auditor of the Company and to authorize the board of directors of the Company to fix auditor’s remuneration;
7. 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 defined below) of all the powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited or on another stock exchange recognized by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;

- (b) the total number of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purpose 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
  - (iii) 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.”;

8. 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, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of the outstanding conversion rights attaching to any convertible bonds or securities issued by the Company, which are convertible into shares of the Company;
  - (iii) the exercise of options under a share option scheme of the Company; and

- (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; 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 (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

“**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”; and

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

“**THAT** conditional upon the passing of the resolutions set out in items 7 and 8 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 8 of the Notice be and is hereby extended by the addition to the total number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of the total number of shares purchased by the

Company pursuant to the general mandate referred to in the resolution set out in item 7 of the Notice, provided that such amount shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this resolution.”.

By order of the Board  
**Modern Chinese Medicine Group Co., Ltd.**  
**Zhang Hongli**  
*Executive Director*

Hong Kong, 20 April 2022

*Notes:*

- a. Any member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its 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.
- b. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Share Registrar in Hong Kong (i.e. 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 this meeting (i.e. not later than 10:00 a.m. on Saturday, 21 May 2022) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at this meeting and, in such event, the form of proxy shall be deemed to be revoked.
- c. For determining the entitlement to attend and vote at this meeting, the register of members of the Company will be closed from Wednesday, 18 May 2022 to Monday, 23 May 2022 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at this meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates are lodged with the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at the above address for registration no later than 4:30 p.m., on Tuesday, 17 May 2022.
- d. For determining the entitlement to the proposed final dividend (subject to approval by the shareholders at the Annual General Meeting), the Register of Members of the Company will be closed from Friday, 27 May 2022 to Monday, 30 May 2022 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on Thursday, 26 May 2022.
- e. References to time and dates in the Notice are to Hong Kong time and dates.

## PRECAUTIONARY MEASURES FOR THE 2022 AGM

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the 2022 AGM:

- (1) compulsory temperature screening;
- (2) mandatory use of surgical face mask;
- (3) mandatory health declaration – anyone subject to quarantine, has any flu-like symptoms or has Recent Travel History or has close contact with person under quarantine or with Recent Travel History will not be permitted to attend the 2022 AGM; and
- (4) anyone attending the AGM is reminded to observe good personal hygiene at all times.

Attendees who do not comply with the precautionary measures (1) to (4) above may be denied entry to the 2022 AGM venue, at the discretion of the Company to the extent permitted by law. To safeguard health and safety of the Shareholders and the participants of the 2022 AGM as far as possible, while safeguarding the legal rights of the Shareholders under the laws, Shareholders are advised to preferably appoint the chairman of the meeting as their proxies who will vote on the relevant resolutions on their behalf at the 2022 AGM rather than attending the 2022 AGM in person.

*As at the date of this announcement, the Board comprises three executive Directors, namely, Ms. Zhang Hongli, Mr. Li Jinglian and Mr. Jiang Zhendong; and three independent non-executive Directors, namely, Ms. Liu Ling, Mr. Leung Tsz Wing and Mr. Chan Kam Leung.*