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

If you have sold or transferred all your shares in Modern Chinese Medicine Group Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND
TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
OF THE COMPANY
AND
PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES
OF ASSOCIATION AND THE ADOPTION OF THE NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening the 2023 AGM of Modern Chinese Medicine Group Co., Ltd. to 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 Tuesday, 30 May 2023 at 10:00 a.m. is set out on pages 26 to 30 of this circular. A form of proxy for use at the 2023 AGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.cdysjddy.com).

Whether or not you are able to attend the 2023 AGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the 2023 AGM (i.e. not later than 10:00 a.m. on Sunday, 28 May 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the 2023 AGM if they so wish.

References to time and dates in this circular are to Hong Kong time and dates.

Hong Kong, 27 April 2023

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DEFINITIONS

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

“2023 AGM”	the annual general meeting of the Company to 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 Tuesday, 30 May 2023 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 26 to 30 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Company”	Modern Chinese Medicine Group Co., Ltd. 現代中藥集團有限公司, a 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;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	20 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Date”	15 January 2021, being the date on which dealings in the Shares first commenced on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Member(s)” or “Shareholder(s)”	holder(s) of the Share(s);
“Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company currently in force;

DEFINITIONS

“New Memorandum and Articles of Association”	the second amended and restated memorandum and articles of association of the Company, consolidating all the Proposed Amendments;
“Nomination Committee”	the nomination committee of the Company;
“PRC”	The People’s Republic of China;
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles of Association, details of which are set out in Appendix III to the circular;
“Repurchase Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong; and
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Ms. Zhang Hongli (*Chief Executive Officer*)

Mr. Li Jinglian

Mr. Jiang Zhendong

Registered Office:

89 Nexus Way, Camana Bay

Grand Cayman

KY1-9009 Cayman Islands

Independent Non-executive Directors:

Ms. Liu Ling

Mr. Leung Tsz Wing

Mr. Wong Chi Kin

Corporate headquarters in the PRC:

No. 88 Jinwei Road

Chengde City, Hebei Province

PRC

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND
TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
OF THE COMPANY
AND
PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES
OF ASSOCIATION AND THE ADOPTION OF THE NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the 2023 AGM for (i) the granting of the Repurchase Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the number of issued Shares repurchased

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by the Company under the Repurchase Mandate; (iv) the re-election of the retiring Directors; and (v) the amendments to the Memorandum and Articles of Association and the adoption of the New Memorandum and Articles of Association.

2. PROPOSED GRANTING OF THE REPURCHASE AND ISSUANCE MANDATES

Pursuant to the resolutions passed by the then Shareholders on 23 May 2022, the Directors were given a general unconditional mandate to repurchase Shares on the Stock Exchange and to issue unissued Shares. Up to the Latest Practicable Date, such mandates have not been used and, if not used by the date of the 2023 AGM, will lapse at the conclusion of the 2023 AGM.

In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the 2023 AGM to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares, on the Stock Exchange or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, not exceeding 10% of the total number of issued Shares as at the date of passing such resolution (i.e. not exceeding 60,000,000 Shares on the basis that the existing issued share capital of the Company of 600,000,000 Shares remains unchanged as at the date of the 2023 AGM) (the “**Repurchase Mandate**”);
- (b) to allot, issue or deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing such resolution (i.e. not exceeding 120,000,000 Shares on the basis that the existing issued share capital of the Company of 600,000,000 Shares remains unchanged as at the date of the 2023 AGM) (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the 2023 AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 7 and 8 of the notice of the 2023 AGM as set out on pages 26 to 30 of this circular.

In accordance with the requirements of the Listing Rules, the Company shall send to Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 108 of the Articles of Association, Mr. Li Jinglian and Mr. Leung Tsz Wing shall retire from office by rotation and, being eligible, will offer themselves for re-election at the 2023 AGM. Besides, pursuant to Article 112 of the Articles of Association, 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. As Mr. Wong Chi Kin (“**Mr. Wong**”) was appointed as an independent non-executive Director on 13 April 2023, he shall hold office until the 2023 AGM (which will be the first general meeting of the Company after his appointment) and be re-elected at the 2023 AGM.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company’s Board Diversity Policy, Procedures for the Nomination Committee to Nominate to the Board a Person as Director, the Company’s corporate strategy and the independence of the independent non-executive Directors.

Each of Mr. Leung Tsz Wing and Mr. Wong, the retiring independent non-executive Directors, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The aforesaid independent non-executive Directors also demonstrate the ability to provide an independent, balanced and objective view to the Company’s matters. The Nomination Committee and the Board thus considered that each of the retiring independent non-executive Directors is independent in accordance with the independence guidelines set out in the Listing Rules.

Besides, the Nomination Committee and the Board believed that all the retiring Directors will continue to make contribution to the Board and are satisfied with all the retiring Directors’ contribution to the Company, which will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. The Nomination Committee and the Board therefore recommended the re-election of all the retiring Directors, including the aforesaid independent non-executive Directors, who are due to retire at the 2023 AGM.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be reelected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders’ approval at that relevant general meeting. The requisite details of all retiring Directors are set out in Appendix II to this circular.

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4. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND THE ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 13 April 2023 in relation to the Proposed Amendments.

The Board is pleased to announce that, in order to

- (i) conform with the core shareholder protection standards set out in Appendix 3 to the Listing Rules;
- (ii) bring the Memorandum and Articles of Association in line with the latest legal and regulatory requirements under the applicable laws of the Cayman Islands and the Listing Rules;
- (iii) incorporate certain consequential, tidy-up and housekeeping amendments. The Board proposes to amend the Memorandum and Articles of Association by way of adoption of the New Memorandum and Articles of Association. A summary of the major changes brought about by the adoption of the New Memorandum and Articles of Association are set out below:
 - (1) to include the definitions of “HKSCC” to align the relevant provisions in the New Articles of Association with the applicable laws of the Cayman Islands and the Listing Rules and make corresponding changes to the relevant articles;
 - (2) to clarify that a change to special rights attached to that class of Shares need to be approved by not less than three-fourths of the voting rights of the Members to the class to which the rights are attached;
 - (3) to provide that the Company shall hold an annual general meeting in each of its financial year and such annual general meeting must be held within six months after the end of the Company’s financial year;
 - (4) to clarify that one or more Member(s) holding at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting be called for the transaction of any business specified in such requisition and add resolutions to the agenda of a meeting;
 - (5) to provide that an annual general meeting of the Company must be called by notice in writing of not less than twenty-one (21) clear days, while all other general meetings (including an extraordinary general meeting) must be called by notice in writing of not less than fourteen (14) clear days but if

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permitted by the Listing Rules, a general meeting may be called by shorter notice, subject to the Act if it is so agreed under the circumstances set out in the New Articles of Association;

- (6) to provide that all Members (including a Member which is a clearing house (or its nominee(s)) shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration;
- (7) to clarify that the clearing house (or its nominee(s)) must be entitled to appoint such persons as proxies or to authorise such persons to act as its representatives and persons so appointed or authorised shall be entitled to exercise the same rights and powers of the clearing house (or its nominee(s)) as if such person was the registered holder of the Shares held by the clearing house (or its nominee(s)), including the right to speak.
- (8) to clarify that every Member being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A Member being a corporation may execute a form of proxy under the hand of a duly authorised officer.
- (9) to clarify that any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election;
- (10) to clarify that the Members may, at any general meeting convened and held in accordance with the New Articles of Association, by ordinary resolution remove a Director (including a managing director or other executive director);
- (11) to clarify that the Members shall at the annual general meeting or at a subsequent extraordinary general meeting in each year appoint an auditor to audit the accounts of the Company by ordinary resolution and such auditor shall hold office until the next annual general meeting;
- (12) to provide that the Members may by ordinary resolution, remove the auditor of the Company at any time before expiration of his term of office and appoint another auditor in his stead for the remainder of his term;
- (13) to provide that the financial year end of the Company shall be 31 December in each year, unless otherwise determined by the Directors; and

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- (14) to make other housekeeping amendments, including making consequential amendments in line with the above amendments and other house-keeping amendments to the Memorandum and Articles of Association.

The full particulars of the Proposed Amendments (marked-up against the Articles of Association) is set out in Appendix III to this circular. The New Memorandum and Articles of Association is written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of the New Memorandum and Articles of Association is purely a translation only. Should there be any discrepancy, the English version shall prevail.

The Proposed Amendments and the adoption of the New Memorandum and Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the AGM, and will become effective upon the approval by the Shareholders at the AGM. The full text of the resolution is set out as special resolution number 10 in the notice of AGM on page 29 of this circular.

The legal advisers to the Company as to Hong Kong laws have confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and the legal advisers to the Company as to the laws of the Cayman Islands have confirmed that the Proposed Amendments do not violate the applicable laws of the Cayman Islands.

The Company confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

5. 2023 AGM AND PROXY ARRANGEMENT

The notice of the 2023 AGM is set out on pages 26 to 30 of this circular. At the 2023 AGM, resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate and the re-election of the retiring Directors.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the 2023 AGM. An announcement on the poll vote results will be made by the Company after the 2023 AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the 2023 AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cdysjdyy.com). Whether or not you are able to attend the 2023 AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the 2023 AGM (i.e. not later than

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10:00 a.m. on Sunday, 28 May 2023) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2023 AGM in person if you so wish and, in such event, your form of proxy shall be deemed to be revoked.

6. RECOMMENDATION

The Directors consider that the granting of the Repurchase Mandate, the granting and extension of the Issuance Mandate, the re-election of the retiring Directors and the amendments to the Memorandum and Articles of Association and the adoption of New Memorandum and Articles of Association are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the 2023 AGM.

7. 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 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.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

The following is an explanatory statement required by the Listing Rules to be sent to Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2023 AGM in relation to the granting of the Repurchase Mandate.

1. REASONS FOR REPURCHASE OF SHARES

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company, the Group and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 600,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 7 of the notice of the 2023 AGM in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged as at the date of the 2023 AGM, i.e. being 600,000,000 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, 60,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of the 2023 AGM.

3. FUNDING OF REPURCHASES

Repurchases of Shares will be funded from the Company's internal resources, which shall be funds legally available for such purpose in accordance with the Company's Memorandum and Articles of Association, the Listing Rules, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2022) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase

Mandate to such an 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 befitting the Company.

5. TAKEOVERS CODE

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 of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, 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 for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Modern Biotechnology Group Holdings Co., Ltd held 450,000,000 Shares, representing 75.00% of the total issued share capital of the Company. Modern Biotechnology Group Holdings Co., Ltd is wholly-owned by Mr. Xie Wei ("Mr. Xie"), the former Chairman of the Board and a former executive Director, who passed away on 24 December 2021. On the basis that (i) the issued share capital of the Company (being 600,000,000 Shares) remains unchanged as at the 2023 AGM; and (ii) the shareholding interests held by Modern Biotechnology Group Holdings Co., Ltd remains unchanged immediately after the full exercise of the Repurchase Mandate, in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding interests of Modern Biotechnology Group Holdings Co., Ltd would be increased to approximately 83.33% of the total issued share capital of the Company. The Directors are not aware of any consequences which would give rise to an obligation on the part of Modern Biotechnology Group Holdings Co., Ltd and its beneficial owner (see note below) to make a mandatory offer under Rule 26 of the Takeovers Code.

In addition, the Company has no intention to exercise the Repurchase Mandate to the effect that it will result in the public float to fall below 25% or such other minimum percentage prescribed by the Listing Rules from time to time.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

Note:

Due to the passing away of Mr. Xie in December 2021, the spouse of Mr. Xie, Ms. Sun Xinlei (孫新磊) had (i) engaged her legal counsel in the BVI to process her application for the inheritance of Mr. Xie's estate, and (ii) received preliminary requisitions from the BVI Court regarding such application as at the date of this circular.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2022		
April	0.80	0.59
May	0.66	0.49
June	0.57	0.48
July	0.52	0.45
August	0.50	0.41
September	0.47	0.42
October	0.46	0.40
November	0.50	0.40
December	0.67	0.47
2023		
January	0.57	0.49
February	0.55	0.50
March	0.55	0.46
April (up to the Latest Practicable Date)	0.53	0.48

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the 6 months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the 2023 AGM according to the Articles of Association, are provided below.

(1) MR. LI JINGLIAN

Position and experience

Mr. Li Jinglian (栗景連) (formerly known as Li Jinglian (栗景蓮)) (“**Mr. Li**”), aged 43, is our executive Director and the chief operating officer. He was appointed as our executive Director on 7 January 2020, responsible for overseeing sales and marketing of our Group. Mr. Li joined Chengde Yushi in August 2014 as marketing and sales director of our Group.

Mr. Li has over 17 years of experience in sales and marketing in the traditional Chinese medicine industry. From August 1998 to December 2003, Mr. Li served as a houseman in Changchun Shuangyang District Hospital* (長春市雙陽區醫院). From January 2004 to January 2007, Mr. Li served as a salesperson in Changchun Baohua Pharmaceutical Company Limited* (長春寶華醫藥有限公司), a company engaged in the sales of pharmaceutical products. From February 2007 to April 2010, Mr. Li served as a store manager in Changchun Yuxintang Pharmacy* (長春市玉信堂藥房), a company engaged in the sales of pharmaceutical products. From May 2010 to July 2014, Mr. Li served as a sales director in Liaoning Deshan Pharmaceutical Company Limited* (遼寧德善藥業股份有限公司), a company engaged in the production of pharmaceutical products and Chinese medicine.

Mr. Li graduated from Shuangyang Health Workers Secondary Specialised School* (雙陽衛生職工中等專業學校) in the community medicine specialist (社區醫士專業) in July 1998. Mr. Li was qualified as a physician by Changchun Shuangyang District Personnel Labour and Social Security Bureau* (長春市雙陽區人事勞動和社會保障局) in January 2001. He completed the Jilin Province Commerce Association Chairman EMBA President Course* (吉林省首屆商協會會長EMBA總裁班) organised by Dalian City Ganjingzi District Mingshi Business Administration Training School* (大連市甘井子區名仕工商管理培訓學校) and Advanced Research Course in Leadership of Medicine Chain Corporations* (醫藥連鎖企業卓越領導高級研修項目) organised by Tsinghua University Association of Senior Scientists and Technicians (清華大學老科學技術工作者協會) in May 2019 and July 2019, respectively.

* The English names of the above companies/facilities/colleges represent the best effort made by the directors of the Company to translate the Chinese names as their names have not been registered officially in English.

Length of service and director's emoluments

Pursuant to the service agreement entered into between Mr. Li and the Company, his initial term of office is 3 years from 18 December 2020. He is also subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles of Association.

For the year ended 31 December 2022, Mr. Li received by way of remuneration and/or other emoluments the amount of approximately RMB779,000 from the Group. The remuneration and/or other emoluments of Mr. Li are determined by the Board by reference to his performance, experience and responsibilities and the Company's remuneration policy.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Li was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Li does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Li to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

(2) MR. LEUNG TSZ WING**Position and experience**

Mr. Leung Tsz Wing (“**Mr. Leung**”), aged 39, was appointed as our independent non-executive Director on 18 December 2020. He is also the chairman of the Audit Committee.

Mr. Leung joined Avantfaire Investment Management Limited, a licensed corporation authorised by the SFC conducting regulated activities of advising on securities and asset management in Hong Kong, in December 2017 and is currently its managing partner. Mr. Leung started his career at Deloitte Touche Tohmatsu in August

2005 and left as a senior associate in July 2010. He was the vice president of Fortune Investment Capital Limited from September 2010 to February 2012, responsible for private equity investments. He was the head of internal audit of USI Partners Limited from March 2012 to September 2014. From October 2014 to March 2015, Mr. Leung was a financial controller of Tibet Development Holdings Company Limited. From April 2015 to July 2015, he was the vice president of Simsen International Financial Group Limited, a subsidiary of Huarong International Financial Holdings Limited (stock code: 993), a company listed on the Stock Exchange, responsible for strategic investments. He was the vice president of Imperial Pacific International Limited (stock code: 1076), a company listed on the Stock Exchange, responsible for strategic investments from August 2015 to March 2017. From March 2017 to October 2017, Mr. Leung was the investment director of HX Innovation Capital Management Co. Limited. From November 2018 to November 2021, he was an independent non-executive director of China Carbon Neutral Development Group Limited (formerly known as Bisu Technology Group International Limited) (stock code: 1372), a company on the Stock Exchange. From January 2022, he is an independent non-executive director of “Wonderful Sky Financial Group Holdings Limited” (stock code: 1260), a company on the Stock Exchange.

Mr. Leung obtained a Bachelor of Business Administration (Accounting & Finance) from the Hong Kong University of Science and Technology. He is a member of the Hong Kong Institute of Certified Public Accountants since 2009 and a fellow member since 2016. He also holds Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations.

* The English names of the above companies/facilities/colleges represent the best effort made by the directors of the Company to translate the Chinese names as their names have not been registered officially in English.

Length of service and director’s emoluments

Pursuant to the letter of appointment issued by the Company to Mr. Leung, he has been appointed for a term of 1 year from 18 December 2020. Thereafter, the term of such letter of appointment is automatically renewed on a month-to-month basis, subject to the termination clauses therein. He is also subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles of Association.

For the year ended 31 December 2022, Mr. Leung received by way of remuneration and/or other emoluments the amount of approximately RMB103,000 from the Group. The remuneration and/or other emoluments of Mr. Leung are determined by the Board by reference to his performance, experience and responsibilities and the Company’s remuneration policy.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Leung was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Leung does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Leung to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Leung that need to be brought to the attention of the Shareholders.

(3) MR. WONG CHI KIN**Position and experience**

Mr. Wong, aged 49, has over 25 years of solid accounting, banking and corporate finance experience with reputable commercial banks and leading investment banks (including UBS and Morgan Stanley) as well as various companies in Hong Kong and the United Kingdom. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of CPA Australia.

Mr. Wong was appointed as an independent non-executive director of Tsui Wah Holdings Limited (“**Tsui Wah**”), whose shares are listed on the Stock Exchange (Stock Code: 1314), in November 2012 and was re-designated as a non-executive director of Tsui Wah in November 2016. Further, Mr. Wong was appointed as a non-executive director of Asiaray Media Group Limited, whose shares are listed on the Stock Exchange (Stock Code: 1993), in March 2017 mainly responsible for strategic mergers and acquisitions as well as capital market transactions. Mr. Wong is also an independent non-executive director of Forgame Holdings Limited, whose shares are listed on the Stock Exchange (Stock Code: 484) in May 2020.

Also, Mr. Wong was the chief financial officer of Orient Victory Travel Group Company Limited (“**Orient Victory**”), whose shares are listed on the Stock Exchange (Stock Code: 265), during the period from October 2014 to October 2018. Prior to joining Orient Victory, Mr. Wong held various management positions at China Qinfa Group Limited, whose shares are listed on the Stock Exchange (Stock Code: 866),

including (i) deputy chief financial officer (from April 2011 to September 2011); (ii) chief financial officer (from September 2011 to October 2014); and (iii) company secretary and authorised representative (from July 2011 to August 2014).

For the period from July 2018 to July 2019, given Mr. Wong's professional background and his areas of expertise, he was appointed as (i) the chairman of the independent board committee of Shenzhou Space Park Group Limited ("**Shenzhou Space**") (which was wound up on 6 January 2020), whose shares were listed on the Stock Exchange (former Stock Code: 692) and delisted in December 2019 under Rule 6.01A of the Listing Rules, and an independent non-executive director. Mr. Wong played curial roles in delivering independent advice on listing resumption proposal and corporate governance issues as well as providing guidance in the investigation of certain transactions throughout his appointment in Shenzhou Space (for details, please refer to the announcement of Shenzhou Space dated 9 December 2019); and (ii) a member of the independent investigation committee of Mayer Holdings Limited, whose shares are listed on the Stock Exchange (Stock Code: 1116), and an independent non-executive director, for the period from November 2021 to February 2022.

Mr. Wong obtained a Bachelor of Science (Honours) degree in Finance from The City University of Hong Kong in December 1996, a Certificate in Consecutive Interpretation: Putonghua/English from The School of Professional and Continuing Education of The University of Hong Kong in March 2001, a Master's degree in Practising Accounting from The Monash University, Australia in November 2001, and a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in December 2010 (Dean's list: 2009/2010).

Length of service and director's emoluments

An appointment letter will be made between the Company and Mr. Wong. Mr. Wong is not appointed for a specific term but is subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Mr. Wong will be entitled to a director's fee of RMB100,000 per annum which is determined by the Board by reference to his experience and responsibilities and the Company's remuneration policy.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wong was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wong does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Wong to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders.

**APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION**

The following are the proposed amendments to the Memorandum and Articles of Association brought about by the adoption of the New Memorandum and Articles of Association. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the Memorandum and Articles of Association.

Article No.	Proposed amendments (showing changes to the Memorandum and Articles of Association)
1.	<p>(b) Any marginal notes, titles or lead in references to Articles and the index of the Memorandum and Articles of Association shall not form part of the Memorandum or Articles of Association and shall not affect their interpretation. In interpreting these Articles of Association, unless there be something in the subject or context inconsistent therewith:</p> <p style="text-align: center;">....</p> <p>Clearing House: means a clearing house recognised by the laws of the jurisdiction in which the Shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction, <u>including in the case of the Company, the HKSCC;</u></p> <p style="text-align: center;">....</p> <p><u>HKSCC:</u> shall have the meaning as defined in the Listing Rules;</p> <p style="text-align: center;">.....</p> <p>Hong Kong: means the Hong Kong Special Administrative Region of the People’s Republic of China;</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION**

Article No.	Proposed amendments (showing changes to the Memorandum and Articles of Association)
5.	<p>(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 the Shares or any class of Shares (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, modified or abrogated either with the consent in writing of the holders of not less than $\frac{3}{4}$ in nominal value of the <u>voting rights of the Shareholders holding</u> issued Shares of that class or with the sanction of a <u>resolution</u> Special Resolution passed by at least $\frac{3}{4}$ of the votes cast by the <u>Shareholders of that class present and voting in person or by proxy</u> at a separate general meeting of the holders of the Shares of that class <u>such Shareholders</u>. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or representing by proxy not less than one-third in nominal value of the issued Shares of that class, that the quorum for any meeting adjourned for want of quorum shall be 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) and that 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>
17.	<p>(c) During the Relevant Period (except when the Register is closed in accordance with these Articles), the Register shall be open to inspection for at least two (2) hours during business hours by any Shareholder without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the Board, at the registered office or such other place at which the Register is kept in accordance with the Companies Act or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the Board, at the office where the branch register of Shareholders is kept, 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.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION**

Article No.	Proposed amendments (showing changes to the Memorandum and Articles of Association)
62.	<p>At all times during the Relevant Period other than the year of the Company's adoption of these Articles, The Company must <u>shall</u> in each <u>financial</u> year hold a general meeting as its annual general meeting in addition to any other meeting in that <u>financial</u> year and shall specify the meeting as such in the notice calling it; and not more than 15 Months after the holding of the last preceding annual general meeting or not more than eighteen (18) months after the date of adoption of these Articles, unless a longer period would not infringe the rules of the Stock Exchange. 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.</p>
64.	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholder(s) <u>(including a recognised clearing house (or its nominee(s)))</u> holding, 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>on a one vote per share basis in the share capital of the Company</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 <u>and the foregoing Shareholder(s) shall be able to add resolutions to the meeting agenda</u>. 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.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION**

Article No.	Proposed amendments (showing changes to the Memorandum and Articles of Association)
65.	<p>An annual general meeting of the Company shall be called by not less than 21 clear days' notice in writing and not less than 20 clear business days. All other general meetings (including an extraordinary general meeting) shall be called by at least 14 clear days' notice in writing and not less than 10 clear business days. 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 time and place 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, subject to the Companies Act and the Listing Rules 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% of the total voting rights at the meeting of all members of the Company.</p>
<u>79B</u>	<p><u>Shareholders 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>

**APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION**

Article No.	Proposed amendments (showing changes to the Memorandum and Articles of Association)
85.	<p>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 of the Company, <u>and that every Shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer.</u> 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 authorised 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.</p>
92.	<p>(b) Where a Clearing House (or its nominee(s)), it may (subject to Article 93) is a Shareholder, it may authorise such person or persons as it thinks fit to act as its representative or representatives <u>and its proxy or proxies</u> at any meeting of the Company or at any meeting of any class of Shareholders <u>(including but not limited to any general meeting and creditors meeting)</u> 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, <u>the right to speak and vote, and</u> where a show of hands is allowed, the right to vote individually on a show of hands.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION**

Article No.	Proposed amendments (showing changes to the Memorandum and Articles of Association)
112.	<p>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 but so 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 <u>annual</u> 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 <u>first</u> annual general meeting of the Company <u>after his appointment</u> 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.</p>
114.	<p>The Shareholders <u>Company</u> may, <u>at any general meeting convened and held in accordance with these Articles,</u> by Ordinary Resolution remove any Director (including a managing director or other executive director) before the expiration of his period 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 appoint another person in his stead <u>at the same meeting</u>. Any Director so appointed shall be subject to retirement by rotation pursuant to Article 108.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION**

Article No.	Proposed amendments (showing changes to the Memorandum and Articles of Association)
176.	<p>(a) At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Shareholders shall <u>by Ordinary Resolution</u>, appoint an Auditor to audit the accounts of the Company and such Auditor shall hold office until the next annual general meeting. Such Auditor may be a Shareholder but no Director, officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor. The Board may fill any casual vacancy in the office of, but while any such vacancy continues the surviving or continuing Auditor (if any) may act. The remuneration of the Auditor shall be fixed by the <u>Shareholders</u> Company <u>by Ordinary Resolution</u> in general meetings or in such manner as the Shareholders may determine.</p> <p>(b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditor by Special <u>Ordinary</u> Resolution at any time before the expiration of his term of office and shall, by Ordinary Resolution, at that meeting appoint another Auditor in his stead for the remainder of his term, <u>and determine the remuneration of such Auditor.</u></p> <p>(c) <u>The appointment, removal and remuneration of the Auditors must be approved by a majority of the Shareholders in a general meeting or by other body that is independent of the Board.</u></p>
	<u>FINANCIAL YEAR</u>
<u>197</u>	<u>Unless otherwise determined by the Board, the financial year end of the Company shall be 31 December in each year.</u>

NOTICE OF THE 2023 AGM



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 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 Tuesday, 30 May 2023 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

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 2022;
2. To re-elect Mr. Li Jinglian as an executive director of the Company;
3. To re-elect Mr. Leung Tsz Wing as an independent non-executive director of the Company;
4. To re-elect Mr. Wong Chi Kin 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

NOTICE OF THE 2023 AGM

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;

NOTICE OF THE 2023 AGM

- (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

NOTICE OF THE 2023 AGM

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 7 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 8 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.”.

SPECIAL RESOLUTION

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

“**THAT** the second amended and restated memorandum and articles of association of the Company (the “**New Memorandum and Articles of Association**”) (a copy of which has been produced to this meeting and marked “A” and initialed by the chairlady of this meeting for the purpose of identification) be and are hereby approved and adopted in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect after the close of this meeting and that any one Director or company secretary of the Company be and are hereby authorised to do all things necessary to implement the adoption of the New Memorandum and Articles of Association.”

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

Hong Kong, 27 April 2023

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.

NOTICE OF THE 2023 AGM

- 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 Sunday, 28 May 2023) 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, 24 May 2023 to Tuesday, 30 May 2023 (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, 23 May 2023.

- d. References to time and dates in the Notice are to Hong Kong time and dates.