

---

**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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in China Medical System Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

---



**CHINA MEDICAL SYSTEM HOLDINGS LIMITED**

康哲藥業控股有限公司 \*

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

**(Stock Code: 867)**

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
DECLARATION OF FINAL DIVIDEND,  
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the annual general meeting of the Company (the “AGM”) to be held with the combination of a physical meeting at Room V603, 6th Floor, Block B, Majialong Chuangxin Building, 198 Daxin Road, Nanshan District, Shenzhen, Guangdong Province, the PRC and an online virtual meeting on Friday, 22 April 2022 at 10:00 a.m. is set out on pages 16 to 21 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

Whether or not you are able to attend the AGM in person or via online platform, please complete the accompanying form of proxy 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, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person or via online platform at the AGM or any adjournment thereof should you so wish.

*\* For identification purpose only*

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of Shareholders, the Company will implement the following precautionary measures at the AGM:

- requirement of negative result of COVID-19 nucleic acid test taken in the PRC within 24 hours
- compulsory body temperature checks
- compulsory wearing of medical surgical face masks
- no provision of refreshments and corporate gifts

Any person who does not comply with the precautionary measures may, to the extent permitted under applicable laws, be denied entry into the venue of the AGM. All attendees are requested to wear medical surgical face masks at all times at the venue of the AGM. Shareholders are reminded to attend and vote on the relevant resolutions at the AGM via online platform or by appointing the chairman of the AGM as proxy to attend and vote on the relevant resolutions at the AGM instead of attending the AGM in person.

21 March 2022

---

## CONTENTS

---

<b>PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING.....</b>	<b>1</b>
<b>DEFINITIONS .....</b>	<b>2</b>
<b>EXPECTED TIMETABLE .....</b>	<b>4</b>
<b>LETTER FROM THE BOARD.....</b>	<b>5</b>
Introduction .....	6
Re-election of the Retiring Directors.....	6
Proposed Final Dividend .....	6
Closure of Register of Members .....	7
General Mandate and Repurchase Mandate.....	7
Annual General Meeting .....	8
Responsibility Statement .....	9
Recommendation .....	9
<b>APPENDIX I – DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED.....</b>	<b>10</b>
<b>APPENDIX II – EXPLANATORY STATEMENT OF REPURCHASE MANDATE.....</b>	<b>13</b>
<b>NOTICE OF ANNUAL GENERAL MEETING.....</b>	<b>16</b>

---

## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

---

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the AGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) negative result of COVID-19 nucleic acid test taken in the PRC within 24 hours is required to enter the AGM venue;
- (ii) compulsory body temperature checks will be conducted on every attending Shareholder, proxy and other attendees at the entrance of the AGM venue. Any person found to be suffering from a fever or otherwise unwell will be denied entry into the AGM venue or be required to leave the AGM venue;
- (iii) all attendees are requested to wear medical surgical face masks at the AGM venue at all times, and to maintain a safe distance with other attendees; and
- (iv) no refreshments and corporate gifts will be provided. To the extent permitted under applicable laws, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and in response to the recent guidelines on prevention and control of COVID-19 pandemic, Shareholders are reminded that **physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, Shareholders may attend and vote on the relevant resolutions at the AGM via online platform, or by completing form of proxy in accordance with the instructions printed thereon, Shareholders may appoint the chairman of the AGM as proxy to attend and vote on the relevant resolutions at the AGM instead of attending the AGM in person.**

---

## DEFINITIONS

---

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held with the combination of a physical meeting at Room V603, 6th Floor, Block B, Majialong Chuangxin Building, 198 Daxin Road, Nanshan District, Shenzhen, Guangdong Province, the PRC and an online virtual meeting on Friday, 22 April 2022 at 10:00 a.m., a notice of which is set out on pages 16 to 21 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	China Medical System Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Final Dividend”	the proposed final dividend of RMB0.2269 (equivalent to HK\$0.279) per Share for the year ended 31 December 2021 to Shareholders whose names appear on the Register on the Record Date
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and otherwise deal with unissued Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of granting the general mandate
“Group”	the Company and all of its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	Tuesday, 15 March 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Record Date”	Thursday, 28 April 2022, being the record date for the determination of entitlement of the Shareholders to the Final Dividend
“Register”	the register of members of the Company

---

## DEFINITIONS

---

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the aggregate nominal value of the issued share capital of the Company as at the date of granting the repurchase mandate
“RMB”	Renminbi yuan, 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) with a nominal value of US\$0.005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

---

## EXPECTED TIMETABLE

---

2022:

Dispatch of this circular and notice of the AGM	Monday, 21 March
Last share registration date in order to qualify for attending and voting at the AGM	4:30 p.m., Wednesday, 13 April
Closure of Register for determination of the entitlement to attend and vote at the AGM (both days inclusive)	from Thursday, 14 April to Friday, 22 April
Latest time for lodging forms of proxy for the AGM (in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof)	10:00 a.m., Wednesday, 20 April
Date and time of the AGM	10:00 a.m., Friday, 22 April
Date of the Poll Results Announcement of the AGM	Friday, 22 April
Last day of dealings in the Shares on a cum-entitlement basis	Monday, 25 April
First day of dealings in the Shares on an ex-entitlement basis	Tuesday, 26 April
Latest time for lodging transfer of Shares for registration in order to qualify for the Final Dividend	4:30 p.m., Wednesday, 27 April
Closure of Register	Thursday, 28 April
Record Date for determination of entitlement to the Final Dividend	Thursday, 28 April
Register re-opens	Friday, 29 April
Final Dividend expected to be dispatched	about Friday, 6 May

*Notes:*

1. All dates and time set out in this circular refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate and in accordance with the Listing Rules.

---

LETTER FROM THE BOARD

---



**CHINA MEDICAL SYSTEM HOLDINGS LIMITED**

康哲藥業控股有限公司 \*

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

**(Stock Code: 867)**

**Executive Directors:**

Mr. Lam Kong (Chairman)

Mr. Chen Hongbing

Ms. Chen Yanling

**Registered Office:**

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

**Headquarters and Principal Place of Business in Hong Kong:**

**Independent Non-executive Directors:**

Mr. Leung Chong Shun

Ms. Luo Laura Ying

Mr. Fung Ching Simon

Unit 2106, 21/F

Island Place Tower

510 King's Road, North Point

Hong Kong

21 March 2022

***To the Shareholders***

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
DECLARATION OF FINAL DIVIDEND,  
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

\* For identification purpose only



---

## LETTER FROM THE BOARD

---

### INTRODUCTION

The purpose of this circular is to provide you with (i) the AGM notice; (ii) all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM; and (iii) information relating to the Final Dividend.

At the AGM, resolutions will be proposed to seek approval of the Shareholders for, among other matters, (i) the re-election of the retiring Directors; (ii) the declaration of the Final Dividend; (iii) the grant of the General Mandate to the Directors; (iv) the grant of the Repurchase Mandate to the Directors; and (v) the extension of the General Mandate to include Shares that may be repurchased pursuant to the Repurchase Mandate.

### RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 16.2 of the Articles of Association, 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 addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Mr. Fung Ching Simon was appointed by the Board on 6 October 2021 as an independent non-executive Director. Accordingly, Mr. Fung Ching Simon shall retire from his office at the AGM and, being eligible, will offer himself for re-election at the AGM.

Pursuant to Article 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 or Article 16.3 of the Articles of Association shall not be taken into account in determining which Directors are to retire by rotation. A retiring Director shall be eligible for re-election. Accordingly, Mr. Lam Kong and Mr. Chen Hongbing will retire from their offices at the AGM and, being eligible, offer themselves for re-election at the AGM.

At the AGM, separate ordinary resolutions will be proposed for each of the re-elections of Mr. Lam Kong, Mr. Chen Hongbing and Mr. Fung Ching Simon. Details of these retiring Directors are set out in Appendix I to this circular.

### PROPOSED FINAL DIVIDEND

As stated in the announcement issued by the Company dated 15 March 2022 relating to the annual results of the Group for the year ended 31 December 2021, the Board recommends the payment of the Final Dividend of RMB 0.2269 (equivalent to HK\$0.279) per Share for the year ended 31 December 2021 to the Shareholders whose names appear on the Register on the Record Date. The Final Dividend is subject to the Shareholders' approval at the AGM and a resolution will be put to the Shareholders for voting at the AGM.

The last day for dealing in Shares cum entitlements to the Final Dividend will be Monday, 25 April 2022. The Register will be closed on Thursday, 28 April 2022, on which date the registration of transfer of Shares will be suspended.

---

## LETTER FROM THE BOARD

---

To qualify for the Final Dividend, all transfer forms of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than Wednesday, 27 April 2022 at 4:30 p.m.

Shareholders whose names appear on the Register on the Record Date, i.e. Thursday, 28 April 2022 will be entitled to the Final Dividend. Payment of such Final Dividend in Hong Kong dollars is expected to be made to the Shareholders on about Friday, 6 May 2022 after the Shareholders' approval at the AGM dated on Friday, 22 April 2022.

### CLOSURE OF REGISTER OF MEMBERS

The Register will be closed from Thursday, 14 April 2022 to Friday, 22 April 2022 (both days inclusive), during which the registration of transfer of Shares will be suspended. In order to qualify for attending and voting at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 13 April 2022.

The Register will be closed on Thursday, 28 April 2022, on which date no transfer of Shares will be effected. The last day for dealing in the Shares on a cum-entitlement basis will be Monday, 25 April 2022. Shareholders are reminded that in order to qualify for the Final Dividend, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 27 April 2022.

### GENERAL MANDATE AND REPURCHASE MANDATE

The existing general mandates to issue and to repurchase Shares will expire at the conclusion of the AGM. It is proposed to seek Shareholders' approval at the AGM to grant the General Mandate and the Repurchase Mandate to the Directors.

### GENERAL MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be unconditionally granted the General Mandate to allot, issue and otherwise deal with unissued Shares up to a limit equal to 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 2,457,443,512 Shares. Subject to the passing of the proposed ordinary resolution for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Company would be allowed under the General Mandate to issue up to 491,488,702 Shares. In addition, an ordinary resolution will also be proposed to authorise the increase in the total number of new Shares which may be allotted and issued under the General Mandate by an additional number representing such number of Shares actually repurchased by the Company under the Repurchase Mandate.

---

## LETTER FROM THE BOARD

---

### REPURCHASE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be unconditionally given the Repurchase Mandate to repurchase Shares on the Stock Exchange of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

The General Mandate and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate and the Repurchase Mandate 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 of the Cayman Islands to be held; or (iii) the revocation or variation of the General Mandate or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

### ANNUAL GENERAL MEETING

A notice convening the AGM to be held with the combination of a physical meeting at Room V603, 6th Floor, Block B, Majialong Chuangxin Building, 198 Daxin Road, Nanshan District, Shenzhen, Guangdong Province, the PRC and an online virtual meeting on Friday, 22 April 2022 at 10:00 a.m. is set out on pages 16 to 21 of this circular. A form of proxy for use in connection with the AGM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

Whether or not you are able to attend the AGM in person or via online platform, please complete the accompanying form of proxy 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, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person or via online platform at the AGM or any adjournment thereof should you so wish.

In addition to physical attendance at the Annual General Meeting, you may also opt to attend the Annual General Meeting via online platform by visiting the website at [http://meetings.computershare.com/CMS\\_2022AGM](http://meetings.computershare.com/CMS_2022AGM). For details, please refer to the notice of the Annual General Meeting set out in this circular.

Consistent with the requirement of Rule 13.39(4) of the Listing Rules, Article 13.6 of the Articles of Association provides that at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. Accordingly, all the resolutions proposed at the AGM will be voted by way of a poll. An announcement will be made by the Company after the AGM on the poll results of the AGM.

---

## LETTER FROM THE BOARD

---

### 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.

### RECOMMENDATION

The Directors believe that the proposed (i) re-election of the retiring Directors, (ii) declaration of the Final Dividend, (iii) grant of the General Mandate to the Directors, (iv) grant of the Repurchase Mandate to the Directors, and (v) extension of the General Mandate to include Shares that may be repurchased pursuant to the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully  
By Order of the Board  
China Medical System Holdings Limited  
**Lam Kong**  
*Chairman*

---

## APPENDIX I – DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

---

Details of the Directors who will retire from offices at the AGM and, being eligible, will offer themselves for re-election at the AGM, are set out below:

### 1. Mr. Lam Kong

Mr. Lam Kong, aged 57, is the Chairman, Chief Executive and President of the Group and was appointed as an executive Director on 18 December 2006. Mr. Lam is responsible for the creation, implementation and management of the Group's development and growth strategy. Mr. Lam has clinical experience and deep understanding and knowledge of China's pharmaceutical industry, possessing unique insight and extensive experience in R&D, marketing, promotion, sales and other value-added services. He received his bachelor's degree in clinical medicine from Zhanjiang Medical College in 1986, which was renamed Guangdong Medical University. Mr. Lam is a member of the Nomination Committee of the Company and the sole director of Treasure Sea Limited, the controlling shareholder of the Company. Save as disclosed above, Mr. Lam had not been a director in any public company (other than the Company) the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr. Lam is currently entitled to a fixed annual Director's emoluments of HK\$360,000 and other fixed annual remuneration of RMB4,044,000. He is also entitled to certain discretionary allowances determined by the internal policy of the Group. Mr. Lam's emoluments were determined by the Board with reference to his qualifications, duties and responsibilities with the Group and the then prevailing market conditions.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Lam held 1,137,564,000 Shares, representing approximately 46.29% of the entire issued share capital of the Company, through Treasure Sea Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Lam.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lam did not have any interest nor was he deemed to be interested in any Shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO, and Mr. Lam had no relationship with any other Director, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there is no other matter concerning Mr. Lam that needs to be brought to the attention of the Shareholders nor is there other information which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

---

## APPENDIX I – DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

---

### 2. Mr. Chen Hongbing

Mr. Chen Hongbing, aged 55, is the Chief Operating Officer and Vice-president of the Group and was appointed as an executive Director on 18 December 2006. He joined the Group in 1995 and has remained with the Group since then. Mr. Chen is responsible for the business operation of the Group, including marketing, promotion, supply chain management, product manufacturing management and human resources management, etc. Mr. Chen possesses extensive experience in business operations of pharmaceutical companies and corporate management. Mr. Chen had acquired about 4 years' experience as a public hospital doctor with Nanjing Gulou Hospital from 1990 to 1994. He received his bachelor's degree in clinical medicine from Nanjing Medical College in 1990, which was renamed Nanjing Medical University. Save as disclosed above, Mr. Chen had not been a director in any public company (other than the Company) the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr. Chen is currently entitled to a fixed annual Director's emoluments of HK\$360,000 and other fixed annual remuneration of RMB3,852,000. He is also entitled to certain discretionary allowances determined by the internal policy of the Group. Mr. Chen's emoluments were determined by the Board with reference to his qualifications, duties and responsibilities with the Group and the then prevailing market conditions.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Chen (i) held 20,038,225 Shares in his own name, representing approximately 0.82% of the entire issued share capital of the Company; and (ii) held 50,225,000 Shares, representing approximately 2.04% of the entire issued share capital of the Company, through Viewell Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Chen.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chen did not have any interest nor was he deemed to be interested in any Shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO, and Mr. Chen had no relationship with any other Director, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there is no other matter concerning Mr. Chen that needs to be brought to the attention of the Shareholders nor is there other information which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

---

## APPENDIX I – DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

---

### 3. Mr. Fung Ching Simon

Mr. Fung Ching Simon, aged 53, was appointed as an independent non-executive Director on 6 October 2021. Mr. Fung has 10 years of experience in auditing, accounting and business advisory and has over 17 years of experience in managing finance and accounting functions, mergers and acquisitions, fund raising and investor relations for PRC companies listed in Hong Kong. Mr. Fung is currently serving as the chief financial officer of Chow Tai Fook Enterprises Limited. Mr. Fung worked in PricewaterhouseCoopers between 1994 and 2004, and he served as the chief financial officer and secretary to the board of directors of Baoye Group Company Limited (a company listed on the Stock Exchange with stock code: 02355) between 2004 and 2010. Mr. Fung served as the chief financial officer and company secretary of Greentown China Holdings Limited (a company listed on the Stock Exchange with stock code: 03900) between 2010 and 2019. Mr. Fung worked for Logan Group Company Limited (a company listed on the Stock Exchange with stock code: 03380) from January 2020 till March 2021 as chief financial officer. Mr. Fung worked for China Logistics Property Holdings Co., Limited (a company listed on the Stock Exchange with stock code: 01589) from June 2016 till February 2022 as an independent non-executive director. Mr. Fung is also an independent non-executive director of Hainan Meilan International Airport Company Limited (a company listed on the Stock Exchange with stock code: 00357) and a non-executive director of Baoye Group Company Limited (a company listed on the Stock Exchange with stock code: 02355).

Mr. Fung graduated from the Queensland University of Technology in Australia with a bachelor's degree, majoring in accountancy. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the CPA Australia. Mr. Fung is the chairman of the Audit Committee, a member of the Remuneration Committee, a member of the Nomination Committee and a member of the Social, Environmental and Governance Committee of the Company. Save as disclosed above, Mr. Fung had not been a director in any public company (other than the Company) the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr. Fung is currently entitled to a fixed annual director's emoluments of HK\$360,000 as determined by the Board with reference to his qualifications, duties and responsibilities with the Group and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Fung did not have any interest nor was he deemed to be interested in any Shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO, and Mr. Fung had no relationship with any other Director, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there is no other matter concerning Mr. Fung that needs to be brought to the attention of the Shareholders nor is there other information which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

---

## **APPENDIX II – EXPLANATORY STATEMENT OF REPURCHASE MANDATE**

---

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

### **1. Share capital**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,457,443,512 Shares.

Subject to the passing of the proposed ordinary resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 245,744,351 Shares, representing approximately 10% of the issued share capital of the Company as at the date of passing such resolution.

### **2. Reasons for the repurchases**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole.

### **3. Funding of repurchases**

Repurchases of Shares would be funded entirely from the Company's available cash flow or working capital facilities, which will be made out of funds legally available for such purpose in accordance the applicable laws and regulations of the Cayman Islands, the Listing Rules and the memorandum and Articles of Association of the Company.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and/or gearing position of the Company compared with that as at 31 December 2021, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing levels of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.



---

## **APPENDIX II – EXPLANATORY STATEMENT OF REPURCHASE MANDATE**

---

### **4. Undertaking and disclosure of interests**

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

None of the Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their close associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company under the Repurchase Mandate if the same 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 nor have they undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

### **5. Effect of Takeovers Code**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares under the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of such Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, Treasure Sea Limited, a company wholly owned by Mr. Lam Kong (the chairman of the Board, an executive director and a controlling shareholder of the Company) (as defined under the Listing Rules) held 1,137,564,000 Shares, representing approximately 46.29% of the entire issued share capital of the Company. On the assumption that the Company will not issue and allot further Shares from the Latest Practicable Date up to the date of Annual General Meeting and that the Repurchase Mandate were exercised in full, Treasure Sea Limited's shareholding in the Company would be increased to approximately 51.43% of the issued share capital of the Company. On the basis of the current shareholding of Treasure Sea Limited, an exercise of the repurchase mandate in full will result in Treasure Sea Limited becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

## APPENDIX II – EXPLANATORY STATEMENT OF REPURCHASE MANDATE

### 6. Share prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange of each of the previous twelve months preceding the Latest Practicable Date (from 1 March 2021 up to the Latest Practicable Date) were as follows:

Year	Month	Per Share	
		Highest price	Lowest price
		HK\$	HK\$
2021	March	18.80	11.72
	April	19.20	15.34
	May	21.20	16.32
	June	22.80	19.20
	July	21.05	15.20
	August	18.18	14.42
	September	16.02	13.30
	October	15.26	12.94
	November	13.66	12.02
	December	13.62	11.74
2022	January	14.80	12.40
	February	14.20	12.70
	March (up to the Latest Practicable Date)	13.92	10.04

### 7. Share repurchase made by the Company

Up to the Latest Practicable Date, the Company and its subsidiaries had repurchased a total of 7,919,000 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, details of which are as follows:

Date of Repurchase	Number of Shares Repurchased	Price per Share (HK\$)		Aggregate Consideration Paid (HK\$)
		Highest Price	Lowest Price	
16 September 2021	727,000	14.48	14.04	10,427,400
20 September 2021	500,000	14.62	14.16	7,168,980
3 November 2021	921,000	12.80	12.68	11,742,620
4 November 2021	1,073,000	12.94	12.70	13,761,180
5 November 2021	1,815,000	12.86	12.60	23,055,600
8 November 2021	778,000	12.76	12.60	9,861,740
9 November 2021	130,000	12.88	12.84	1,671,800
10 November 2021	40,000	12.86	12.86	514,400
12 November 2021	350,000	13.18	13.06	4,599,140
15 November 2021	163,000	12.96	12.88	2,107,440
17 November 2021	153,000	13.02	12.96	1,987,020
18 November 2021	1,269,000	12.86	12.48	16,171,120

Save as disclosed above, up to the Latest Practicable Date, the Company and its subsidiaries had not repurchased any Shares on the Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

---

## NOTICE OF ANNUAL GENERAL MEETING

---



### CHINA MEDICAL SYSTEM HOLDINGS LIMITED

康哲藥業控股有限公司 \*

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

**(Stock Code: 867)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**AGM**”) of China Medical System Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held with the combination of a physical meeting at Room V603, 6th Floor, Block B, Majialong Chuangxin Building, 198 Daxin Road, Nanshan District, Shenzhen, Guangdong Province, the PRC and an online virtual meeting on Friday, 22 April 2022 at 10:00 a.m. to transact the following business:

1. To review, consider and adopt the audited consolidated financial statements of the Group, the reports of the board (the “**Board**”) of the directors (the “**Director(s)**”) of the Company and the auditors of the Company for the year ended 31 December 2021;
2. To approve the recommended Final Dividend of RMB0.2269 (equivalent to HK\$0.279) per Share for the year ended 31 December 2021;
3.
  - (a) To re-elect Mr. Lam Kong as executive Director;
  - (b) To re-elect Mr. Chen Hongbing as executive Director;
  - (c) To re-elect Mr. Fung Ching Simon as independent non-executive Director; and
  - (d) To authorise the Board to fix the Directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company and to authorise the Board to fix their remuneration;

\* For identification purpose only

---

## NOTICE OF ANNUAL GENERAL MEETING

---

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**THAT**

- (a) subject to paragraph (c) of this Resolution, pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company (the “Shares”) and to make or grant offers, agreements and options, warrants and other securities to subscribe for or convertible into Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options, warrants and other securities to subscribe for or convertible into Shares which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
  - (i) a rights issue, which means an offer of Shares or an offer of warrants, options or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of Shares (or, where appropriate, such other securities) as at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company);
  - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or options to subscribe for, or rights to acquire, Shares;
  - (iii) any scrip dividend or similar arrangements providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the memorandum and Articles of Association of the Company; or
  - (iv) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any other securities which are convertible into Shares, shall not exceed the aggregate of:
    - (1) 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution; and

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (2) provided that Resolutions No. 6 and No. 7 below are passed, the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this Resolution), and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
  - (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution 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 Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; or
    - (iii) the revocation or variation of the authority given to the Directors under this Resolution by an ordinary resolution of the Shareholders in a general meeting of the Company.
6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) of this Resolution) of all powers of the Company to repurchase Shares on the Stock Exchange or any other exchange on which the Shares may be listed and recognised for this purpose by the Stock Exchange and the Securities and Futures Commission of Hong Kong under the Code on Share Buy-backs, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution 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 Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; or
  - (iii) the revocation or variation of the authority given to the Directors under this Resolution by an ordinary resolution of the Shareholders in a general meeting of the Company.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**THAT**

subject to the Resolutions No. 5 and No. 6 above being duly passed, the unconditional General Mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to Resolution No. 5 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted, issued and otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to such General Mandate an amount representing the aggregate nominal amount of the Shares repurchased by the Company since the granting of the said General Mandate pursuant to the exercise by the Directors of the powers of the Company to repurchase such Shares under the authority granted pursuant to Resolution No. 6 above provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution.

By order of the Board  
China Medical System Holdings Limited  
**Lam Kong**  
*Chairman*

Hong Kong, 21 March 2022

*As at the date of this notice, the Board members comprise (i) Mr. Lam Kong, Mr. Chen Hongbing and Ms. Chen Yanling as executive Directors; and (ii) Mr. Leung Chong Shun, Ms. Luo Laura Ying and Mr. Fung Ching Simon as independent non-executive Directors.*

---

## NOTICE OF ANNUAL GENERAL MEETING

---

*Notes:*

1. The register of members of the Company will be closed from Thursday, 14 April 2022 to Friday, 22 April 2022 (both days inclusive), during which the registration of transfer of Shares will be suspended. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 13 April 2022.
2. The register of members of the Company will be closed on Thursday, 28 April 2022, on which date the registration of transfer of Shares will be suspended. To qualify for the Final Dividend, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 27 April 2022.
3. A Shareholder entitled to attend and vote at the AGM (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and, subject to the provisions of the Articles of Association of the Company, to vote on his/her behalf. A proxy need not be a Shareholder but must be present in person at the AGM (or at any adjournment thereof) to represent the shareholder. 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. In view of the ongoing novel coronavirus disease ("COVID-19") epidemic and in the interest of all Shareholders' health and safety, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, a Shareholder may consider to appoint any person or the Chairman of the AGM as his/her proxy to vote.
4. A form of proxy for use at the AGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Whether or not a Shareholder is able to attend the AGM, he/she is requested to complete the form of proxy in accordance with the instructions printed thereon and return the same together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 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 the AGM or any adjournment thereof.
5. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person or via online platform at the AGM or any adjournment thereof should he so wish. In view of the COVID-19 epidemic, Shareholders are encouraged to adopt the appropriate way to attend the AGM.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

6. The Company will conduct a hybrid AGM via online platform, which allows shareholders to participate in the AGM online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form to the AGM by visiting the website at [http://meetings.computershare.com/CMS\\_2022AGM](http://meetings.computershare.com/CMS_2022AGM) via smartphones, tablets, or computers. The live broadcast option can also broaden the reach of the AGM to shareholders who do not wish to attend physically due to concerns on attending large scale events under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend in person.
7. Although shareholders are welcome to attend the AGM in person if they so wish, the Company strongly recommends shareholders to attend the AGM via online platform in view of the current COVID-19 situation. For online voting at the AGM, shareholders can refer to the enclosed notification letter. If you have any queries on the above, please contact the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).
8. Shareholders who wish to attend the AGM and exercise their voting rights can be achieved in one of the following ways:
  - (1) attend the AGM in person and vote at the AGM venue; or
  - (2) attend the AGM via online platform which enables live streaming and interactive platform for Q&A and vote online; or
  - (3) appoint chairman of the AGM or other persons as your proxy to vote on your behalf. Your proxy's authority and instruction will be revoked if you attend and vote in person or via online platform at the AGM.

Non-registered shareholders who wish to attend and participate in the AGM via online platform should liaise with your bank(s), broker(s), custodian(s), nominee(s) or HKSCC Nominees Limited through which your shares are held (collectively, the "Intermediaries") and provide your email addresses to your Intermediaries. Details regarding the arrangements of the AGM, including login details to access the online platform and online voting, will be sent by Computershare Hong Kong Investor Services Limited to the email addresses provided by the non-registered shareholders.

For corporate shareholders who wish to attend the AGM and vote online, please contact the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at (852) 2862 8555 on or before Wednesday, 20 April 2022 for arrangement.