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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.

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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,
PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM
AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW
MEMORANDUM AND ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “**AGM**”) to be held at Tianshan and Lushan Rooms, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 28 April 2023 at 10:00 a.m. is set out on pages 35 to 39 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.

Whether or not you are able to attend the AGM in person, 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, Wan Chai, 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 at the AGM or any adjournment thereof should you so wish.

6 April 2023

* For identification purpose only

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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 at Tianshan and Lushan Rooms, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 28 April 2023 at 10:00 a.m., a notice of which is set out on pages 35 to 39 of this circular
“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
“Existing Memorandum and Articles of Association”	the existing second amended and restated memorandum and articles of association of the Company
“Final Dividend”	the proposed final dividend of RMB0.2414 (equivalent to HK\$0.274) per Share for the year ended 31 December 2022 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, 28 March 2023, 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
“New Memorandum and Articles of Association”	the third amended and restated memorandum and articles of association of the Company proposed to be adopted by the Company by passing of a special resolution of Shareholders at the AGM, incorporating the Proposed Amendments

DEFINITIONS

“PRC”	the People's Republic of China
“Proposed Amendments”	the proposed amendments to the Existing Memorandum and Articles of Association as set out in Appendix III of this circular
“Record Date”	Friday, 5 May 2023, being the record date for the determination of entitlement of the Shareholders to the Final Dividend
“Register”	the register of members of the Company
“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

2023:

Dispatch of this circular and notice of the AGM	Thursday, 6 April
Last share registration date in order to qualify for attending and voting at the AGM	4:30 p.m., Friday, 21 April
Closure of Register for determination of the entitlement to attend and vote at the AGM (both days inclusive)	from Monday, 24 April to Friday, 28 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, 26 April
Date and time of the AGM	10:00 a.m., Friday, 28 April
Date of the Poll Results Announcement of the AGM	Friday, 28 April
Last day of dealings in the Shares on a cum-entitlement basis	Tuesday, 2 May
First day of dealings in the Shares on an ex-entitlement basis	Wednesday, 3 May
Latest time for lodging transfer of Shares for registration in order to qualify for the Final Dividend	4:30 p.m., Thursday, 4 May
Closure of Register	Friday, 5 May
Record Date for determination of entitlement to the Final Dividend	Friday, 5 May
Register re-opens	Monday, 8 May
Final Dividend expected to be dispatched	about Friday, 12 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

Independent Non-executive Directors:

Mr. Leung Chong Shun
Ms. Luo Laura Ying
Mr. Fung Ching Simon

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

Unit 2106, 21/F
Island Place Tower
510 King's Road, North Point
Hong Kong

6 April 2023

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,
PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM
AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE
NEW MEMORANDUM AND ARTICLES OF ASSOCIATION
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; (v) the extension of the General Mandate to include Shares that may be repurchased pursuant to the Repurchase Mandate; and (vi) the Proposed Amendments to the Existing Memorandum and Articles of Association and adoption of the New Memorandum and Articles of Association.

RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 16.18 of the Existing Memorandum and 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 Existing Memorandum and 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, Ms. Chen Yanling, Mr. Leung Chong Shun and Ms. Luo Laura Ying 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 Ms. Chen Yanling, Mr. Leung Chong Shun and Ms. Luo Laura Ying. 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 16 March 2023 relating to the annual results of the Group for the year ended 31 December 2022, the Board recommends the payment of the Final Dividend of RMB 0.2414 (equivalent to HK\$0.274) per Share for the year ended 31 December 2022 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 Tuesday, 2 May 2023. The Register will be closed on Friday, 5 May 2023, 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, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than Thursday, 4 May 2023 at 4:30 p.m.

Shareholders whose names appear on the Register on the Record Date, i.e. Friday, 5 May 2023 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, 12 May 2023 after the Shareholders' approval at the AGM dated on Friday, 28 April 2023.

CLOSURE OF REGISTER OF MEMBERS

The Register will be closed from Monday, 24 April 2023 to Friday, 28 April 2023 (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, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 21 April 2023.

The Register will be closed on Friday, 5 May 2023, 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 Tuesday, 2 May 2023. 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, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 4 May 2023.

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 2,451,988,512 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 490,397,702 Shares. In addition, an ordinary resolution will also be proposed to authorize 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 of the Company 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.

PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board will propose at the AGM a special resolution approving the Proposed Amendments and the adoption of the New Memorandum and Articles of Association consolidating the Proposed Amendments to, inter alia, (i) conform to the 14 core standards for shareholder protections set out in Appendix 3 to the Listing Rules which took effect on 1 January 2022 and the relevant requirements of the applicable laws of the Cayman Islands; (ii) to provide flexibility to the Company in relation to the conduct of general meetings; and (iii) to incorporate certain housekeeping changes. The Board also proposes to adopt the New Memorandum and Articles of Association in substitution for, and to the exclusion of, the Existing Memorandum and Articles of Association.

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

The legal adviser to the Company as to Hong Kong laws has confirmed that the Proposed Amendments conform with the requirements of the Listing Rules, and the legal adviser to the Company as to Cayman Islands laws has confirmed that the New Memorandum and Articles of Association (incorporating the Proposed Amendments) are not inconsistent with the Cayman Islands laws. The Company confirms that there is nothing unusual about the Proposed Amendments.

Shareholders are advised that the New Memorandum and Articles of Association are written in English only and there is no official Chinese translation. The Chinese translation of the New Memorandum and Articles of Association is provided for reference only. In case of any discrepancy or inconsistency, the English version shall prevail.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Tianshan and Lushan Rooms, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 28 April 2023 at 10:00 a.m. is set out on pages 35 to 39 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.

Whether or not you are able to attend the AGM in person, 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, Wan Chai, 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 at the AGM or any adjournment thereof should you so wish.

Consistent with the requirement of Rule 13.39(4) of the Listing Rules, Article 13.6 of the Existing Memorandum and 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.

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, (v) extension of the General Mandate to include Shares that may be repurchased pursuant to the Repurchase Mandate, and (vi) the Proposed Amendments to the Existing Memorandum and Articles of Association and adoption of the New Memorandum and Articles of Association 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. Ms. Chen Yanling

Ms. Chen Yanling (former Chinese name as 陳艷玲), aged 52, is the Chief Financial Officer and Vice-president of the Group and was appointed as an executive Director on 18 December 2006. She joined the Group in 1995 and has remained with the Group since then. Ms. Chen is responsible for the Group's finance, accounting, investor relations, government affairs and administration management. She holds an EMBA degree and is a senior accountant with extensive experience in financial management, fund raising, auditing and investor relations, etc. As at the end of the year 2022, Ms. Chen was awarded eight times the "Best CFO" in Healthcare and Pharmaceuticals by the Institutional Investor Magazine. Ms. Chen is the chairman of the Environmental, Social and Governance Committee of the Company. Save as disclosed above, Ms. 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.

Ms. Chen is currently entitled to a fixed annual Director's emoluments of HK\$360,000 and a fixed annual remuneration of RMB3,324,000. She is also entitled to certain discretionary allowances determined by the internal policy of the Group. Ms. Chen's emoluments were determined by the Board with reference to her 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, Ms. Chen held 7,246,250 Shares in her own name, representing approximately 0.30% of the entire issued share capital of the Company.

Save as disclosed above, as at the Latest Practicable Date, Ms. Chen did not have any other interest nor was she deemed to be interested in any Shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO, and Ms. 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 Ms. 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

2. Mr. Leung Chong Shun

Mr. Leung Chong Shun, aged 57, was appointed as an independent non-executive Director on 13 December 2017. Mr. Leung became a practicing lawyer since 1991 and was the chief representative of Woo Kwan Lee & Lo Beijing Office. He is currently a partner of Woo Kwan Lee & Lo. Mr. Leung is familiar with corporate finance, M&A and IPO legal services and has been involved in various listing and acquisition transactions of Chinese H-share companies and red chip companies. Mr. Leung is currently a China-Appointed Attesting Officer appointed by the Ministry of Justice of the PRC. Mr. Leung was an independent non-executive director of China Coal Energy Company Limited (a company listed on the Stock Exchange with stock code: 01898) from June 2017 to March 2023, China Communications Construction Company Limited (a company listed on the Stock Exchange with stock code: 01800) from January 2011 to November 2017 and China National Materials Company Limited (the listing with stock code: 01893 was withdrawn on the Stock Exchange) from July 2007 to April 2018. He is currently an independent non-executive director of SSY Group Limited (a company listed on the Stock Exchange with stock code: 02005) and Min Xin Holdings Limited (a company listed on the Stock Exchange with stock code: 00222).

Mr. Leung graduated from the University of Hong Kong in 1988 and obtained a bachelor's degree in laws with honors. He is qualified as a solicitor in Hong Kong and England. Mr. Leung is the chairman of the Remuneration Committee, a member of the Audit Committee, a member of the Nomination Committee and a member of the Environmental, Social and Governance Committee of the Company. Save as disclosed above, Mr. Leung 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. Leung 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 then prevailing market conditions.

As at the Latest Practicable Date, Mr. Leung 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. Leung 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. Leung 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. Ms. Luo Laura Ying

Ms. Luo Laura Ying (formerly known as Ying Luo), aged 58, was appointed as an independent non-executive Director on 31 March 2020. Ms. Luo has 28 years of investment experience. She currently works as an investment director of GL China Equity HK Management Limited and previously has worked as a consultant of GL China Equity HK Management Limited and a consultant of GL Capital Management Limited. Ms. Luo is an independent non-executive director of Central China New Life Limited (a company listed on the Stock Exchange with stock code: 09983) and Tianjin Port Development Holdings Limited (a company listed on the Stock Exchange with stock code: 03382). Ms. Luo was a managing director and head of Hong Kong China Equities at Barings Asset Management (Asia) Limited from 2013 to 2019. Her overall responsibilities included managing a team of investment managers and research analysts, as well as managing a range of Hong Kong and China equity strategies, including Barings' flagship Hong Kong China Fund, China A-share fund and some institutional mandates. Before joining Barings Asset Management (Asia) Limited, Ms. Luo worked for Schroder Investment Management (HK) Limited for over 12 years. Since 2002, Ms. Luo had been a lead manager on several greater China equity mandates, including the Schroder International Selection Fund - China Opportunities, which she managed since its launch in 2006. Prior to Schroder Investment Management (HK) Limited, Ms. Luo had worked at Sg Securities as head of China Research and Strategist, as well as at Morgan Stanley and Goldman Sachs (Asia) LLC, Hong Kong as an equity research analyst.

Ms. Luo obtained her Bachelor of Arts in International Economics from Peking University in 1987 and Master of Business Administration from the University of Toronto in 1991. She is a Chartered Financial Analyst (CFA) and Chartered Professional Accountant (CPA) (Canada) charterholder. Ms. Luo is the chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee of the Company. Save as disclosed above, Ms. Luo 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.

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

As at the Latest Practicable Date, Ms. Luo did not have any interest nor was she deemed to be interested in any Shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO, and Ms. Luo 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 Ms. Luo 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 2,451,988,512 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 245,198,851 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 2022, 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 46.39% 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 51.55% 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 2022 up to the Latest Practicable Date) were as follows:

Year	Month	Per Share		
		Highest price	Lowest price	
		HK\$	HK\$	
2022	March	13.92	10.04	
	April	13.18	10.02	
	May	11.62	10.34	
	June	12.80	10.52	
	July	13.14	11.76	
	August	13.00	11.00	
	September	11.76	9.13	
	October	9.98	8.54	
	November	11.32	8.72	
	December	14.32	10.94	
	2023	January	14.86	12.06
		February	14.48	11.66
March (up to the Latest Practicable Date)		12.98	11.74	

7. Share repurchase made by the Company

Up to the Latest Practicable Date, the Company and its subsidiaries had repurchased a total of 530,000 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, details of which are as follows:

Date of Repurchase	Nuber of Shares Repurchased	Price per Share (HK\$)		Aggregate Consideration Paid (HK\$)
		Highest Price	Lowest Price	
29 September 2022	350,000	9.42	9.22	3,264,030
12 October 2022	180,000	9.08	8.90	1,616,220

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.

**APPENDIX III – PROPOSED AMENDMENTS TO THE EXISTING
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The following are the Proposed Amendments, with the deletions shown in strikethrough and the additions or revisions shown in underline. Unless otherwise specified, clauses and articles referred to herein are clauses and articles of the New Memorandum and Articles of Association.

Capitalised terms in the Proposed Amendments contained in this Appendix include terms defined in the New Memorandum and Articles of Association which shall have the corresponding meanings ascribed to them in the New Memorandum and Articles of Association.

Details of the Proposed Amendments are set out as follows:

MEMORANDUM PARAGRAPH NO.	PROVISIONS IN THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION (SHOWING CHANGES TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION)
Heading	<p>THE COMPANIES LAW (2010 Revision) ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES</p> <p>SECOND<u>THIRD</u> AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION</p> <p>OF</p> <p>China Medical System Holdings Limited</p>
4	<p>Except as prohibited or limited by the Companies Law (2010 Revision) Act (As Revised), the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (2010 Revision) Act (As Revised) and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provision of advice, the management and custody of the Company's assets, the listing of the Company's shares and its administration; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.</p>

**APPENDIX III – PROPOSED AMENDMENTS TO THE EXISTING
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6	The share capital of the Company is US\$100,000,000 divided into 20,000,000,000 shares of a nominal or par value of US\$0.005 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2010 Revision) Act (As Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.	
7	If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (2010 Revision) Act (As Revised) and, subject to the provisions of the Companies Law (2010 Revision) Act (As Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.	
ARTICLES NO.	PROVISIONS IN THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION (SHOWING CHANGES TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION)	
Heading	<p>THE COMPANIES LAW (2010 Revision) ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES</p> <p>SECONDNDTHIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION</p> <p>OF</p> <p>China Medical System Holdings Limited</p>	
1	The regulations contained in Table A in the First Schedule to the Companies Law Act shall not apply to the Company.	
2.2	“Articles”	shall mean these Articles of Association and all supplementary, amended or substituted Articles for the time being in force.
	“Close Associate”	shall have the meaning attributed to such term in the Listing Rules.
	“Communication Facilities”	shall mean <u>video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and being heard by each other.</u>
	“Companies Law Act ” or “ Law Act ”	shall mean the Companies Law (2010 Revision), Cap. 22 Act (As Revised) of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
	“Companies Ordinance”	shall mean the Companies Ordinance (Cap. 326 22 of the Laws of Hong Kong) as in force from time to time.
	“dividend”	shall include bonus dividends and distributions permitted by the Law Act to be categorised as dividends.
	“electronic”	shall have the meaning given to it in the Electronic Transactions Law Act .
	“Electronic Transactions Law Act ”	means the Electronic Transactions Law (2003 Revision) Act (As Revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
	“ordinary resolution”	shall mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles and includes an ordinary resolution passed pursuant to Article 13.10 13.11.

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	“Person”	shall mean <u>any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires.</u>
	“Present”	shall mean, in respect of any Person, such Person’s presence at a general meeting of members, which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorized representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being: (a) <u>physically present at the meeting; or</u> (b) <u>in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Communication Facilities.</u>
	“special resolution”	shall have the same meaning as ascribed thereto in the LawAct and shall include an unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorized representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution passed pursuant to Article 13.10 <u>13.11</u> .
	“Virtual Meeting”	shall mean <u>any general meeting of the members at which the members (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities.</u>
2.3		Subject as aforesaid, any words defined in the LawAct shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles.
2.6		Section <u>Sections 8 and 19(3)</u> of the Electronic Transactions LawAct shall not apply.
3.1	Capital App 3 r.9	The capital of the Company at the date of the adoption of these Articles is US\$100,000,000 divided into 20,000,000,000 shares of a nominal or par value of US\$0.005 each.
3.2	Issue of shares App 3 r.6(1)	Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Subject to the LawAct and to any special rights conferred on any members or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer.
3.3	Issue of warrants App 3 r.2(2)	Subject to the Listing Rules, the Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine. No warrants shall be issued to bearer for so long as a recognised clearing house (in its capacity as such) is a member of the Company. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.

**APPENDIX III – PROPOSED AMENDMENTS TO THE EXISTING
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3.4	How class rights may be modified App 3 r.6(2) r.15 App 13 Part B r.2(1)	If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the LawAct , be varied or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.
3.6	Company may purchase and finance the purchase of own shares and warrants	Subject to the LawAct , any other law, the Listing Rules and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the members, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.
3.8	Redemption	Subject to the provisions of the LawAct and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
3.9	App 3 r.8(1) & (2)	Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, and if purchases are by tender, tenders shall be available to all members alike.
3.12	Shares at the disposal of the Board	Subject to the provisions of the LawAct , of the Memorandum of Association of the Company, these Articles and the Listing Rules, relating to new shares, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Board shall determine.
3.13	Company may pay commissions	The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the LawAct shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the shares are issued.

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4.1	Share register App 3 r.1(1)	The Board shall cause to be kept at such place within or outside the Cayman Islands as it deems fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the Law Act .
4.4		Notwithstanding anything contained in this Article, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Companies Law Act .
4.5	App 13 Part B r.3(2) App 3 r.20	Except when a register is closed in accordance with the terms equivalent to the relevant section of the Companies Ordinance and, if applicable, subject to the additional provisions of Article 4.8, the principal register and any branch register shall during business hours be kept open to the inspection of any member without charge.
4.8	App 13 Part B r.3(2)	Subject to the Listing Rules, (i) any register held in Hong Kong shall during normal business hours be open to inspection by a member without charge and any other person on payment of such fee not exceeding such amount as may from time to time be prescribed by the Listing Rules, or such lesser sum as the Company may prescribe, for each inspection, (ii) any member may require a copy of the register, or any part thereof, on payment of such amount as may from time to time be prescribed by the Listing Rules, or such lesser sum as the Company may prescribe and (iii) the Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.
4.9	Share certificates App 3 r.1(1)	Every person whose name is entered as a member in the register shall be entitled without payment to receive, within the relevant time limit as prescribed in the Law Act or as the Exchange may from time to time determine, whichever is shorter, after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, upon payment, in the case of a transfer, of a sum equal to the relevant maximum amount as the Exchange may from time to time determine for every certificate after the first or such lesser sum as the Board shall from time to time determine, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at his registered address as appearing in the register.
4.10	Share certificates to be sealed App 3	Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal of the Company, which shall only be affixed with the authority of the Board.
4.12	Joint holders App 3 r.1(3)	The Company shall not be bound to register more than four persons as joint holders of any share. If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.
4.13	Replacement of share certificates App 3 r.1(1)	If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding such amount as may from time to time be permitted under the Listing Rules (or such lesser sum as the Board may from time to time require) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Board thinks fit and where it is defaced or worn out, after delivery up of the old certificate to the Company for cancellation.

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12.3	Convening of extraordinary general meeting <u>App 3 r.14(5)</u>	The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members of the Company <u>holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company.</u> The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of <u>the resolutions to be added to the meeting agenda,</u> and signed by the requisitionist(s), provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.
12.4		<u>The Directors may make Communication Facilities available for a specific general meeting or all general meetings of the Company so that members and other participants may attend and participate at such general meetings by means of such Communication Facilities. Without limiting the generality of the foregoing, the Directors may determine that any general meeting be held as a Virtual Meeting.</u>
+2-412.5	Notice of meetings App 13 Part B r.3(1) <u>App 3 r.14(2)</u>	An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be inclusive 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, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 13.1) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. <u>The notice of any general meeting at which Communication Facilities will be utilised (including any Virtual Meeting) must disclose the Communication Facilities that will be utilised, including the procedures to be followed by any member or other participant of the general meeting who wishes to utilise such Communication Facilities for the purpose of attending, participating and voting at such meeting.</u> Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.
+2-512.6		Notwithstanding that a meeting of the Company is called by shorter notice than that referred to in Article +2-412.5 , it shall be deemed to have been duly called if it is so agreed: (a) in the case of a meeting called as an annual general meeting, by all the members of the Company entitled to attend and vote thereat or their proxies; and (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

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12.6		There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.
12.7	Omission to give notice	The accidental omission to give any such notice to, or the nonreceipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.
12.8	Omission to send instrument of proxy	In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the nonreceipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.
13.2	Quorum	For all purposes the quorum for a general meeting shall be two members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy Present provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy Present. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present Present at the commencement of the business.
13.3	When if quorum not present meeting to be dissolved and when to be adjourned	If within 15 minutes from the time appointed for the meeting a quorum is not present Present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present Present within 15 minutes from the time appointed for holding the meeting, the member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy Present shall be a quorum and may transact the business for which the meeting was called.
13.4	Chairman of general meeting	The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present Present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present Present shall choose another Director as Chairman, and if no Director be present Present, or if all the Directors present Present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present (whether in person or represented by proxy or duly authorised representative) Present shall choose one of their own number to be Chairman.
13.5		<u>The Chairman of any general meeting shall be entitled to attend and participate at such general meeting by means of Communication Facilities, and to act as the Chairman, in which event:</u> (a) <u>the Chairman shall be deemed to be Present at the meeting; and</u> (b) <u>if the Communication Facilities are interrupted or fail for any reason to enable the Chairperson to hear and be heard by all other Persons attending and participating at the meeting, then the other Directors Present at the meeting shall choose another Director Present to act as Chairman of the meeting for the remainder of the meeting; provided that (i) if no other Director is Present at the meeting, or (ii) if all the Directors Present decline to take the chair, then the meeting shall be automatically adjourned to the same day in the next week and at such time and place as shall be decided by the Board.</u>

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13.5 13.6	Power to adjourn general meeting / business of adjourned meeting	The Chairman may, with the consent of any general meeting at which a quorum is present Present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
13.6 13.7	Must vote by poll App 13- Part B- r.2(3)	At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.
13.7 13.8	Poll	A poll shall (subject as provided in Article 13.8 13.9) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was taken as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.
13.8 13.9	In what case poll taken without adjournment	Any poll on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting and without adjournment.
13.9 13.10	Chairman to have casting vote	In the case of an equality of votes, the Chairman of the meeting at which the poll is taken shall be entitled to a second or casting vote.
13.10 13.11	Written resolutions	A resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.
14.1	Votes of members App 3 r.14(3)	Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting (a) every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy Present shall have the right to speak, and (b) every member Present shall have one vote for each share registered in his name in the register, provided that a member shall not have the right to speak or vote in respect of any particular resolution on which such member is required, under the Listing Rules, to abstain from voting. A member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy is under no obligation to cast all his votes in the same way.
14.2	Counting of votes App 3 r.14(4)	Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

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14.4	Votes of joint holders	Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present <u>Present</u> at any meeting personally or by proxy , that one of the said persons so present <u>Present</u> being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
14.6	Qualification for voting	Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present <u>Present</u> or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.
14.8	Proxies App 13- Part B- r.2(2) App 3 r.18	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).
14.9	Instrument appointing proxy to be in writing App 3- r.11(2)	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
14.11	Form of proxy App 3- r.11(1)	Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form or such other form that complies with the Listing Rules as the Board may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.
14.14	Corporations/ clearing houses acting by representatives at meetings App. 13- Part B- r.2(2) App 3 r.18	Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being present <u>Present</u> at any meeting in person.

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14.15	App 13- Part B- r.6 App 3 r.19	If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members <u>or at any creditors meeting</u> of the Company 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 person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, notwithstanding any contrary provision contained in these Articles, <u>including the right to speak and vote.</u>
16.2	Board may fill vacancies/ appoint additional Directors App 3 r.4(2)	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 <u>first</u> annual general meeting of the Company <u>after his appointment</u> and shall then be eligible for re-election at that meeting.
16.3	Power of general meeting to increase or reduce the number of Directors	The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the LawAct , the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. 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.
16.4	Notice to be given when person proposed for election App 3- r.4(4)- r.4(5)	No person other than a Director retiring at the general meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.
16.5	Register of Directors and notification of changes to Registrar	The Company shall keep at its <u>registered</u> office a register of directors and officers containing their names and addresses and occupations and any other particulars required by the LawAct and shall send to the Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to such Directors as required by the LawAct .
16.6	Power to remove Director by ordinary resolution App 13- Part B- r.5(1)- App 3 r.4(3)	The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period <u>term</u> of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provisions of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.
16.14	App 13- Part B- r.5(4)	Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

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<p>16.18</p>	<p>When office of Director to be vacated App 13- Part B- r.5(1)</p> <p>Retirement by rotation</p>	<p>The office of a Director shall be vacated:</p> <ul style="list-style-type: none"> (a) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong or tendered at a meeting of the Board; (b) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated; (c) if, without leave, he is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of 6 months, and the Board resolves that his office be vacated; (d) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; (e) if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles; (f) if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; or (g) if he shall be removed from office by an ordinary resolution of the members of the Company under Article 16.6. <p>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<u>required to stand for re-election</u> pursuant to Article 16.2 or Article 16.3 shall not be taken into account in determining <u>the number of Directors and</u> which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.</p>
<p>16.19</p>	<p>Directors may contract with Company App 13- Part B- r.5(3)</p>	<p>No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may subsequently be made by the Company. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that:</p> <ul style="list-style-type: none"> (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or (b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him; <p>shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.</p>

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<p>16.22</p>	<p>Director may not vote where he has a material interest App 3 r.4(1)</p> <p>Director may vote in respect of certain matters App 3 Note 1</p>	<p>A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his <u>Close Associates</u> (or, if required by the <u>Listing Rules</u>, his other Associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:</p> <p>(a) the giving of any security or indemnity either:</p> <p>(i) to the Director or any of his <u>Close Associates</u> in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or</p> <p>(ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his <u>Close Associates</u> has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;</p> <p>(b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which our Company may promote or be interested in for subscription or purchase where the Director or any of his <u>Close Associates</u> is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;</p> <p>(c) any proposal concerning any other company in which the Director or any of his Associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his Associates is/are beneficially interested in the shares of that company, provided that, the Director and any of his Associates is/are not, in aggregate, beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his Associates is derived) or of the voting rights;</p> <p>(d)(c) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:</p> <p>(i) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his <u>Close Associates</u> may benefit; or</p> <p>(ii) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their <u>Close Associates</u> and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his <u>Close Associates</u> as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and</p> <p>(e)(d) any contract or arrangement in which the Director or any of his <u>Close Associates</u> is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.</p>
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16.23	Director may vote on proposals not concerning own appointment	Where proposals are under consideration concerning the appointment (including fixing or varying the terms of or terminating the appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not prohibited from voting under Article 16.22(a)) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
18.1	General powers of Company vested in Board	Subject to any exercise by the Board of the powers conferred by Articles 19.1 to 19.3 the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the LawAct expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the LawAct and of these Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
18.3	App 13- Part B- r.5 (2)	<p>Except as would, be permitted by the Companies Ordinance if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles; and except as permitted under the Companies LawAct, the Company shall not directly or indirectly:</p> <p>(a) make a loan to a Director or his <u>Close Associates</u> or a director of any holding company of the Company <u>or a body corporate controlled by a Director or such a director;</u></p> <p>(b) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director <u>or a body corporate controlled by a Director or such a director;</u> or</p> <p>(c) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.</p>
21.1	Appointment of Secretary	The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the LawAct or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.
21.2	Same person not to act in two capacities at once	A provision of the LawAct or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

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23.1	Power to capitalise	The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the LawAct .
24.1	Power to declare dividends	Subject to the LawAct and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. The Board may agree with any member that dividends which may be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.
24.12	Share premium and reserves	The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. The Company may apply the share premium account in any manner permitted by the Companies LawAct . The Company shall at all times comply with the provisions of the Companies LawAct in relation to the share premium account.
24.19	Dividend in specie	The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the LawAct and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.
24.24	App 3- r.13(1)	The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

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24.25	Unclaimed dividend App 3 r.3(2)	All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the exclusive benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or be required to account for any money earned thereon. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company and after such forfeiture no member or other person shall have any right to or claim in respect of such dividends or bonuses.
24.26	App 3 3(+)	Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide: (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
25.1	Sale of shares of untraceable members App 3 r.13(2)(a) App 3 r.13(2)(b)	The Company shall be entitled to sell any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if and provided that: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in Article 25.1(d) below received any indication of the whereabouts or existence of the member or person entitled to such shares by death, bankruptcy or operation of law; (c) during the 12-year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, giving notice of its intention to sell such shares, and a period of three months (or such shorter period as may be allowed by the Exchange) has elapsed since such advertisement and the Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.
27	Annual returns and filings	The Board shall make the requisite annual returns and any other requisite filings in accordance with the <u>LawAct</u> and all other applicable laws and regulations.
28.1	Accounts to be kept App 13 Part B r.4(1)	The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the <u>LawAct</u> .
28.2	Where accounts are to be kept	The books of account shall be kept at the Company's principal place of business in Hong Kong or, subject to the provisions of the <u>LawAct</u> , at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors.

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28.3	Inspection by members	The Board shall from time to time determine whether, to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the LawAct or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting.
28.4	Annual profit and loss account and balance sheet App 13 Part B r.4(2)	The Board shall, commencing with the first annual general meeting cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an Auditors' report on such accounts prepared pursuant to Article 29.1 and such other reports and accounts as may be required by law.
28.5	Annual report of Directors and balance sheet to be sent to members etc. App 13 Part B r.3(3) App 3 r.5	Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting be sent in the manner in which notices may be served by the Company as provided herein to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.
28.6		To the extent permitted by and subject to due compliance with these Articles, the LawAct and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 28.5 shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the LawAct , a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditors' report on such accounts, which shall be in the form and containing the information required by these Articles, the LawAct and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete printed copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.
29.1	Auditors App 13 Part B r.4(2)	The Auditors shall audit the profit and loss account and balance sheet of the Company in each year and shall prepare a report thereon to be annexed thereto. Such report shall be laid before the Company at its annual general meeting in each year and shall be open to inspection by any member. The Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Board or any general meeting of the members, make a report on the accounts of the Company in general meeting during their tenure of office.

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29.2	Appointment and remuneration of Auditors App 3 r.17	The Company shall at any every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his term of office shall require the approval of the members by an ordinary resolution in general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board by ordinary resolution . No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The members may, at any general meeting convened and held in accordance with these Articles, by special resolution remove the Auditor 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. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.
30.1	Service of notices App 3 r.7(1)	Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in appropriate newspapers in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.
30.4	Members out of Hong Kong App 3 r.7(2) App 3 r.7(3)	A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.
32.1	App 3 r.21	(a) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up. (b) The Company may be wound up voluntarily by special resolution. (c) The Company may be wound up by the courts of the Cayman Islands in accordance with applicable laws.

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

32-132.2	Power to distribute assets in specie following liquidation	If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the LawAct divide among the members in specie or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the LawAct, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.
32-232.3	Distribution of assets in liquidation	If the Company shall be wound up, and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
32-332.4	Service of process	In the event of a winding up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.
33.2		Subject to the Companies LawAct, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.
34	Financial year	The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it: Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31 December in each year and, following the year of incorporation, shall begin on 1 January in each year.
35	Amendment of Memorandum and Articles App 13- Part B r.1 App 3 r.16	Subject to the LawAct, the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association and Articles of Association in whole or in part.

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 at Tianshan and Lushan Rooms, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 28 April 2023 at 10:00 a.m. to transact the following business:

ORDINARY RESOLUTIONS

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 2022;
2. To approve the recommended Final Dividend of RMB0.2414 (equivalent to HK\$0.274) per Share for the year ended 31 December 2022;
3.
 - (a) To re-elect Ms. Chen Yanling as executive Director;
 - (b) To re-elect Mr. Leung Chong Shun as independent non-executive Director;
 - (c) To re-elect Ms. Luo Laura Ying 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.

SPECIAL RESOLUTION

8. To consider and, if thought fit, pass the following resolution as a special resolution:

THAT

- (a) the proposed amendments (the “**Proposed Amendments**”) to the second amended and restated memorandum and articles of association of the Company (the “**Existing Memorandum and Articles of Association**”), the details of which are set out in Appendix III to the circular of the Company dated 6 April 2023, be and are hereby approved;
- (b) the third amended and restated memorandum and articles of association of the Company incorporating the Proposed Amendments (the “**New Memorandum and Articles of Association**”) (a copy of which has been produced to the meeting and marked “A” and signed by the chairman of the 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; and
- (c) any Director, secretary and/or registered office provider of the Company be and is hereby authorized to do all such acts as may be necessary or expedient in connection to the Company’s adoption of the New Memorandum and Articles of Association and to make relevant registrations and filings in accordance with the requirements of the applicable laws in the Cayman Islands and Hong Kong.

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

Hong Kong, 6 April 2023

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 Monday, 24 April 2023 to Friday, 28 April 2023 (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, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 21 April 2023.
2. The register of members of the Company will be closed on Friday, 5 May 2023, 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, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 4 May 2023.
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.
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. 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, Wan Chai, 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 at the AGM or any adjournment thereof should he so wish.
6. If Typhoon Signal No. 8 or above, "extreme conditions" caused by super typhoons or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on the websites of the Company at www.cms.net.cn and the Stock Exchange at www.hkexnews.hk to notify members of the date, time and place of the rescheduled meeting.