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

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

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

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**Kangji Medical Holdings Limited**  
**康基医疗控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 9997)**

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

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A notice convening the annual general meeting of Kangji Medical Holdings Limited to be held at No. 1668, Chunjiang East Road, Tonglu Economic Development Zone, Hangzhou, Zhejiang Province 311501, the People's Republic of China on May 26, 2021 at 11:00 a.m. is set out on pages 17 to 22 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.kangjimedical.com](http://www.kangjimedical.com)).

Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting (i.e. before 11:00 a.m. on May 24, 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the annual general meeting (or any adjournment thereof) if they so wish.

April 27, 2021

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at No. 1668, Chunjiang East Road, Tonglu Economic Development Zone, Hangzhou, Zhejiang Province 311501, the People’s Republic of China on May 26, 2021 at 11:00 a.m., or any adjournment thereof and notice of which is set out on pages 17 to 22 of this circular
“Article of Association”	the amended and restated articles of association of the Company
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	Kangji Medical Holdings Limited (康基医疗控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on February 12, 2020, and, except where the context otherwise requires, all of its subsidiaries
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“core connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate

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## DEFINITIONS

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“Latest Practicable Date”	April 22, 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	June 29, 2020, being the date on which dealings in the Shares first commenced on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of the issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“%”	per cent

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LETTER FROM THE BOARD

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**Kangji Medical Holdings Limited**

**康基医疗控股有限公司**

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

**(Stock Code: 9997)**

*Executive Directors:*

Mr. ZHONG Ming (*Chairman*)

Ms. SHENTU Yinguang

Ms. Frances Fang CHOVANEC

*Non-executive Directors:*

Ms. CAI Li

Mr. CHEN Gang

*Independent Non-executive Directors:*

Mr. JIANG Feng

Mr. GUO Jian

Mr. CHEN Weibo

*Registered office:*

Maples Corporate Services Limited

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

*Corporate headquarters:*

No. 1668 Chunjiang East Road

Tonglu Economic Development Zone

Hangzhou, Zhejiang Province

PRC

*Principal place of business*

*in Hong Kong:*

Flat 1007B, 10/F, Harbour Crystal Centre

100 Granville Road, Kowloon

Hong Kong

April 27, 2021

*To the Shareholders*

Dear Sir or Madam

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

**1. INTRODUCTION**

The purpose of this circular is to give you the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (a) granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; (b) the re-election of the retiring Directors; and (c) the declaration of a final dividend.

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## **LETTER FROM THE BOARD**

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### **2. ISSUE MANDATE TO ISSUE SHARES**

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the Issue Mandate to issue Shares. At the Annual General Meeting, an ordinary resolution numbered 5 will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares not exceeding 20% of the number of issued Shares as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, 1,252,207,500 Shares have been fully paid. Subject to the passing of the ordinary resolution numbered 5 and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 250,441,500 Shares.

The Issue Mandate shall expire upon the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.

In addition, subject to a separate approval of the ordinary resolution numbered 7, the number of Shares purchased by the Company under ordinary resolution numbered 6 will also be added to extend the Issue Mandate as mentioned in ordinary resolution numbered 5 provided that such additional value shall represent up to 10% of the number of issued Shares as at the date of passing the resolutions in relation to the Issue Mandate and Repurchase Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

### **3. REPURCHASE MANDATE TO REPURCHASE SHARES**

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued Shares as at the date of passing of the resolution in relation to the Repurchase Mandate.

The Repurchase Mandate shall expire upon the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.

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## LETTER FROM THE BOARD

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An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

#### 4. RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 16.19 of the Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to, but not less than, one-third) shall be subject to retirement by rotation at least once every three years. In accordance with article 16.2 of the Articles of Association, any Director so appointed by the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Accordingly, Mr. JIANG Feng, Mr. GUO Jian, Mr. CHEN Weibo and Ms. Frances Fang CHOVANEC shall retire at the Annual General Meeting, and, being eligible, offered themselves for re-election at the Annual General Meeting.

The nomination committee of the Board (the “**Nomination Committee**”) assesses, selects, and recommends candidates for directors to the Board on criteria such as credibility, success, and experience in the Company’s industry, time available to be invested, benefits of sectors represented by the candidates, and the diversity the candidates will bring to the Board. The recommendations of the Nomination Committee will then be put to the Board for decision.

The Nomination Committee assesses the candidate or incumbent based on criteria set out in the nomination policy adopted by the Company including but not limited to their integrity, achievement and experience, time to devote, and interests of the industry which the candidate is in and the diversity brought to the Board by candidate and other standards. It has evaluated Mr. JIANG Feng, Mr. GUO Jian and Mr. CHEN Weibo to be suitable candidates with a view to maintaining a sound balance of the Board’s composition.

The Nomination Committee is of the view that Mr. JIANG Feng, Mr. GUO Jian and Mr. CHEN Weibo will bring to the Board perspectives, skills and experience. During their office in the Company, they participated in the Board meetings, the meetings of the committees of the Board, and offer their independent opinion, enquiry and advice for the Company’s business, operation, future development and strategies. The Nomination Committee believes that the personality, character, professional knowledge, ability and experience of Mr. JIANG Feng, Mr. GUO Jian and Mr. CHEN Weibo enable them to effectively discharge their duties.

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## LETTER FROM THE BOARD

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Based on the board diversity policy adopted by the Company, each of Mr. JIANG Feng's, Mr. GUO Jian's and Mr. CHEN Weibo's integrity, achievement and experience, time to devote, and interests of the industry which he is in, the Nomination Committee considers that the appointment of each of Mr. JIANG Feng, Mr. GUO Jian and Mr. CHEN Weibo as independent non-executive Director will contribute to the diversity of the Board. In addition, the Nomination Committee had assessed and reviewed the annual written confirmation of all independent non-executive Directors based on the independence criteria as set out in Rule 3.13 of the Listing Rules, and is satisfied that each of Mr. JIANG Feng, Mr. GUO Jian and Mr. CHEN Weibo remains independent in accordance with Rule 3.13 of the Listing Rules.

Details of the above retiring Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

### **5. RE-APPOINTMENT OF AUDITOR**

The consolidated financial statements of the Group for the year ended December 31, 2020 were audited by Ernst & Young whose term of office will expire upon the Annual General Meeting.

The Board proposes to re-appoint Ernst & Young as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

### **6. DECLARATION OF A FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

The Board has recommended the payment of a final dividend of HK4.4 cents per Share in respect of the year ended December 31, 2020. Conditional upon the passing of Ordinary Resolution 2 by the Shareholders at the Annual General Meeting, the register of members of the Company will be closed from June 1, 2021 to June 4, 2021 (both dates inclusive), during which period no transfer of Shares will be registered and the final dividend is expected to be paid on June 29, 2021. Shareholders whose names appear on the Company's register of members on June 1, 2021 will be entitled to the final dividends. All final dividends will be paid in Hong Kong dollars. In order to be eligible for receiving the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 31, 2021.



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## LETTER FROM THE BOARD

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### 7. NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 17 to 22 of this circular is the notice of the Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve the granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares, the re-election of the retiring Directors and the declaration of the final dividend.

### 8. FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.kangjimedical.com](http://www.kangjimedical.com)). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting (i.e. before 11:00 a.m. on May 24, 2021) or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

### 9. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and article 14 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he is the holder. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.

An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### 10. 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.

### 11. RECOMMENDATION

The Directors consider that the proposed resolutions for the granting of the Issue Mandate to issue Shares, the Repurchase Mandate to repurchase Shares, the re-election of the retiring Directors and the declaration of the final dividend are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
By order of the Board  
**Kangji Medical Holdings Limited**  
**ZHONG Ming**  
*Chairman*

*The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein, was not interested or deemed to be interest in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, nor has any directorships in other listed public companies in the last three years. In addition, save as disclosed herein, none of the following Directors has any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed in this circular, there is no other matter in relation to the re-election of the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

#### **EXECUTIVE DIRECTOR**

**Ms. Frances Fang CHOVANEC**, aged 42, has served as the chief financial officer of the Company since March 7, 2020 and remains in her current position upon her appointment as an executive Director on November 5, 2020. Ms. CHOVANEC is primarily responsible for the management of financial affairs and investor relations of our Group. Ms. CHOVANEC has extensive experience in the finance industry and worked at well-known investment banks for more than 12 years. From 2000 through 2014, Ms. CHOVANEC had successively served as an analyst at JPMorgan Chase & Company, as an associate and then a vice president at Morgan Stanley Asia Limited and an executive director in the investment banking division of Goldman Sachs & Company, where she had extensively involved in investment banking transaction execution and client coverage. From October 2014 to October 2015, Ms. CHOVANEC served as a director at Teneo Capital, LLC, a company engaged in investment banking, where she focused on M&A transaction execution. From November 2015 to December 2016, Ms. CHOVANEC was employed as a managing director by Evercore Management Corporation of Fosun Group where she mainly focused on private equity investment and portfolio management. Since January 2017, Ms. CHOVANEC provided consulting services to clients through her own firm, Bird's Nest Advisors, LLC, and mainly advised on strategic partnership, licensing and business development projects. One such example was that she served as an executive vice president at TECLens, LLC, a medical device company focusing on the refractive correction market. Ms. CHOVANEC received her bachelor's degree in finance from University of Bridgeport in the United States in May 2000 and master's degree in business administration from the Wharton School of the University of Pennsylvania in the United States in May 2005. Ms. CHOVANEC is a Chartered Financial Analyst (CFA) and she obtained the qualification from the Chartered Financial Analyst Institute in July 2003.

Ms. CHOVANEC has entered into a service contract with the Company for her appointment as an executive Director for a term from November 5, 2020. Pursuant to such service contract, Ms. CHOVANEC will not receive any director's salary or fee from the Company during her term of office but is entitled to an annual emolument of US\$330,000 and discretionary bonus based on her managerial position as the chief financial officer of the Company. She will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Ms. CHOVANEC is interested in the share options in respect of 4,120,000 underlying Shares of the Company granted to her in accordance with the pre-IPO share option plan of the Company adopted on May 6, 2020, representing approximately 0.33% of the total issued Shares of the Company.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. JIANG Feng (姜峰)**, aged 58, was appointed as an independent non-executive Director on March 7, 2020 with effect from June 4, 2020. Mr. JIANG is primarily responsible for supervising and providing independent judgement to the Board. Mr. JIANG has 34 years of experience in medical and medical device industry. From 1985 to 2010, Mr. JIANG successively worked as a clinician and served managerial positions at several Hospitals and pharmaceutical companies. From December 2010 to August 2016, Mr. JIANG served as an independent director at Dirui Industrial Co., Ltd. (迪瑞醫療科技股份有限公司, formerly known as 長春迪瑞醫療科技股份有限公司), a medical technology company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300396). From May 2014 to September 2017, Mr. JIANG served as an independent director at Guanhao Biotech Co., Ltd. (冠昊生物科技股份有限公司), a biotech company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300238). From July 2005 to March 2017, Mr. JIANG also served as the head of China Medical Device Information Magazine (《中國醫療器械信息》雜誌社). From June 2015 to February 2017, Mr. JIANG worked as a non-executive director at Kaisa Health Group Holdings Limited (佳兆業健康集團控股有限公司, formerly known as 美加醫學科技有限公司), a company specialized in dental medical products with its shares being listed on the Stock Exchange (stock code: 0876). From March 2016 to April 2019, Mr. JIANG served as an independent director at Zhongzhu Healthcare Holding Co., Ltd. (中珠醫療控股股份有限公司, "Zhongzhu"), whose shares are listed on the Shanghai Stock Exchange (stock code: 600568). Mr. JIANG also served as an independent director at a medical consumables company, Guangdong Baihe Medical Technology Co., Ltd. (廣東百合醫療科技股份有限公司) until March 2016.

Mr. JIANG is concurrently serving positions in the following entities outside the Group:

- a non-executive director since April 2014 at Lifetech Scientific (Shenzhen) Co., Ltd. (先健科技(深圳)有限公司), a medical device company whose shares are listed on the Stock Exchange (stock code: 01302);
- an executive director since November 2010 at Yixu Investment Management (Beijing) Co., Ltd. (醫旭投資管理(北京)有限公司), a company primarily engaged in investment and asset management;

- an executive director since January 2012 at Beijing Yimingxin Venture Capital Management Co., Ltd. (北京醫銘新創投資管理有限公司), a company primarily engaged in investment and asset management;
- an executive director since July 2020 at Frontier (Suzhou) Medical Technology Innovation Service Co., Ltd. (前沿(蘇州)醫學技術創新服務有限公司);
- an executive director since December 2017 at Suzhou Innomd Medical Technology Service Co., Ltd. (蘇州英諾邁醫學科技服務有限公司), a company primarily engaged in provision of integrated solutions in respect of medical devices;
- a director since October 2017 at Xian Glodmag Nano Biotechnology Co., Ltd. (西安金磁納米生物技術有限公司), a company primarily engaged in development of nanomedicine; and
- a director since December 2017 at Diabesen (Beijing) Technology Co., Ltd. (戴雅貝森(北京)科技有限公司).

Mr. JIANG also served as the president from March 2003 to January 2010 and later an executive vice president at China Association for Medical Devices Industry (中國醫療器械行業協會), the president since June 2009 at China Strategic Alliance of Medical Device Industry (中國醫療器械產業技術創新戰略聯盟), a deputy director of Biomedical Engineering Education Steering Committee of the Ministry of Education (教育部生物醫學工程專業教學指導委員會) since March 2018, and a director of Chinese Society of Biomedical Engineering (中國生物醫學工程學會) since December 2012.

On March 19, 2020, the Shanghai Stock Exchange (the “SSE”) issued a “written decision of disciplinary action” in relation to several non-compliance incidents of Zhongzhu, in which the independent directors of Zhongzhu (including Mr. JIANG) were collectively criticized by the SSE for not performing supervisory duties as independent directors sufficiently. The disciplinary action issued by the SSE was against Zhongzhu, its controlling shareholders, directors and certain senior officers, not to Mr. JIANG only. As confirmed by Mr. JIANG, he was not directly involved in such non-compliance incidents, nor had he been identified as the personnel directly responsible for the incidents.

Notwithstanding the notice of criticism received by Mr. JIANG in the decision of SSE, the Directors and the joint sponsors (Global Sachs (Asia) L.L.C., CLSA Capital Markets Limited and Merrill Lynch Far East Limited) involved in the global offering of the Company are of the view that Mr. JIANG has the experience, knowledge and skills required of a director of a listed company and is therefore suitable to be a Director pursuant to Rules 3.08 and 3.09 of the Listing Rules. Such view is reached after taking into account the following:

- According to the decision of SSE and Mr. JIANG’s representation, the incidents did not involve any dishonesty or fraudulence of Mr. JIANG, which would affect his suitability as a director of a listed company.

- It is stated in Zhongzhu's responses to the SSE's inquiry letter that (1) Zhongzhu had established internal control procedures governing the matters before the Incident occurred; and (2) the relevant incident was mainly caused by deceits and concealments of the parties who were directly involved. Mr. JIANG was not identified by the SSE as the personnel who should be directly responsible for the Incident, and the independent directors of Zhongzhu were collectively criticized for their performance of supervisory duties during the relevant period. According to Zhongzhu's 2018 independent directors' work report, the independent directors were not involved in Zhongzhu's day-to-day business operation and would only be able to provide independent opinions on matters submitted to the board of directors.
- According to the decision of SSE, the Incident was not submitted for the board of directors' approval in a timely manner.
- According to the Company's legal advisor as to PRC laws (Tian Yuan Law Firm) involved in the global offering of the Company, (1) the criticism of SSE constitutes its disciplinary activities, instead of any administrative penalty or breach of PRC laws that indicates culpability; and (2) as Mr. JIANG has confirmed that there have been no criticisms or similar incidents other than the incidents about Zhongzhu, the criticism of SSE does not by itself disqualify Mr. JIANG as a director of public companies in China.
- Mr. JIANG has extensive experience in serving directorship in various public companies, including serving as a non-executive director of Lifetech Scientific (Shenzhen) Co., Ltd. (先健科技(深圳)有限公司) whose shares are listed on the Stock Exchange (stock code: 1302) and Kaisa Health Group Holdings Limited (佳兆業健康集團控股有限公司, formerly known as 美加醫學科技有限公司) whose shares are listed on the Stock Exchange (stock code: 0876). There have been no similar incidents being reported other than the Incident. It is reasonably believed that Mr. JIANG has the relevant experience and knowledge to act as a director of a Hong Kong listed company.
- Mr. JIANG has endeavoured to keep himself educated and informed of rules of corporate governance, and enhance his familiarity with relevant legislation, rules and regulation. He had attended the training of directors' general duties under the Listing Rules and the laws of Hong Kong conducted by the Company's Hong Kong legal advisors on March 7, 2020, and a further training session on June 10, 2020 with respect to topics including, inter alia, directors' obligations and responsibilities, undertakings to the Stock Exchange and the results of breaching the Listing Rules.

Mr. JIANG has 34 years of experience in medical and medical device industry. The Company values his industry experiences and networks and considers it will benefit the long-term development of the Group.



Mr. JIANG received his master's degree in respiratory medicine in July 1992 and doctor's degree in cardiothoracic surgery in July 1995 from Air Force Medical University (空軍軍醫大學, formerly known as 第四軍醫大學) in the PRC. Mr. JIANG also obtained his second master's degree in business administration in Tsinghua University (清華大學) in the PRC in July 2006.

**Mr. GUO Jian (郭建)**, aged 64, was appointed as an independent non-executive Director on March 7, 2020 with effect from June 4, 2020. Mr. GUO is primarily responsible for supervising and providing independent judgement to the Board. Since 1985, Mr. GUO has been employed as a teaching faculty by Law School of Fudan University (復旦大學), and now being a professor of Law School of Fudan University. Since September 2017 and April 2016 respectively, Mr. GUO has been working as an independent director at Zhejiang Changsheng Sliding Bearing Co. Ltd. (浙江長盛滑動軸承股份有限公司), a sliding bearings manufacturing company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300718), and Ailex Technology Group Co., Ltd (藍怡科技集團股份有限公司, formerly known as Shanghai Ailex Technology Co., Ltd.), a medical technology company whose shares were listed on the National Equities Exchange and Quotations (stock code: 834099).

Mr. GUO received his bachelor's degree in history from East China Normal University (華東師範大學) in the PRC in January 1982 and master's degree in history of law from Fudan University in the PRC in September 1985.

**Mr. CHEN Weibo (陳衛波)**, aged 47, was appointed as an independent non-executive Director on March 7, 2020 with effect from June 4, 2020. Mr. CHEN is primarily responsible for supervising and providing independent judgement to the Board. Mr. CHEN has more than 20 years of experience in accounting and financial management. From September 1995 to May 2006, Mr. CHEN served as an accountant at overseas department of Zhejiang Construction Investment Group Company Limited (浙江省建設投資集團有限公司). Mr. CHEN was employed by Sanchuan Holding Group Limited (三川控股集團有限公司, formerly known as 三川控股有限公司 or 浙江中大三川水電發展有限公司) and served as a manager of audit department from July 2006 to June 2007 and the chief financial officer from July 2007 to August 2009. From September 2009 to June 2016, Mr. CHEN served as a teacher at Hangzhou Wanxiang Polyteaching College (杭州萬向職業技術學院) and later re-joined the overseas division of Zhejiang Construction Investment Group Company Limited (浙江省建設投資集團有限公司) as a deputy manager of overseas finance department. Mr. CHEN has been serving as a joint secretary and a secretary to the board at Sunlight Technology Holdings Limited (深藍科技控股有限公司), a material technology company whose shares are listed on the Stock Exchange (stock code: 1950), and Zhejiang Sunlight Material Technology Co., Ltd. (浙江深藍新材料科技有限公司) since April 2019 and July 2016, respectively.

Mr. CHEN received his bachelor's degree in accounting from Zhejiang University of Finance & Economics (浙江財經大學, formerly known as 浙江財經學院) in the PRC in July 1995. Mr. CHEN was conferred the qualification of senior accountant by the Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) in April 2009. Mr. CHEN has also been a non-practicing member of the Zhejiang Institute of Certified Public Accountants (浙江省註冊會計師協會) since December 2009. Mr. CHEN obtained his ACCA Advanced Diploma in Accounting and Business from the Association of Chartered Certified Accountants in June 2017.

*This Appendix is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

### **ISSUED SHARES**

As at the Latest Practicable Date, the number of issued Shares was 1,252,207,500 Shares of nominal value of US\$0.00001 each which have been fully paid. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 125,220,750 Shares which represent 10% of the issued Shares as at the date of the Annual General Meeting, during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting of the Company revoking or varying such mandate.

### **REASONS FOR AND FUNDING OF REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares.

Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

Repurchase of the Shares must be financed out of funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or out of the share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either or both the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Companies Law.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate is exercised in full, it is not expected to have a material adverse impact on the working capital and/or gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such an



extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

### **GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their respective close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries, if the Repurchase Mandate is approved by the Shareholders.

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

No core connected person has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

### **TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. ZHONG Ming and Ms. SHENTU Yinguang were deemed to be interested in 640,000,000 Shares, representing approximately 51.11% in aggregate number of issued Shares. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of Mr. ZHONG Ming and Ms. SHENTU Yinguang in the Company will be increased to approximately 56.79% of the issued Shares. To the best knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code for Mr. ZHONG Ming and Ms. SHENTU Yinguang to make a mandatory offer. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any purchase by the Company of its Shares.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued Shares would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

#### SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company in the last six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

#### SHARE PRICES

Since the Company was listed on the Stock Exchange on June 29, 2020, the highest and lowest prices at which the Shares had been traded on the Stock Exchange from the Listing Date to the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest prices</b>	<b>Lowest prices</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2020</b>		
June	30.000	25.650
July	35.650	27.550
August	30.900	21.800
September	25.800	18.560
October	23.900	18.680
November	22.750	14.660
December	17.500	11.840
<b>2021</b>		
January	15.200	11.320
February	13.920	10.860
March	11.880	9.200
April (up to the Latest Practicable Date)	11.240	9.240

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Kangji Medical Holdings Limited**

### **康基医疗控股有限公司**

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

**(Stock Code: 9997)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**Annual General Meeting**”) of Kangji Medical Holdings Limited (the “**Company**”) will be held at No. 1668, Chunjiang East Road, Tonglu Economic Development Zone, Hangzhou, Zhejiang Province 311501, the People’s Republic of China on May 26, 2021 at 11: a.m. or at any adjournment thereof for the following purposes:

1. To receive and consider the audited financial statements and the reports of directors and of the auditor of the Company for the year ended December 31, 2020.
2. To declare a final dividend of HK4.4 cents per share of the Company for the year ended December 31, 2020.
3. (A) To re-elect Ms. Frances Fang CHOVANEC as an executive director of the Company.  
(B) To re-elect Mr. JIANG Feng as an independent non-executive director of the Company.  
(C) To re-elect Mr. GUO Jian as an independent non-executive director of the Company.  
(D) To re-elect Mr. CHEN Weibo as an independent non-executive director of the Company.  
(E) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
4. To re-appoint Ernst & Young as the auditor of the Company and to authorise the board of directors of the Company to determine the remuneration of the auditor of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolution that:
- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and/or otherwise deal with additional shares of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;
  - (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
  - (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period (as defined hereinafter) pursuant to paragraph (i) above, otherwise than pursuant to paragraph (i) of this resolution, otherwise than pursuant to:
    - (1) any Rights Issue (as defined hereinafter);
    - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors of the Company, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
    - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or

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## NOTICE OF ANNUAL GENERAL MEETING

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(4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of:

(a) 20% of the number of issued shares of the Company as at the date of passing this resolution; and

(b) (if the Board is so authorised by resolution numbered 7) the aggregate number of shares of the Company repurchased by the Company subsequent to the passing of resolution numbered 6 (up to a maximum equivalent to 10% of the number of issued shares of the Company as at the date of passing resolution numbered 6),

and the approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

(a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(1) the conclusion of the next annual general meeting of the Company;

(2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and

(3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

(b) “Rights Issue” means an offer of shares of the Company or an issue of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares of the Company (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolution that:

- (i) subject to paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined hereinafter) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of the shares to be repurchased pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:–

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
- (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

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## NOTICE OF ANNUAL GENERAL MEETING

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7. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolution that: conditional upon the resolutions numbered 5 and 6 set out in this notice being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and/or otherwise deal with new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the resolution numbered 5 set out in this notice be and is hereby extended by the addition to the number of the issued shares of the Company which may be allotted or agreed conditional or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the number of the issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 6 set out in this notice, provided that such extended amount shall represent up to 10% of the number of issued shares of the Company as at the date of passing of the said resolutions.

By order of the Board  
**Kangji Medical Holdings Limited**  
**ZHONG Ming**  
*Chairman*

Hong Kong, April 27, 2021

*As at the date of this notice, the Board comprises Mr. ZHONG Ming, Ms. SHENTU Yinguang and Ms. Frances Fang CHOVANEC as executive Directors; Ms. CAI Li and Mr. CHEN Gang as non-executive Directors; and Mr. JIANG Feng, Mr. GUO Jian and Mr. CHEN Weibo as independent non-executive Directors.*

*Notes:*

- (i) Resolution numbered 7 will be proposed to the shareholders for approval provided that resolutions numbered 5 and 6 are passed by the shareholders of the Company.
- (ii) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. The proxy does not need to be a shareholder of the Company.
- (iii) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. before 11:00 a.m. on May 24, 2021) or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (iv) The register of members of the Company will be closed from May 21, 2021 to May 26, 2021, both days inclusive, in order to determine the eligibility of shareholders to attend the above meeting, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 20, 2021.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (v) The register of members of the Company will be closed from June 1, 2021 to June 4, 2021, both days inclusive, in order to determine the entitlement of shareholders to receive the final dividend of the Company, during which period no share transfers will be registered. To qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 31, 2021.
- (vi) With reference to ordinary resolution numbered 3 above, Ms. Frances Fang CHOVANEC, Mr. JIANG Feng, Mr. GUO Jian and Mr. CHEN Weibo shall retire and being eligible, offered themselves for re-election at the above meeting. Details of the above retiring directors are set out in Appendix I to the circular dated April 27, 2021.
- (vii) In respect of the resolutions numbered 5, 6 and 7 above, the directors of the Company wish to state that they have no immediate plans to repurchase any Shares or issue any new securities pursuant to the relevant mandate.
- (viii) In respect of resolution numbered 6 above, the directors of the Company wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate and for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the circular dated April 27, 2021.