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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)

Voluntary and Business Update Announcement Gaining Exclusive License of an Innovative Product – First-line Phosphate-lowering Drug Velphoro®

China Medical System Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce that on 2 February 2024, the Group through a wholly-owned subsidiary of the Company entered into a Novation Agreement (the “Novation Agreement”) with Vifor Fresenius Medical Care Renal Pharma Ltd. (“VFMCRP”) and Winhealth Investment (HK) Limited (“Winhealth Investment”) for sucroferric oxyhydroxide chewable tablets Velphoro® (“Velphoro®” or the “Product”).

Winhealth Investment and VFMCRP entered into a License Agreement (the “License Agreement”) for the Product on 28 June 2023. In accordance with the License Agreement, Winhealth Investment gained an exclusive license to register, import, promote, distribute, use and sell the Product in Mainland China, Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan Region (the “Territory”). The License Agreement commenced on its effective date and continues to be valid until the fifteenth anniversary of the date of the Product’s first commercial sale in the Territory. Upon the expiration of the aforementioned term, the License Agreement may automatically be renewed for ten years as per certain conditions defined in the License Agreement. Thereafter, unless the parties reach a new agreement, the License Agreement will terminate upon expiration.

In accordance with the Novation Agreement, Winhealth Investment novated its above-mentioned rights and obligations for the Product to a wholly-owned subsidiary of the Company.

Velphoro®

Velphoro® is a Class 5.1 imported innovative drug, which was approved through the priority review and approval procedure in China in February 2023 for the control of serum phosphorus (sP) levels in adults with chronic kidney disease (CKD) on hemodialysis (HD) or peritoneal dialysis (PD), and for the control of sP levels in paediatric patients 12 years of age and older with CKD stages 4-5 (defined as glomerular filtration rate $<30\text{mL}/\text{min}/1.73\text{ m}^2$) or CKD on dialysis. The Product is currently the first and only iron-based, non-calcium phosphate binder (PB) approved in China, filling the gap of phosphorus-lowering treatment for Chinese paediatric patients aged 12 to 18 years old with CKD stages 4-5 or CKD on dialysis. It has been newly included in category B of China's National Reimbursement Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2023 Version) (the "National Reimbursement Drug List"). There is an issued patent that protects the formulation, usage, particle size and manufacturing methods of the Product in China. Velphoro® has been launched in 51 countries/territories including the US, EU and Japan, maintaining a leading position in the global PB market.

Hyperphosphatemia is a common complication in CKD patients, especially in patients with end-stage renal disease on dialysis, characterized by a high morbidity and a low compliance rate. It is an independent risk factor for nephropathy progression, secondary hyperparathyroidism, cardiovascular events and all-cause mortality in CKD patients. Controlling sP levels can significantly improve the outcomes of CKD patients. The total number of CKD patients reaches 132 million in China, of which nearly 1 million existing patients receive dialysis treatments, and continues to increase at a rate of approximately 10% per year. The prevalence of hyperphosphatemia reaches 72.1% in CKD patients on dialysis, and nearly 50% of dialysis patients need to receive oral PB to control sP levels. According to the survey in Chinese patients with chronic kidney disease-mineral and bone disorder, combined with real-world findings, on the basis of existing phosphate-lowering treatments, the sP compliance rate of CKD dialysis patients in China is only 24.3%. The low sP compliance rate is currently the clinical pain point of hyperphosphatemia, and there is an urgent need for more potent drugs with lower pill burden and better adherence to satisfy the clinical treatment demand of hyperphosphatemia.

Since non-calcium PB has no risk of vascular calcification, domestic and foreign guidelines consistently recommend non-calcium PB as first-line treatment for reducing sP levels, and limit the use of calcium-based PB. Velphoro[®] is a new generation of iron-based, non-calcium PB with high potency in reducing sP levels and significantly increases the sP compliance rate. It is demonstrated in multiple global clinical studies and real-world research data (as published in academic journals including International Urology and Nephrology, and Clinical Nephrology) and the Chinese instruction of the Product that compared with other PBs, patients maintained on Velphoro[®] used about 50% fewer PB pills/day, and the proportion of patients achieving target sP increased significantly by 95%, and Velphoro[®] has characteristics of good safety and patient compliance without risk of calcium and heavy metal accumulation. In addition, the Product holds the obvious advantages of unaffected absorption of oral liposoluble vitamin D, maintaining stable iron parameters, improving the nutritional status in patients, reducing hospitalization rates, and alleviating patients' medical financial burdens. Velphoro[®] is expected to further improve the dialysis patients' quality of life and become a better choice of phosphorus-lowering treatment for CKD dialysis patients in China.

VFMCRP AND CSL VIFOR

VFMCRP is a joint company of CSL Vifor and Fresenius Medical Care, focusing on CKD. CSL Vifor is a global partner of choice for pharmaceuticals and innovative, leading therapies in iron deficiency and nephrology. It specializes in strategic global partnering, in-licensing and developing, manufacturing and marketing pharmaceutical products for precision healthcare, aiming to help patients around the world lead better, healthier lives. CSL Vifor is headquartered in St. Gallen, Switzerland. The parent company of CSL Vifor, CSL (ASX:CSL; USOTC:CSLLY), headquartered in Melbourne, Australia, employs 32,000 people and delivers its lifesaving therapies to people in more than 100 countries. For further information about CSL Vifor and its products, please visit its official website: www.cslvifor.com.

WINHEALTH INVESTMENT AND WINHEALTH PHARMA

Winhealth Investment is a subsidiary of Hong Kong Winhealth Pharma Group ("Winhealth Pharma"), a China-based, global-reaching biopharmaceutical company providing a spectrum of proven and innovative therapies to patients with severe unmet medical needs. With its APAC head office domiciled in Hong Kong, Winhealth Pharma has operating hubs in key cities across China including Hangzhou, Shanghai, Beijing and Hainan, as well as representative offices in Japan, Singapore and Europe. In Bo'ao, Hainan province, Winhealth Pharma owns and manages China's leading managed access platform focused on rare and other life-threatening diseases. The Company has successfully fostered long-term strategic

partnerships with many world-leading biopharma and biotech firms, building a distinctive and diversified portfolio featuring products at both commercial and late clinical stages. With deep industry insights and strong expertise across critical points of commercialization, Winhealth Pharma is well positioned for future growth in China's thriving and expanding health care market. For detailed information about Winhealth Pharma and its extensive product portfolio, please visit the official website: www.winhealth.hk.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NOVATION AGREEMENT

The Group continues to invest in and develop differentiated innovative products. Velphoro[®] is a newly approved innovative drug in China in 2023 and has been successfully included in category B of the National Reimbursement Drug List. It is expected to have a positive impact on the Group's financial results. Velphoro[®] will rapidly expand the Group's marketed innovative product portfolio and kidney disease product portfolio, and will synergize with the Group's marketed products XinHuoSu (recombinant human brain natriuretic peptide for injection) and Plendil (felodipine sustained-release tablets) and the innovative drug Desidustat tablets (intended to treat anemia in CKD patients) which is in the clinical development stage for registration in terms of expert network and market resources. Relying on the Group's successful commercialization experience and the compliant and efficient commercialization system, Velphoro[®] will bring a new drug option for phosphorus-lowering treatment to the vast number of CKD patients in China, meeting the clinical need for drugs with both efficacy and safety.

Having considered the above, the directors of the Company (the "Directors") are of the view that the Novation Agreement is on normal commercial terms and such terms are fair and reasonable and that the Novation Agreement is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, VFMCRCP and Winhealth Investment are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")). Therefore, this transaction does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As all relevant applicable percentage ratios (as defined in the

Listing Rules) of this transaction are less than 5%, this transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

This announcement is made on a voluntary basis by the Company and aims to inform potential investors and shareholders of the Company of the latest business developments of the Group.

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

Hong Kong, 2 February 2024

As at the date of the announcement, the directors of the Company 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.