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
Approvals of Drug Clinical Trials for Innovative Drugs
Highly Selective TYK2 Inhibitor CMS-D001
and GnRH Receptor Antagonist CMS-D002

China Medical System Holdings Limited (the "Company", together with its subsidiaries, the "Group") is pleased to announce that CMS-D001 tablets ("CMS-D001") and CMS-D002 capsules ("CMS-D002") self-developed by the Group have been granted approvals for drug clinical trials recently by National Medical Products Administration of the People's Republic of China ("NMPA"). NMPA agrees to conduct (i) a randomized, double-blind, placebo-controlled phase I clinical study of single or multiple dose escalation and food effects (open) to evaluate the safety, tolerability, pharmacokinetics and efficacy of CMS-D001 in healthy subjects and patients with plaque psoriasis; and (ii) a randomized, double-blind, placebo-controlled phase I clinical study of single or multiple dose escalation to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of CMS-D002 in healthy adult premenopausal female subjects.

CMS-D001

CMS-D001 is a highly selective TYK2 (tyrosine kinase 2) inhibitor. TYK2 is a member of the JAK kinase family, which is an important component in immune cell signaling. CMS-D001 specifically inhibits the activation of TYK2 and blocks cell signal transduction mediated by inflammatory cytokines such as IL-23, IL-12 and Type I interferons, thereby inhibiting the pathological processes of autoimmunity and inflammation. Selective TYK2 inhibitors can reduce the impact on other JAK family kinases and reduce adverse effects

* *For identification purpose only*

while maintaining efficacy. CMS-D001 is planned to be developed in the future for the treatment of immune-inflammatory diseases such as psoriasis, atopic dermatitis, and systemic lupus erythematosus.

Psoriasis is an immune-mediated chronic, relapsing, inflammatory, and systemic disease induced by a combination of genetics and environment. The clinical manifestations are scaly erythema or plaques, localized or widely distributed. Psoriasis can be combined with systemic diseases, seriously affecting the patient's quality of life. The incidence rate of psoriasis in China is approximately 0.47%, with more than 7 million psoriasis patients. Despite the availability of effective systemic treatment options, many patients with moderate to severe psoriasis remain undertreated or untreated or are dissatisfied with available therapies. Oral small molecule drugs, especially TYK2 inhibitors, have become a research hotspot in recent years due to the potential high efficacy, good safety and convenience. The preclinical data of CMS-D001 shows that the drug is expected to become an oral drug with reliable efficacy and good safety, providing patients with better treatment options.

CMS-D002

CMS-D002 is a small molecule gonadotropin-releasing hormone (GnRH) receptor antagonist. GnRH is a decapeptide hormone synthesized by hypothalamus and is an important factor in regulating hormone release in the reproductive system. CMS-D002 competes with endogenous GnRH to bind to the GnRH receptor on the pituitary gland, blocking the pituitary gonadal axis at the central nervous system level, reducing the release of endogenous FSH and LH, thereby inhibiting the secretion of downstream estrogen, progesterone and testosterone, alleviating the progression of sex hormone-related diseases. CMS-D002 has shown excellent efficacy and safety in preclinical research and can be developed to treat endometriosis, uterine fibroids, prostate cancer and other diseases in the future.

Endometriosis refers to the occurrence, growth, infiltration, and repeated bleeding of endometrial tissue (glands and stroma) in the endometrium covering the uterine cavity and in parts other than the uterus，which in turn causes pain，infertility, nodules or masses, etc. Endometriosis is extensive lesions, diverse shapes, and extremely aggressive and recurring. It is characterized by sex hormone dependence. It is one of the main causes of dysmenorrhea, infertility and chronic pelvic pain. Not only does it have a negative impact on patients' quality of life, but it also places a significant burden on social health resources. Endometriosis is common in women of childbearing age. According to literature reports, about 10% of women of childbearing age suffer from endometriosis. There are about 300 million women of childbearing age in China aged 15-49, with about 30 million endometriosis patients. The use

of various drugs for sequential treatment is the trend in long-term drug treatment of endometriosis. However, the clinical application of various drugs often leads to unsatisfactory efficacy, inconvenient administration routes and/or intolerable side effects, which limits the clinical application. Compared with existing drugs, non-peptide GnRH antagonists are oral dosage forms, which are easy to take and have no ignition effect in the initial stage of administration. They can quickly suppress estrogen levels after use, thereby quickly alleviating clinical symptoms, and have obvious advantages in the treatment of endometriosis. Compared with GnRH receptor agonists used to treat similar diseases, small molecule GnRH receptor antagonists have a dose-dependent ability to inhibit sex hormones, and gonadal function can be quickly restored after drug withdrawal, improving patient compliance. As an oral non-peptide small molecule GnRH receptor inhibitor, CMS-D002, combined with its excellent preclinical performance, is expected to provide patients with better treatment options.

The announcement is made on a voluntary basis. Shareholders and investors are advised to exercise caution in dealing in the shares and other securities of the Company.

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

Hong Kong, 7 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.