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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
Signing a Collaboration Agreement for
Class 1 Innovative Drug MG-K10 Humanized Monoclonal Antibody Injection

China Medical System Holdings Limited (the "Company", together with its subsidiaries, the "Group") is pleased to announce that on 24 January 2025, the Group through subsidiaries of the Company entered into a Collaboration Agreement (the "Agreement") with Hunan Mabgeek Biotechnology Co., Ltd. ("Mabgeek Biotechnology") and its subsidiary for Class 1 innovative drug anti-IL-4Rα humanized monoclonal antibody injection MG-K10 ("MG-K10" or the "Product").

In accordance with the Agreement, the Group has obtained the co-development right as specifically agreed upon in the Agreement and exclusive commercialization right to the Product in Mainland China, Hong Kong Special Administrative Region, Macao Special Administrative Region, Taiwan Region and Singapore (the "Territory"); Mabgeek Biotechnology will support the commercialization activities and is responsible for the sale and supply of the Product. The collaboration term is perpetual.

MG-K10

MG-K10 is an innovative long-acting anti-IL-4Rα humanized monoclonal antibody that simultaneously blocks the signaling of key type 2 inflammatory cytokines IL-4 and IL-13. It is used for the treatment of type 2 inflammatory diseases, including atopic dermatitis (AD), asthma, prurigo nodularis, allergic rhinitis, chronic rhinosinusitis with nasal polyps, eosinophilic esophagitis, chronic obstructive pulmonary disease and so on. It holds substance

**For identification purpose only*

patents in specific countries/regions within the Territory. MG-K10 has entered Phase III clinical trials in China for AD, asthma, and prurigo nodularis. In the completed Phase II clinical trials for adult moderate-to-severe AD and moderate-to-severe asthma, MG-K10 has demonstrated good efficacy and safety. Additionally, MG-K10 has obtained IND approval for eosinophilic esophagitis, chronic rhinosinusitis with nasal polyps, and seasonal allergic rhinitis in China. Following Fc mutation, MG-K10 allows long dosing interval owing to its prolonged half-life, and it is expected to be the first long-acting anti-IL-4Rα monoclonal antibody marketed in China. Currently marketed anti-IL-4Rα drugs require dosing every two weeks, whereas MG-K10 only requires dosing every four weeks, demonstrating good efficacy and safety. MG-K10 has the potential to be the Best-in-Class.

IL-4Rα is considered a key target for the treatment of type 2 inflammatory diseases, and anti-IL-4Rα monoclonal antibodies are among the best-selling biologics in this field. According to Frost & Sullivan, the global market for treatments targeting IL-4Rα is expected to reach US$28.7 billion by 2030, with a compound annual growth rate (CAGR) of 21.8% from 2020 to 2030. In China, the market is projected to reach US$4.08 billion by 2030, with a CAGR of 76.8% from 2020 to 2030.

MG-K10's first indication, AD, is a chronic inflammatory skin condition characterized by severe itching. It is the most burdensome non-fatal skin disease globally, with at least 230 million people affected worldwide. AD is also a prevalent and high-burden chronic disease in China, with the prevalence showing an upward trend. According to the Global Burden of Disease Study 2019, the number of AD patients in China increased by 25.65% from 1990 to 2019. It is estimated that there are approximately 36.09 million AD patients in China, with approximately 9.625 million suffering from moderate-to-severe AD. Current treatment options for AD primarily include topical and systemic treatments. For moderate-to-severe AD, topical medications are often insufficient to achieve disease control, necessitating the initiation of systemic treatments. However, due to the limitations in efficacy and safety of traditional systemic therapies for AD, moderate-to-severe AD patients often experience delays in systemic treatment initiation, poor compliance, and suboptimal disease control, leaving a significant unmet need in clinical practice. MG-K10, with its extended dosing interval of once every four weeks, is expected to improve patient adherence and provide a new, effective, and safe systemic treatment option for patients with moderate-to-severe AD.

MABGEEK BIOTECHNOLOGY

Mabgeek Biotechnology was founded in 2016 and has always adhered to the research and development concept of "innovation, efficiency and safety", focusing on the fields of allergic

inflammatory diseases and autoimmune diseases. Mabgeek Biotechnology is equipped with a research and development team composed of top industry experts. With excellent research capabilities and deep industry experience, Mabgeek Biotechnology uses its unique TEADA high-throughput antibody screening platform to develop innovative antibody drugs with high biological activity, excellent druggability, and differentiation. Mabgeek Biotechnology is committed to providing safer, more effective and more convenient treatment solutions for patients worldwide. For more information about Mabgeek Biotechnology and its products, please visit: https://www.mabge.com/.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

This collaboration will further enrich the Group's product matrix in the field of skin treatment and consolidate the influence and competitiveness of Dermavon (formerly known as CMS Skinhealth). MG-K10 has the potential to become Best-in-Class. If approved for marketing, MG-K10 will provide Chinese patients with a differentiated medication option, meet the clinical needs of drugs with good efficacy, safety and good patient compliance, and benefit patients. The Product will synergize with marketed products innovative drug ILUMETRI (tildrakizumab injection), Hirudoid (mucopolysaccharide polysulfate cream) and dermatology-grade skincare products of Heling soothing product series (developed for AD patients) and under development products innovative drug ruxolitinib cream (for the topical treatment of mild to moderate AD and non-segmental vitiligo) and povorcitinib (for the treatment of non-segmental vitiligo, hidradenitis suppurativa, prurigo nodularis, asthma and chronic spontaneous urticaria) in terms of expert network and market resources.

Having considered the above, the directors of the Company (the "Directors") are of the view that the Agreement is on normal commercial terms and such terms are fair and reasonable and that the 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, Mabgeek Biotechnology is a third party 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. 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, 24 January 2025

As at the date of the announcement, the directors of the Company comprise (i) Mr. Lam Kong and Ms. Chen Yanling as executive directors; (ii) Mr. Chen Hongbing as a non-executive director; and (iii) Mr. Leung Chong Shun, Ms. Luo Laura Ying and Mr. Fung Ching Simon as independent non-executive directors.