

Unless otherwise defined in this announcement, terms defined in the Prospectus dated 15 September 2010 (the “Prospectus”) issued by China Medical System Holdings Limited (the “Company”) have the same meanings when used in this announcement.

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Potential investors should read the Prospectus for detailed information about the Global Offering described below before deciding whether or not to invest in the Shares of the Company thereby being offered.

This notice does not constitute an offer to subscribe for any Shares under the Global Offering. Any investment decision in relation to the Offer Shares should be taken solely in reliance on the information provided in the Prospectus.

The Hong Kong Offer Shares will be offered to the public in Hong Kong subject to the terms and conditions set out in the Prospectus and the related application forms. The Hong Kong Offer Shares will not be offered to any person who is outside Hong Kong and/or not resident in Hong Kong.

In connection with the Global Offering, UBS AG, Hong Kong Branch, as stabilising manager (the “Stabilising Manager”), its affiliates or any person acting for it, on behalf of the International Underwriters, may over-allocate or effect transactions with a view to stabilising or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. The stabilising action which may be taken by the Stabilising Manager, its affiliates or any person acting for it may include primary and ancillary stabilising action such as purchasing or agreeing to purchase any of the Offer Shares, stock borrowing, establishing a short position in the Offer Shares, liquidating long positions in the Offer Shares or offering or attempting to do any such actions. However, there is no obligation on the Stabilising Manager, its affiliates or any person acting for it, to conduct any such stabilising action. Such stabilisation may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws

and regulatory requirements, including the Securities and Futures (Price Stabilising) Rules made under the SFO. Such stabilisation action, if commenced, will be conducted at the absolute discretion of the Stabilising Manager, its affiliates or any person acting for it and may be discontinued at any time, and must be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offer (i.e. Wednesday, 20 October 2010). The details of the stabilisation and how it will be regulated under the SFO are set out in the section headed “Structure of the Global Offering — Stabilisation” in the Prospectus. In connection with the Global Offering, it is expected that the Company and the Selling Shareholder will grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Global Coordinator on behalf of the International Underwriters. Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable within 30 days from the last day for lodging applications under the Hong Kong Public Offer to require the Company to allot and issue up to 20,000,000 additional new Shares and the Selling Shareholder to sell up to 10,000,000 Shares, representing in aggregate approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering, to, among other things, cover over-allocations in the International Offering, if any. In the event that the Over-allotment Option is exercised, a press announcement will be made. As of the date of this announcement, the Over-allotment Option has not been exercised.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement may be terminated by notice from the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) to the Company if any of the events set out under the section headed “Underwriting - Grounds for termination” of the Prospectus occurs at any time prior to 8:00 a.m. on the Listing Date.



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)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 200,000,000 Shares (comprising 170,000,000 new Shares and 30,000,000 Sale Shares, and subject to adjustment and the Over-allotment Option)
Number of Hong Kong Offer Shares	: 20,000,000 Shares (subject to adjustment)
Number of International Offer Shares	: 180,000,000 Shares (comprising 150,000,000 new Shares and 30,000,000 Sale Shares, and subject to adjustment and the Over-allotment Option)
Maximum Offer Price	: HK\$5.06 per Share plus brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005% (payable in full on application, subject to refund)
Nominal Value	: US\$0.005 per Share
Stock Code	: 867

Sole Global Coordinator, Bookrunner, Lead Manager and Sponsor



Application has been made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued under the Global Offering, the additional Shares which may fall to be issued upon the exercise of the Over-allotment Option and any Shares which may fall to be issued pursuant to the exercise of the Existing Share Options. Dealings in the Shares on the Stock Exchange are expected to commence on Tuesday, 28 September 2010. The Shares will be traded in board lots of 800 Shares each.

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between the participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

The Company and the Selling Shareholder are, in aggregate, initially offering 200,000,000 Shares (subject to the Over-allotment Option) under the Global Offering, which consists of the Hong Kong Public Offer of initially 20,000,000 Shares (subject to adjustment) and the International Offering of initially 180,000,000 Shares comprising 150,000,000 new Shares and 30,000,000 Sale Shares (subject to adjustment and the Over-allotment Option), representing approximately 10% and 90% of the total number of Offer Shares initially available under the Global Offering, respectively. The allocation of the Shares between the Hong Kong Public Offer and the International Offering is subject to adjustment as stated in the section headed “Structure of the Global Offering — Conditions of the Hong Kong Public Offer” in the Prospectus.

The total number of Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offer will be divided equally into two pools for allocation purposes: pool A and pool B. The Hong Kong Offer Shares in pool A will consist of 10,000,000 Shares and will be allocated on an equitable basis to applicants who have validly applied for the Hong Kong Offer Shares with an aggregate price of HK\$5 million (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will consist of 10,000,000 Shares and will be allocated on an equitable basis to applicants who have validly applied for the Hong Kong Offer Shares with an aggregate price of more than HK\$5 million (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee payable). Applicants should be aware that the allocation ratios for applications in pool A and applications in pool B may be different. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of the Hong Kong Offer Shares from pool A or pool B but not from both pools.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus and the prescribed **white** and/or **yellow** Application Forms and the designated website for **White Form eIPO** (www.eipo.com.hk). Multiple or suspected multiple applications and any application for more than 10,000,000 Shares, being 50% of the Shares initially being offered for public subscription under the Hong Kong Public Offer will be rejected. Only one application on a **white** or **yellow** Application Form or by way of giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider under the **White Form eIPO** service through the designated website www.eipo.com.hk may be made for the benefit of any person. In addition, each applicant is required to undertake and confirm in the Application Form or the application under the **White Form eIPO** submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for and has not received or been placed or allocated (including conditionally or provisionally), any Offer Shares under the International Offering nor otherwise participated in the International Offering. Applications where cheques or bankers' cashier orders are dishonoured upon first presentation will be rejected.

In connection with the Global Offering and pursuant to the International Purchase Agreement, it is expected that the Company and the Selling Shareholder will grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Global Coordinator on behalf of the International Underwriters. Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable within 30 days from the last day for lodging applications under the Hong Kong Public Offer (i.e. Wednesday, 20 October 2010), to require the Company to allot and issue up to 20,000,000 additional new Shares and the Selling Shareholder to sell up to 10,000,000 Shares, representing in aggregate 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering, to, among other things, cover over-allocations in the International Offering, if any. In the event that the Over-allotment Option is exercised, a press announcement will be made.

In connection with the Global Offering, the Sole Global Coordinator, as Stabilising Manager, its affiliates or any person acting for it on behalf of the International Underwriters, may over-allocate Shares or effect transactions with a view to stabilising or supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period from the Listing Date and ending on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offer. Any over-allocations of Shares in conjunction with the Global Offering may result in a short position. The covered short position will not exceed the number of Shares that may be sold under the Over-allotment Option, being 30,000,000 Shares, which is 15% of the Offer Shares

initially available under the Global Offering. The stabilising action which may be taken by the Stabilising Manager, its affiliates or any person acting for it may include primary and ancillary stabilising action such as purchasing or agreeing to purchase any of the Offer Shares, stock borrowing, establishing a short position in the Offer Shares, liquidating long positions in the Offer Shares or offering or attempting to do any such actions. However, there is no obligation on the Stabilising Manager, its affiliates or any person acting for it, to conduct any such stabilising action. Such stabilisation may be effected in all jurisdictions where it is permissible to do so, in each case the compliance with all laws and regulatory requirements, including the Securities and Futures (Price Stabilising) Rules made under the SFO. Such stabilisation action, if commenced, will be conducted at the absolute discretion of the Stabilising Manager, its affiliates or any person acting for it and may be discontinued at any time, and must be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offer. The details of the stabilisation and how it will be regulated under the SFO are set out in the section headed “Structure of the Global Offering — Stabilisation” in the Prospectus.

Acceptance of the applications for the Offer Shares pursuant to the Hong Kong Public Offer is conditional upon fulfilment of the conditions as stated in the section headed “Structure of the Global Offering — Conditions of the Hong Kong Public Offer” in the Prospectus. If the conditions are not fulfilled or waived prior to the times and dates specified, all application moneys received from applicants under the Hong Kong Public Offer will be returned, without interest, on the terms set out in the section headed “Refund of application moneys” on the Application Forms and the section headed “How to Apply for Hong Kong Offer Shares — Despatch/Collection of share certificates/e-Refund payment instructions/Refund cheques” in the Prospectus.

The Offer Price is expected to be fixed by agreement between the Sole Global Coordinator (on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder) on or around Tuesday, 21 September 2010, and, in any event, not later than 5:00 p.m., Sunday, 26 September 2010. Applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum offer price of HK\$5.06 for each Share together with a brokerage of 1%, SFC transaction levy of 0.004% and the Stock Exchange trading fee of 0.005%. The Sole Global Coordinator (on behalf of the Underwriters) may with the consent of the Company (for itself and on behalf of the Selling Shareholder), reduce the number of Offer Shares being offered under the Global Offering and/or the indicative offer price range below that stated in the Prospectus (which is HK\$3.60 to HK\$5.06 per Offer Share) at any time on or before the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, notices of the reduction in the number of Offer Shares and/or the indicative offer price range will be published on the website of the

Company (www.cms.net.cn) and on the website of the Stock Exchange (www.hkexnews.hk) and in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer. If applications pursuant to the Hong Kong Public Offer have been submitted before the day which is the last day for lodging applications under the Hong Kong Public Offer, then even if the number of Offer Shares and/or the offer price range is so reduced, such applications cannot be subsequently withdrawn. If, for any reason, the Offer Price is not agreed between the Sole Global Coordinator (on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder), the Global Offering (including the Hong Kong Public Offer) will not proceed. Further details are set out in the sections headed “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in the Prospectus.

If the Global Offering does not become unconditional, all application monies received from applicants under the Hong Kong Public Offer will be refunded, without interest, on the terms set out under the section headed “How to Apply for Hong Kong Offer Shares - Despatch/Collection of share certificates/e-Refund payment instructions/Refund cheques” in the Prospectus. Refund will be made in respect of wholly or partially successful applications in the event that the final Offer Price is less than the Offer Price per Share initially paid and in respect of wholly or partially unsuccessful application.

Applicants who would like to have the Hong Kong Offer Shares allotted and issued in their own names should (i) complete and sign the **white** Application Forms or (ii) submit applications online through the designated website of the **White Form eIPO** Service Provider at www.eipo.com.hk under the **White Form eIPO** service. Applicants who would like to have the Hong Kong Offer Shares allotted and issued in the name of HKSCC Nominees on their behalf and deposited directly into CCASS for the credit of their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants should (i) complete and sign the **yellow** Application Forms, copies of which, together with copies of the Prospectus, may be obtained during normal business hours from 9:00 a.m. on Wednesday, 15 September 2010, until 12:00 noon on Monday, 20 September 2010 at the Depository Counter of HKSCC at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong or from your stockbroker, who may have such Application Forms and the Prospectus available or (ii) give **electronic application instructions** to HKSCC via CCASS.

Except where you are a nominee and provide the required information in your application, you or you and your joint applicant(s) may not make more than one application (whether individually or jointly) by applying using a **white** or **yellow** Application Form or applying online through the **White Form eIPO** service or by giving **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **white** Application Forms, may be obtained during normal business hours in the same period from:

1. any of the following addresses of the Hong Kong Underwriters:

UBS AG, Hong Kong Branch at 52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

China Everbright Securities (HK) Limited at 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Guotai Junan Securities (Hong Kong) Limited at 27th Floor, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong.

Kingsway Financial Services Group Limited at 5/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong.

2. any of the following branches of Standard Chartered Bank (Hong Kong) Limited:

Hong Kong Island	Central Branch	Shop no. 16, G/F and Lower G/F, New World Tower, 16-18 Queen's Road Central, Central
	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	North Point Centre Branch	North Point Centre, 284 King's Road, North Point
Kowloon	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok
	Kwun Tong Branch	1A Yue Man Square, Kwun Tong

or any of the following branches of The Bank of East Asia, Limited:

Hong Kong Island	Main Branch	10 Des Voeux Road Central, HK
	Wanchai Branch	Shop A-C, G/F, Easey Commercial Building, 253-261 Hennessy Road, Wanchai
Kowloon	Tsim Sha Tsui Branch	Shop A & B, Milton Mansion, 96 Nathan Road
New Territories	Shatin Plaza Branch	Shop 3 - 4, Level 1, Shatin Plaza
	Tuen Mun Town Plaza Branch	Shop 2 - 10, UG/F, Tuen Mun Town Plaza Phase II, 3 Tuen Lung Street, Tuen Mun

or any of the following branches of The Bank of Communications Co., Ltd. Hong Kong Branch:

Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central
Kowloon	Kowloon Sub-Branch	G/F., 563 Nathan Road
	Mongkok Sub-Branch	Shops A & B, G/F., Hua Chiao Commercial Centre, 678 Nathan Road
	Wong Tai Sin Sub-Branch	Shops 127-129, 1/F., Lung Cheung Plaza, 136 Lung Cheung Road
New Territories	Tsuen Wan Sub-Branch	G/F., Shop G9B-11, Pacific Commercial Plaza, Bo Shek Mansion, 328 Sha Tsui Road

The **yellow** Application Form and a copy of the Prospectus may be obtained during normal business hours from 9:00 a.m. on Wednesday, 15 September 2010 until 12:00 noon on Monday, 20 September 2010 from:

- (1) the Depository Counter of HKSCC at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong; or
- (2) your stockbroker, who may have copies of such Application Form and copies of the Prospectus available.

Completed **white** or **yellow** Application Forms (to which cheques or banker's cashier orders crossed "Account Payee Only" and made payable to "Horsford Nominees Limited - China Medical System Public Offer" should be securely stapled) should be deposited in the special collection boxes provided at any of the branches of Standard Chartered Bank (Hong Kong) Limited, The Bank of East Asia, Limited or The Bank of Communications Co., Ltd. Hong Kong Branch referred to above at the following times on the following dates:

Wednesday, 15 September 2010 — 9:00 a.m. to 5:00 p.m.

Thursday, 16 September 2010 — 9:00 a.m. to 5:00 p.m.

Friday, 17 September 2010 — 9:00 a.m. to 5:00 p.m.

Saturday, 18 September 2010 — 9:00 a.m. to 1:00 p.m.

Monday, 20 September 2010 — 9:00 a.m. to 12:00 noon

Applicants applying by **White Form eIPO** may submit applications to the **White form eIPO** Service Provider through the designated website **www.eipo.com.hk** from 9:00 a.m. on Wednesday, 15 September 2010 until 11:30 a.m. on Monday, 20 September 2010 (or such later time as described under the section headed "How to Apply for Hong Kong Offer Shares - Effect of bad weather on the opening of the application lists" in the Prospectus) (24 hours daily, except on the last application day). The latest time for completing full payment of application moneys in respect of such applications will be 12:00 noon on Monday, 20 September 2010 being the last application day, or if the application lists are not open on that day, then by the time and date stated in the section headed "How to Apply for Hong Kong Offer Shares - Effect of bad weather on the opening of the application lists" in the Prospectus. Applicants will not be permitted to submit applications to the **White Form eIPO** Service Provider through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last application day. If you have already submitted your application and obtained an application reference number from the website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application moneys) until 12:00 noon on the last day for submitting applications, when the application lists close.

Investors can also apply for Hong Kong Offer Shares by giving **electronic applications instructions** to HKSCC as follows:

1. CCASS Investor Participants can give **electronic application instructions** to HKSCC through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.cass.com>) (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS

Investor Participants on their behalf if they go to the Customer Service Centre of HKSCC at 2/F, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong and complete an input request form. Prospectuses are also available for collection at the Customer Service Centre of HKSCC; and

2. those who are not CCASS Investor Participants can instruct their brokers or custodians who are CCASS Clearing Participants or CCASS Custodian Participants to give **electronic application instructions** to HKSCC via CCASS terminals to apply for Hong Kong Offer Shares on their behalf.

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Wednesday, 15 September 2010 — 9:00 a.m. to 8:30 p.m. ⁽¹⁾

Thursday, 16 September 2010 — 8:00 a.m. to 8:30 p.m. ⁽¹⁾

Friday, 17 September 2010 — 8:00 a.m. to 8:30 p.m. ⁽¹⁾

Saturday, 18 September 2010 — 8:00 a.m. to 1:00 p.m. ⁽¹⁾

Monday, 20 September 2010 — 8:00 a.m.⁽¹⁾ to 12:00 noon

Note:

1. These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, 15 September 2010 until 12:00 noon on Monday, 20 September 2010 (24 hours daily, except the last application day).

The application lists will be opened from 11:45 a.m. to 12:00 noon on Monday, 20 September 2010, except as provided under the section headed “How to Apply for Hong Kong Offer Shares — Effect of bad weather on the opening of the application lists” in the Prospectus. No proceedings will be taken on applications for the Hong Kong Offer Shares and no allotment of any such Hong Kong Offer Shares will be made until the closing of the application lists. No allotment of any of the Hong Kong Offer Shares will be made later than Friday, 15 October 2010.

On the terms and subject to the conditions set out in the Prospectus and the Application Forms, completed **white** and **yellow** Application Forms, together with payment attached, or **electronic application instructions** to HKSCC or application instructions through the **White Form eIPO (www.eipo.com.hk)** must be received by no later than 12:00 noon on Monday, 20 September 2010 (or such later date as may apply in the case of a tropical cyclone warning signal No. 8 or above or a “black”

rainstorm warning being in force in Hong Kong as described under the section headed “How to Apply for Hong Kong Offer Shares — Effect of bad weather on the opening of the application lists” in the Prospectus). No temporary documents or evidence of title will be issued. No receipt will be issued for application monies paid.

It should be noted that multiple or suspected multiple applications and any application for more than 50% of the 20,000,000 Shares initially comprised in the Hong Kong Public Offer (that is, 10,000,000 Hong Kong Offer Shares) will be rejected. Each applicant under the Hong Kong Public Offer will also be required to give an undertaking and confirmation in the Application Form by him that he and any person(s) for whose benefit he is making the application has not indicated an interest for or taken up and will not indicate an interest for or take up any Shares under the International Offering, and such applicant’s application will be rejected if the undertaking and/or confirmation is breached and/or untrue (as the case may be). Full details of the circumstances in which an applicant will not be allotted Hong Kong Offer Shares are set out in the notes attached to the Application Forms and under the section headed “How to Apply for Hong Kong Offer Shares - Circumstances in which you will not be allotted Hong Kong Offer Shares” in the Prospectus.

It is expected that the Offer Price, the level of indication of interest in the International Offering, the basis of allotment under the Hong Kong Public Offer will be announced on Monday, 27 September 2010 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.cms.net.cn) for at least five consecutive days.

In addition, it is expected that the results of applications and the Hong Kong Identity Card/Passport/Hong Kong Business registration certificate numbers of successful applicants under the Hong Kong Public Offer will be announced at the times and dates and in the manner set out in the section headed “How to Apply for Hong Kong Offer Shares — Publication of results” in the Prospectus on Monday, 27 September 2010. If you apply for 1,000,000 Hong Kong Offer Shares or more using a **white** or **yellow** Application Form or through **White Form eIPO** and have indicated your intention on your Application Form or in your application under **White Form eIPO** to collect your refund cheque(s) (where applicable) and/or (if using **white** Application Forms or through **White Form eIPO**) share certificate(s) (where applicable) from Computershare Hong Kong Investor Services Limited and have provided all information required by your Application Form or your application under **White Form eIPO**, you may collect the refund cheque(s) (where applicable) and share certificate(s) (where applicable) in person from Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Monday, 27

September 2010, or such other date as notified by the Company in the newspapers as the date of collection/despatch of the same. If you do not collect the refund cheque(s) (where applicable) and share certificate(s) (where applicable) personally within the time specified for collection, they will be sent to the address as specified in your Application Form or in your application under **White Form eIPO** thereafter by ordinary post and at your own risk. Applicants being individuals who opt for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations who opt for personal collection must attend by their personal authorised representatives each bearing a letter of authorisation from his corporation stamped with the corporation's chop. Both individuals and personal authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. Uncollected Share certificates and refund cheques will be despatched by ordinary post to the addresses as specified in the applications at the applicants' own risk. Details of the arrangements are set out in the section headed "How to Apply For Hong Kong Offer Shares — Despatch/Collection of share certificates/e-Refund payment instructions/Refund cheques" of the Prospectus. Part of the Hong Kong Identity Card number/passport number of an applicant, or, if the applicants are joint applicants, part of the Hong Kong Identity Card number/passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third-party for refund purposes. An applicant's banker may require verification of that applicant's Hong Kong Identity Card number/passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong Identity Card number/passport number may lead to delay in the encashment of or may invalidate the refund cheque. Refund cheques will be issued in respect of wholly or partially unsuccessful applications and in respect of successful applications if the Offer Price is less than the price payable on application.

If you apply for less than 1,000,000 Hong Kong Offer Shares using a **white** or **yellow** Application Form or through **White Form eIPO**, or if you apply for 1,000,000 Hong Kong Offer Shares or more but have not indicated on your Application Form or in your application under the **White Form eIPO** that you will collect your refund cheque(s) (where applicable) and/or share certificate(s) (where applicable) in person, your refund cheque(s) (where applicable) and/or Share certificate(s) (where applicable) will be sent to the address on your Application Form or in your application under **White Form eIPO** on Monday, 27 September 2010 by ordinary post and at your own risk.

If you apply for the Hong Kong Offer Shares using a **yellow** Application Form or by giving **electronic application instructions** to HKSCC and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your CCASS Investor Participant stock account or the stock account of your designated CCASS Participant giving **electronic application instructions** on your behalf or as instructed by you in your **yellow** Application Form on Monday, 27 September 2010, or under contingent situation, on any other date as shall be determined by HKSCC or HKSCC Nominees. If you apply through a designated CCASS Participant (other than a CCASS Investor Participant) for Hong Kong Offer Shares credited to the stock account of your designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you (and the amount of refund money payable to you if you have instructed a CCASS Clearing/Custodian Participant to give electronic application instructions on your behalf) with that CCASS Participant. If you are applying as a CCASS Investor Participant, you should check the announcement of the results of the Hong Kong Public Offer to be made by the Company on Monday, 27 September 2010 in the manner set out in the section headed “How to Apply for Hong Kong Offer Shares — Publication of results” in the Prospectus, and report any discrepancies to HKSCC before 5:00 p.m. on Monday, 27 September 2010 or such other date as shall be determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your CCASS Investor Participant stock account and the credit of refund monies to your designated bank account (if you are applying by giving electronic application instructions to HKSCC), you can check your new account balance via the CCASS Phone system and the CCASS Internet System (under the procedures contained in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time). HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your stock account and the amount of refund money (if any) credited to your designated bank account (if you are applying by giving electronic application instructions to HKSCC).

Share certificates will only become valid certificates of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects and the right of termination described in the section headed “Underwriting — Grounds for termination” in the Prospectus has not been exercised.

If your application is wholly or partially unsuccessful, the Company will refund in whole or in part (as applicable) your application monies, including related brokerage, SFC transaction levy and the Stock Exchange trading fee to you without interest on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares - Refund of Application monies” in the Prospectus. For applicants using **white** or **yellow** Application Forms, refund cheques will be crossed “Account payee only” in favour of the applicant (or, in the case of joint applicants, to the first-named applicant on your Application Form) on the terms set out under “Refund of application monies” on the Application Form and the section headed “How to Apply for Hong Kong Offer Shares — Despatch/Collection of share certificates/e-Refund payment instructions/Refund cheques” in the Prospectus. The refund cheque will be available for collection on Monday, 27 September 2010 or sent to the address on your Application Form (as applicable) or in the case of joint applicants, to the address of the first-named applicant on your Application Form by ordinary post and at your own risk on Monday, 27 September 2010. If you have given **electronic application instructions** to HKSCC via CCASS, refunds (if any) will be credited to your CCASS Investor Participant designated bank account or the designated bank account of the designated CCASS Participant through which you are applying on Monday, 27 September 2010. If you have given **electronic application instructions** to HKSCC via CCASS Clearing/Custodian Participants, you can check the amount of refund money payable to you through the designated CCASS Participant giving **electronic application instructions** on your behalf.

If you apply for the Hong Kong Offer Shares through the **White Form eIPO** and paid the application monies from a single bank account, refund monies (if any) will be despatched to the application payment bank account in the form of e-Refund payment instruction on Monday, 27 September 2010. If you apply for the Hong Kong Offer Shares through **White Form eIPO** and paid the application monies from multiple bank accounts, refund monies (if any) will be despatched to the address as specified on your **White Form eIPO** application in the form of refund cheque(s), by ordinary post at your own risk on Monday, 27 September 2010.

Refund monies (if any) will be available for allocation/sent out/credited/despatched to applicants on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — Despatch/Collection of Share Certificates/e-Refund payment instructions/Refund Cheque” in the Prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged or transferred within the United States, except that the Offer Shares may be offered, sold or delivered to QIBs in reliance on Rule 144A or other exemption(s) from registration under the U.S. Securities Act or outside the United States in reliance on Regulation S under the U.S. Securities Act.

Dealings in the Shares on the Stock Exchange are expected to commence on Tuesday, 28 September 2010.

As at the date of this announcement, the executive Directors are Mr. Lam Kong, Mr. Chen Hongbing, Ms. Chen Yanling and Mr. Hui Ki Fat; the non-executive Director is Ms. Hou Xiaoxuan; and the independent non-executive Directors are Mr. Cheung Kam Shing Terry, Dr. Peng Huaizheng and Mr. Wu Chi Keung.

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

Hong Kong, Wednesday, 15 September 2010

* *For identification purposes only*

*Please also refer to the published version of this announcement in the **South China Morning Post**.*