
NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of China Medical System Holdings Limited (the “**Company**”) will be held at Bowen Room, Level 7, Conrad Hong Kong Hotel, Pacific Place, Admiralty, Hong Kong on Wednesday, 14 September 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**, subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the Bonus Shares (as defined below) pursuant to the Bonus Issue (as defined below):

- (a) an amount standing to the credit of the share premium account of the Company as would be required to be applied in paying up in full at par new ordinary shares (the “Shares”) of US\$0.005 par value each in the capital of the Company, such Shares, credited as fully paid, to be allotted and distributed among members of the Company whose names appear on the register of members of the Company as at the close of business at 4:30 p.m. on Thursday, 22 September 2011 (the “Record Date”) on the basis of one (1) new Share (the “Bonus Shares”) for every four (4) existing Shares then held, be capitalised and applied in such manner (the “Bonus Issue”), and the directors of the Company be and are hereby authorised to allot and issue such Bonus Shares;
- (b) the Bonus Shares to be issued and allotted pursuant to paragraph (a) of this resolution shall, subject to the memorandum and articles of association of the Company, rank pari passu in all respects with the existing Shares in issue as at the Record Date, except that they will not be entitled to the proposed cash dividend of the Company for the six months ended 30 June 2011 nor rank for the bonus issue of Shares mentioned in this resolution; and

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- (c) the directors of the Company be authorised to do all acts and things as any be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining the amount to be capitalised out of the share premium account of the Company and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (a) of this resolution.”

By Order of the Board
CHINA MEDICAL SYSTEM HOLDINGS LIMITED
LAM Kong
Chairman

Hong Kong, 26 August 2011

Notes:

1. *The register of members of the Company will be closed from Tuesday, 20 September 2011 to Thursday, 22 September 2011 (both days inclusive) in order to determine the Shareholders' entitlements to the Bonus Issue, during which period the registration of transfer of Shares will be suspended. Shareholders whose names appear on the register of members of the Company at the close of business at 4:30 p.m. on Thursday, 22 September 2011 will be entitled to the Bonus Issue. To qualify for the Bonus Issue, all transfer forms of Shares accompanied by the relevant share certificates must be lodged with the Company's branch 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, for registration no later than 4:30 p.m. on Monday, 19 September 2011.*
2. *A Shareholder entitled to attend and vote at the EGM (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a Shareholder but must be present in person at the EGM (or at any adjournment thereof) to represent the Shareholder. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.*
3. *A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not a Shareholder is able to attend the EGM, he is encouraged to complete the form of proxy in accordance with the instructions printed thereon and return it together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, on 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.*
4. *Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should he so wish and in such event the instrument appointing the proxy shall be deemed to be revoked.*
5. *As at the date of this notice, the board of Directors comprises (i) executive Directors: Mr. Lam Kong, Mr. Chen Hongbing, Ms. Chen Yanling and Mr. Hui Ki Fat; (ii) non-executive Director: Ms. Hou Xiaoxuan; and (iii) independent non-executive Directors: Mr. Cheung Kam Shing, Terry, Dr. Peng Huaizheng and Mr. Wu Chi Keung.*