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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)

ANNOUNCEMENT

The board of directors (the "Board") of China Medical System Holdings Limited (the "Company", together with its subsidiaries the "Group") noticed that 西藏諾迪康藥業股份有限公司(Tibet Rhodiola Pharmaceutical Holdings Co., Ltd.) ("Tibet Pharmaceutical"), whose shares are listed on the Shanghai Stock Exchange, issued an announcement today in response to unusual price movement in its shares. In the announcement, it is mentioned that certain shareholders of the Tibet Pharmaceutical, including 深圳市康哲藥業有限公司 (Shenzhen Kangzhe Pharmaceutical Co., Ltd.), a wholly-owned subsidiary of the Company, are considering entering into discussions in relation to certain matters concerning Tibet Pharmaceutical. It further mentions that the outcome of such discussion is uncertain and may involve significant matters.

As at the date of this announcement, a wholly-owned subsidiary of the Group, 深圳市康哲藥業有限公司 (Shenzhen Kangzhe Pharmaceutical Co., Ltd.), together with other members of the Group, namely 天津康哲醫藥科技發展有限公司 (Tianjin Kangzhe Pharmaceutical Technology Development Co., Ltd.) and 深圳市康哲醫藥科技開發有限公司 (Shenzhen Kangzhe Pharmaceutical Technology Development Co., Ltd.), hold an aggregate of 12,581,115 shares in Tibet Pharmaceutical, representing approximately 8.64% of the issued share capital of Tibet Pharmaceutical.

The Board confirms that certain shareholders of Tibet Pharmaceutical (including the above-mentioned wholly-owned subsidiaries of the Group) are currently in discussion about certain matters concerning Tibet Pharmaceutical. As at the time of this announcement, the parties have not arrived at any conclusions of such discussions. In the event that the discussions result in any matter which is significant to the Group, the Company will make further announcements as and when appropriate in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Proposed Transaction may or may not proceed. Shareholders and investors should therefore exercise caution when dealing in the securities of the Company.

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

22 October 2014, Hong Kong

As at the date of the announcement, the directors of the Company include (i) executive directors: Mr. Lam Kong, Mr. Chen Hongbing, Ms. Chen Yanling and Ms. Sa Manlin; (ii) independent non-executive directors: Mr. Cheung Kam Shing, Terry, Mr. Huang Ming and Mr. Wu Chi Keung.