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China Medical Science Limited (中華藥業有限公司)*

(Incorporated in the Cayman Islands with limited liability)

LISTING ON
THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING

Number of Shares	:100,000,000 Placing Shares (subject to Over-allotment Option)
Issue Price	:HK\$0.55 per Share
Nominal value	:HK\$0.05 each
Stock code	:8120

Sponsor



YUANTA SECURITIES
(HONG KONG) COMPANY LIMITED

Co-sponsor



Polaris Securities (Hong Kong) Limited

Financial adviser



Joint lead managers



KOFFMAN SECURITIES LIMITED

Polaris Securities (Hong Kong) Limited

KGI Asia Limited

Co-lead managers



Kingsway SW Securities Limited



Celestial Capital Limited

Managers

Access Capital Limited

Sun Hung Kai International Limited

TradingGuru.com Securities Limited

Summary

- The Issue Price was determined at HK\$0.55 per Share
- The 100,000,000 Placing Shares were fully subscribed.
- Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Tuesday, 10th April, 2001.

Unless otherwise defined herein, the terms used in this announcement shall have the same meanings as those defined in the prospectus dated 28th March, 2001 (the “Prospectus”) issued by China Medical Science Limited (the “Company”).

Level of interest

The initial 100,000,000 Placing Shares were fully subscribed, and have been conditionally allocated in full to 106 individuals, professional and institutional investors in Hong Kong. The placees are independent of and not connected with any of the directors, management shareholders, substantial shareholders or chief executive of the Company or any of its subsidiaries or an associate of any of them. 2,652,000 Shares and 900,000 Shares have been placed to Kingsway Lion Spur Technology Limited, a fellow subsidiary of Kingsway SW Securities Limited which is one of the underwriters of the Placing, and a discretionary fund managed by Kingsway SW Fund Management Limited, another fellow subsidiary of Kingsway SW Securities Limited. In addition, 18,180,000 Shares have been placed to two discretionary funds managed by KGI Asset Management (HK) Limited, a fellow subsidiary of KGI Asia Limited which is one of the underwriters of the Placing. Save as aforesaid, no Placing Share has been allocated to any party or group of persons specified under Rule 10.12(4) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

Results of allocations

Pursuant to the Placing, 100,000,000 Shares will be held by a total of 106 places as follows:

<u>Number of Shares</u>	<u>Number of Places</u>
4,000 - 20,000	57
20,001 - 50,000	9
50,001 - 100,000	5
100,001 - 200,000	2
200,001 - 500,000	10
500,001 - 1,000,000	8
1,000,001 - 2,000,000	3
2,000,001 - 5,000,000	6
5,000,001 - 10,000,000	3
10,000,001 - 20,000,000	3
<u>Total</u>	<u>106</u>

Of the 100,000,000 Placing Shares, approximately 16.0 per cent. and approximately 76.7 per cent. of the total number of Shares allocated have been placed to the largest and the ten largest places respectively, which represent approximately 3.2 per cent. and approximately 15.3 per cent. of the issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue (but before the exercise of the Over-allotment Option) respectively.

The investors should be aware that the concentration of shareholders may affect the liquidity of Shares. The shareholders and potential investors are advised to exercise extreme caution in dealing with the Shares.

Minimum public float requirement

According to the GEM Listing Rules, the Company is required to maintain a public float of not less than 20 per cent. of its share capital in issue from time to time. Immediately following the Placing (but before any exercise of the Over-allotment Option), the Company will have a public float of 20 per cent. of its enlarged issued share capital. If the Over-allotment Option is exercised in full, the Company will have a public float of approximately 21.57 per cent. of its enlarged issued share capital.

Deposit of share certificates into CCASS

The certificates in respect of the Placing Shares have been issued in the name of HKSCC Nominees Limited and deposited into CCASS on Wednesday, 4th April, 2001.

Over-allotment Option

The Company has granted to Koffman Securities Limited the Over-allotment Option to require the Company to allot and issue at the Issue Price up to an aggregate of 10,000,000 additional new Shares representing 10 per cent. of the Placing Shares initially available under the Placing to cover over-allocations in the Placing at any time and from time to time during the period of 30 days from 28th March, 2001. If the Over-allotment Option is exercised, an announcement will be made on the GEM website. Up to the date of this announcement, the Over-allotment Option has not been exercised.

Commencement of dealings

Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Tuesday, 10th April, 2001.

By order of the Board
China Medical Science Limited
Wong Sai Chung
Chairman

Hong Kong, 4th April, 2001

This announcement for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> for seven days from the date of its posting.

* *For identification purposes only*