CHINA TRADITIONAL CHINESE MEDICINE CO. LIMITED
中國中藥有限公司

(*Incorporated in Hong Kong with limited liability*)
(Stock Code: 570)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to the provisions of inside information (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment by the Company's management with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2015, the Group is expected to record an increase of not less than 50% in consolidated net profit attributable to the Shareholders for the year ended 31 December 2015 as compared with that of approximately RMB413.1 million for the year ended 31 December 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Traditional Chinese Medicine Co. Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to the provisions of inside information (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Listing Rules.

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary assessment by the Company's management with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2015, the Group is expected to record an increase of not less than 50% in consolidated net profit attributable to the Shareholders for the year ended 31 December 2015 as compared with that of approximately RMB413.1 million for the year ended 31 December 2014. The improvement in the results of the Group for the year ended 31 December 2015 as compared with that for 2014 was mainly attributable to (i) the completion of the acquisition of and the consolidation of the financial results of Jiangyin Tianjiang Pharmaceutical Co., Ltd. and its subsidiaries since October 2015; and (ii) the gain from the disposal of equity interest in a subsidiary.

The information contained in this announcement is only based on the Board's preliminary assessment with reference to the unaudited consolidated management accounts of the Group and is not based on any financial data or information which has been audited or reviewed by the Company's independent auditor or the audit committee of the Company. Consequently, the actual results of the Group for the year ended 31 December 2015 may be different from what is disclosed in this announcement. The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2015. Details of the financial information to be disclosed in the Company's annual report for the year ended 31 December 2015 shall prevail.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Traditional Chinese Medicine Co. Limited
WU Xian
Chairman

Hong Kong, 11 March 2016

As at the date of this announcement, the Board comprises eleven directors, of which Mr. WU Xian, Mr. YANG Bin and Mr. WANG Xiaochun are executive directors; Mr. LIU Cunzhou, Mr. ZHANG Jianhui, Mr. DONG Zenghe and Mr. ZHAO Dongji are non-executive directors; and Mr. ZHOU Bajun, Mr. XIE Rong, Mr. YU Tze Shan Hailson and Mr. LO Wing Yat are independent non-executive directors.