SINOPHARM

CHINA TRADITIONAL CHINESE MEDICINE HOLDINGS CO. LIMITED
中國中藥控股有限公司

(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 Interim Period, the Group is expected to record an increase of more than 100% in unaudited consolidated net profit attributable to Shareholders for the Interim Period as compared to the unaudited consolidated net profit attributable to Shareholders from continuing operations of approximately RMB243.2 million for the corresponding period in 2015.

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

This announcement is made by China Traditional Chinese Medicine Holdings Co. Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions (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 (Chapter 571 of the Laws of Hong Kong) 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 six months ended 30 June 2016 (the "**Interim Period**"), the Group is expected to record an increase of more than 100% in unaudited consolidated net profit attributable to Shareholders for the Interim

Period as compared to the unaudited consolidated net profit attributable to Shareholders from continuing operations of approximately RMB243.2 million for the corresponding period in 2015. The significant improvement in the results of the Group was mainly attributable to the full period profit contribution from Jiangyin Tianjiang Pharmaceutical Co., Ltd., a 87.3%-owned subsidiary acquired by the Group in October 2015.

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 Interim Period may be different from that disclosed in this announcement. The Company is in the process of finalising the results of the Group for the Interim Period, which are expected to be released by the Company on or around 23 August 2016.

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

On behalf of
China Traditional Chinese Medicine Holdings Co. Limited
WU Xian
Chairman

Hong Kong, 11 August 2016

As at the date of this announcement, the Board comprises ten directors, of which Mr. WU Xian, Mr. YANG Bin and Mr. WANG Xiaochun are executive directors; Mr. LIU Cunzhou, 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.