

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus (the “**Prospectus**”) of Modern Chinese Medicine Group Co., Ltd. (the “**Company**”) dated 31 December 2020.

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This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for any Shares or securities of the Company. Potential investors should read the Prospectus carefully for detailed information about the Company and the Global Offering described in this announcement before deciding whether or not to invest in the Offer Shares. Any investment decision in relation to the Global Offering should be taken solely in reliance on the information provided in the Prospectus.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended from time to time (the “**U.S. Securities Act**”) or any state securities laws of the United States. The securities may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the U.S. Securities Act. There will be no public offer of securities in the United States.

In connection with the Global Offering, Wealth Link Securities Limited, as stabilising manager (the “**Stabilising Manager**”), its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilising Manager or any person acting for it, to conduct any such stabilising action, which, if commenced, will be conducted at the absolute discretion of the Stabilising Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilising activity is required to be brought to an end on the 30th day after the last date for the lodging of applications under the Hong Kong Public Offering, being Saturday, 6 February 2021. Such stabilisation action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), as amended, made under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The details of the intended stabilisation and how it will be regulated under the Securities and Futures Ordinance are set forth in the section headed “Structure and Conditions of the Global Offering” in the Prospectus.

Potential investors should be aware that stabilising action cannot be taken to support the price of the Shares for longer than the stabilisation period which begins on the Listing Date and is expected to expire on Saturday, 6 February 2021, being the 30th day after the last date for the lodging of applications under the Hong Kong Public Offering. After this date, no further stabilising action may be taken, demand for the Shares, and therefore the price of the Shares, could fall.

# Modern Chinese Medicine Group Co., Ltd.

## 現代中藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

### GLOBAL OFFERING

<b>Total number of Offer Shares</b>	<b>:</b>	<b>150,000,000 Shares (subject to the Over-allotment Option)</b>
<b>Number of Hong Kong Public Offering Shares</b>	<b>:</b>	<b>15,000,000 Shares (subject to reallocation)</b>
<b>Number of International Placing Shares</b>	<b>:</b>	<b>135,000,000 Shares (subject to reallocation and the Over-allotment Option)</b>
<b>Maximum Offer Price</b>	<b>:</b>	<b>HK\$1.47 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application and subject to refund)</b>
<b>Nominal value</b>	<b>:</b>	<b>HK\$0.01 per Share</b>
<b>Stock code</b>	<b>:</b>	<b>1643</b>

#### *Sole Sponsor*



#### *Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers*



#### *Joint Bookrunners and Joint Lead Managers*



Application has been made by the Company to the Listing Committee of the Stock Exchange for granting of approval for the listing of, and permission to deal in, the Shares in issue and to be issued as described in the Prospectus including (i) the Shares in issue; and (ii) the Shares to be issued pursuant to the Capitalisation Issue and the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option). Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, 15 January 2021. In the event the Over-allotment Option is exercised, an announcement will be made by the Company on the Company's website at [www.cdysjdy.com](http://www.cdysjdy.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk).

The Global Offering of 150,000,000 Shares (subject to the Over-allotment Option) comprises the: (1) Hong Kong Public Offering of initially 15,000,000 Shares (subject to reallocation), representing 10% of the total number of Offer Shares initially being offered under the Global Offering; and (2) International Placing of initially 135,000,000 Shares (subject to reallocation and the Over-allotment Option), representing 90% of the total number of Offer Shares initially being offered under the Global Offering. The allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing will be subject to reallocation as described in the section headed "Structure and Conditions of the Global Offering" in the Prospectus.

In particular, pursuant to Practice Note 18 of the Listing Rules and in accordance with Guidance Letter HKEX-GL91-18, where (i) the International Placing Shares are fully subscribed or oversubscribed, and the Hong Kong Public Offering Shares are fully subscribed or oversubscribed by less than 15 times; or (ii) the International Placing Shares are undersubscribed and the Hong Kong Public Offering Shares are oversubscribed irrespective of the number of times, up to 15,000,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Placing, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 30,000,000 Offer Shares, representing 20% of the number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and the final Offer Price shall be fixed at the bottom end of the indicative Offer Price range (i.e. HK\$0.92 per Offer Share), as stated in the section headed "Structure and Conditions of the Global Offering – The Hong Kong Public Offering – Reallocation" in the Prospectus.

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Placing Underwriters, which is exercisable at the discretion of the Joint Global Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging application under the Hong Kong Public Offering, to require the Company to allot and issue up to 22,500,000 additional Shares, representing 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price to cover over-allocations in the International Placing, if any.

Subject to the granting of the approval for the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

The Offer Price will not be more than HK\$1.47 per Offer Share and is expected to be not less than HK\$0.92 per Offer Share. Applicants for the Hong Kong Public Offering Shares are required to pay, on application, the maximum Offer Price of HK\$1.47 per Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is less than HK\$1.47 per Offer Share.

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK\$1.47 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with that set out in the subsection headed “Structure and Conditions of the Global Offering – Conditions of the Global Offering” in the Prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared. Any refund of your application monies will be made on or before Thursday, 14 January 2021.

**Applications for the Hong Kong Public Offering Shares will only be considered on the basis of the terms and conditions set out in the Prospectus, in the Application Forms, in the IPO App and on the designated website ([www.hkeipo.hk](http://www.hkeipo.hk)) under the HK eIPO White Form service.**

The Global Offering is conditional upon the fulfilment of the conditions set forth under the section headed “Structure and Conditions of the Global Offering – Conditions of the Global Offering” in the Prospectus. In the event that the conditions of the Global Offering as mentioned therein are not fulfilled or waived (as the case may be) on or before such dates and times, the Global Offering will lapse and all monies received will be refunded to the applicants of the Global Offering without interest and the Stock Exchange will be notified immediately. Notice of the lapse of the Global Offering will be published by the Company on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.cdysjdy.com](http://www.cdysjdy.com)) the next day following such lapse. Prospective investors should note that the Underwriters are entitled to terminate their obligations under the Underwriting Agreements by notice in writing to the Company given by the Joint Global Coordinators (for themselves and on behalf of the Underwriters) upon the occurrence of any of the events set forth under the section headed “Underwriting – Underwriting arrangements and expenses – Hong Kong Public Offering – Grounds for termination” of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

Applicants who would like to have the allotted Hong Kong Public Offering Shares registered in their own names should either (i) complete and sign the **WHITE** Application Forms, or (ii) submit applications online through the **IPO App** or the designated website at [www.hkeipo.hk](http://www.hkeipo.hk) under the **HK eIPO White Form** service. Applicants who would like to have the allotted Hong Kong Public Offering Shares registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms, or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be collected during normal business hours from 9:00 a.m. on Thursday, 31 December 2020 until 12:00 noon on Thursday, 7 January 2021 from:

- any of the following offices of the Hong Kong Public Offering Underwriters:

<b>Soochow Securities International Brokerage Limited</b>	Level 17, Three Pacific Place, 1 Queen's Road East, Hong Kong
<b>Wealth Link Securities Limited</b>	Suite 1504, 15/F, Bangkok Bank Building, 28 Des Voeux Road Central, Central, Hong Kong
<b>Shanxi Securities International Limited</b>	Unit A 29/F Admiralty Center Tower 1, 18 Harcourt Road, Admiralty, Hong Kong
<b>BOCOM International Securities Limited</b>	9/F Man Yee Building, 68 Des Voeux Road, Central, Hong Kong
<b>SPDB International Capital Limited</b>	33/F SPD Bank Tower, One Hennessy, 1 Hennessy Road, Hong Kong
<b>Shenwan Hongyuan Securities (H.K.) Limited</b>	Level 19, 28 Hennessy Road, Hong Kong
<b>Yue Xiu Securities Company Limited</b>	Room 1003, 1004, 1005, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong
<b>Elstone Securities Limited</b>	Suite 1601-04, 16/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong
<b>ZMF Asset Management Limited</b>	Unit 2502 25/F World Wide House, 19 Des Voeux Road Central, Central, Hong Kong

**DL Securities (HK) Limited**

Flat 01 28/F Vertical Square,  
28 Heung Yip Road, Wong Chuk Hang,  
Hong Kong

**Forthright Securities Company Limited**

19-20/F BOC Group Life Assurance Tower,  
134-136 Des Voeux Road Central,  
Hong Kong

**CNI Securities Group Limited**

Unit A 36/F China Online Centre,  
333 Lockhart Road, Wanchai, Hong Kong

**Fuyuan Securities Limited**

Suite 4806-07 48/F Central Plaza,  
18 Harbour Road, Wanchai, Hong Kong

2. any of the designated branches of the following receiving bank:

**Bank of China (Hong Kong) Limited**

<b>District</b>	<b>Branch</b>	<b>Address</b>
Hong Kong Island	Taikoo Shing Branch	Shop G1006, Hoi Shing Mansion, Taikoo Shing, Hong Kong
Kowloon	Jordan Road Branch	1/F, Sino Cheer Plaza, 23-29 Jordan Road, Kowloon
New Territories	Texaco Road Branch	Shop A112, East Asia Gardens, 36 Texaco Road, Tsuen Wan, New Territories

Copies of the Prospectus, together with the **WHITE** Application Forms, may be collected during normal business hours from 10:00 a.m. on Thursday, 31 December 2020 until 12:00 noon on Thursday, 7 January 2021 from:

1. any of the designated branches of the following receiving bank:

**CMB Wing Lung Bank Limited**

<b>District</b>	<b>Branch</b>	<b>Address</b>
Hong Kong Island	Kennedy Town Branch	28 Catchick Street
Kowloon	Mongkok Branch	B/F, CMB Wing Lung Bank Centre, 636 Nathan Road

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be collected during normal business hours from 9:00 a.m. on Thursday, 31 December 2020 until 12:00 noon on Thursday, 7 January 2021 from (i) the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or (ii) your stockbroker, who may have such **YELLOW** Application Forms and the Prospectus available.

The **WHITE** or **YELLOW** Application Form completed in all respects in accordance with the instructions printed thereon, together with a cheque or a banker's cashier order marked payable to "**BANK OF CHINA (HONG KONG) NOMINEES LIMITED – MODERN CHINESE MEDICINE GROUP PUBLIC OFFER**" attached and securely stapled, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above.

Your **WHITE** or **YELLOW** Application Forms can be lodged at the following times on the following dates:

**At any of the designated branches of Bank of China (Hong Kong) Limited:**

**Thursday, 31 December 2020 – 9:00 a.m. to 4:00 p.m.**  
**Saturday, 2 January 2021 – 9:00 a.m. to 12:00 noon**  
**Monday, 4 January 2021 – 9:00 a.m. to 4:00 p.m.**  
**Tuesday, 5 January 2021 – 9:00 a.m. to 4:00 p.m.**  
**Wednesday, 6 January 2021 – 9:00 a.m. to 4:00 p.m.**  
**Thursday, 7 January 2021 – 9:00 a.m. to 12:00 noon**

**At any of the designated branches of CMB Wing Lung Bank Limited:**

**Thursday, 31 December 2020 – 10:00 a.m. to 4:00 p.m.**  
**Saturday, 2 January 2021 – 9:00 a.m. to 12:00 noon**  
**Monday, 4 January 2021 – 10:00 a.m. to 4:00 p.m.**  
**Tuesday, 5 January 2021 – 10:00 a.m. to 4:00 p.m.**  
**Wednesday, 6 January 2021 – 10:00 a.m. to 4:00 p.m.**  
**Thursday, 7 January 2021 – 10:00 a.m. to 12:00 noon**

The latest time for lodging your application is 12:00 noon on Thursday, 7 January 2021. The application lists will be opened from 11:45 a.m. to 12:00 noon on that day, subject only to weather conditions, as described in the section headed "How to Apply for Hong Kong Public Offering Shares" in the Prospectus.

Applicants applying by the **HK eIPO White Form** service may submit application to the **HK eIPO White Form** Service Provider through the **IPO App** or the designated website at [www.hkeipo.hk](http://www.hkeipo.hk) (24 hours daily, except on the last application day) from 9:00 a.m. on Thursday, 31 December 2020 until 11:30 a.m. on Thursday, 7 January 2021 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, 7 January 2021 or such later date as described in the section headed "How to apply for Hong Kong Public Offering Shares – 10. Effect of bad weather and/or extreme conditions on the opening of the application lists" in the Prospectus.

The application for the Hong Kong Public Offering Shares will commence on Thursday, 31 December 2020 and close on Thursday, 7 January 2021, being longer than normal market practice of four days. The Offer Price of our Shares will be determined on the Price Determination Date, which is expected to be on or around Thursday, 7 January 2021, and in any event, no later than Monday, 11 January 2021. The application monies (including the brokerage fee, SFC transaction levy and Stock Exchange trading fee) will be held by the receiving banks on behalf of the Company and the refund monies, if any, will be returned to the applicants without interest on Thursday, 14 January 2021, and our Shares will not commence trading on the Stock Exchange until the Listing Date, which is expected to be on Friday, 15 January 2021. Accordingly, investors may not be able to sell or deal in our Shares during the period between the Price Determination Date and the Listing Date. Our Shareholders are subject to the risk that the price of our Shares could fall before trading begins, as a result of adverse market conditions or other adverse developments that could occur between the Price Determination Date and the Listing Date.

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:<sup>(1)</sup>

**Thursday, 31 December 2020 – 9:00 a.m. to 8:30 p.m.**  
**Saturday, 2 January 2021 – 8:00 a.m. to 1:00 p.m.**  
**Monday, 4 January 2021 – 8:00 a.m. to 8:30 p.m.**  
**Tuesday, 5 January 2021 – 8:00 a.m. to 8:30 p.m.**  
**Wednesday, 6 January 2021 – 8:00 a.m. to 8:30 p.m.**  
**Thursday, 7 January 2021 – 8:00 a.m. to 12:00 noon**

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Thursday, 31 December 2020 until 12:00 noon on Thursday, 7 January 2021 (24 hours daily, except on Thursday, 7 January 2021, the last application day) or such later time as described in the subsection headed “How to apply for Hong Kong Public Offering Shares – 10. Effect of bad weather and/or extreme conditions on the opening of the application lists” in the Prospectus.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Public Offering Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Global Coordinators and our Hong Kong Share Registrar.

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, 7 January 2021, the last application day, or such later time as described in the section headed “How to apply for Hong Kong Public Offering Shares – 10. Effect of bad weather and/or extreme conditions on the opening of the application lists” in the Prospectus.

See the sections headed “Structure and Conditions of the Global Offering” and “How to Apply for Hong Kong Public Offering Shares” in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

*Note:* (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.



The Company expects to announce the final Offer Price, the level of indication of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of Hong Kong Public Offering Shares on Thursday, 14 January 2021 (i) on the website of the Company at [www.cdysjdy.com](http://www.cdysjdy.com); and (ii) on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The results of allocations (with the Hong Kong Identity Card/passport/Hong Kong Business Registration numbers of the successful applicants) under the Hong Kong Public Offering will be made available through a variety of channels at the times and date and in the manner specified in the section headed “How to apply for Hong Kong Public Offering Shares – 11. Publication of results” in the Prospectus.

No temporary documents of title will be issued by the Company and no receipt will be issued for sums paid on application. Share certificates will only become valid at 8:00 a.m. on Friday, 15 January 2021 provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting – Underwriting arrangements and expenses – Hong Kong Public Offering – Grounds for termination” in the Prospectus has not been exercised.

Assuming the Global Offering becomes unconditional at or before 8:00 a.m. on Friday, 15 January 2021, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 15 January 2021. Shares will be traded in board lots of 3,000 Shares. The stock code of the Company is 1643.

By order of the Board of Directors  
**Modern Chinese Medicine Group Co., Ltd.**  
**Xie Wei**  
*Chairman and executive Director*

Hong Kong, 31 December 2020

*As at the date of this announcement, the executive Directors are Mr. Xie Wei, Ms. Zhang Hongli, Mr. Li Jinglian and Mr. Jiang Zhendong, the independent non-executive Directors are Ms. Liu Ling, Mr. Leung Tsz Wing and Mr. Chan Kam Leung.*