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**国药集团**  
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)**

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,  
RULE 13.09 OF THE LISTING RULES AND  
THE INSIDE INFORMATION PROVISIONS  
AND  
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company noted a news report dated 27 January 2021 regarding the proposal by its controlling shareholder, Sinopharm Hongkong, to privatise the Company and would like to clarify as follows.

**POSSIBLE PRIVATISATION**

The Company has made enquiries with Sinopharm Hongkong (the controlling shareholder of the Company holding 1,634,705,642 Shares as at the date of hereof, representing approximately 32.46% of the total issued Shares of the Company), and has been informed by Sinopharm Hongkong that it is currently exploring a proposal to privatise the Company (the “**Possible Privatisation**”), which if proceeded with, could result in a delisting of the Company from the Stock Exchange. As of the date of this announcement, Sinopharm Hongkong has not furnished a definitive proposal in relation to the Possible Privatisation to the Company. No agreement or other commitment has been entered into by Sinopharm Hongkong as to whether to proceed with the Possible Privatisation. Details and terms (including the possible offer price and timetable) of the Possible Privatisation have yet to be finalised and there is no certainty that the Possible Privatisation will proceed.

## **MONTHLY UPDATE**

For the purposes of the Takeovers Code, the offer period commenced on the date of this announcement.

The Company will make monthly announcement(s) setting out the progress of the Possible Privatisation in accordance with Rule 3.7 of the Takeovers Code until an announcement of a firm intention to make an offer in relation to the Possible Privatisation under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer in relation to the Possible Privatisation is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

## **DEALING DISCLOSURE**

In compliance with Rule 3.8 of the Takeovers Code, as at the date of this announcement, the Company has in issue 5,035,801,852 Shares. The Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as of the date of this announcement.

Associates (within the meaning ascribed thereto under the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities) of the Company are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**Shareholders and potential investors should be aware that there is no assurance that the Possible Privatisation will proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares and/or other securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).**

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Main Board of the Stock Exchange was halted with effect from 2:27 p.m. on 27 January 2021 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 1 February 2021.

## DEFINITIONS

“Company”	China Traditional Chinese Medicine Holdings Co. Limited 中國中藥控股有限公司, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 570)
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shares”	ordinary shares of the Company
“Sinopharm Hongkong”	Sinopharm Group Hongkong Co., Limited (國藥集團香港有限公司), a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

By order of the board of  
**China Traditional Chinese Medicine Holdings Co. Limited**  
**WU Xian**  
*Chairman*

Hong Kong, 29 January 2021

*As at the date of this announcement, the board of directors comprises twelve directors, of which Mr. WU Xian, Mr. WANG Xiaochun and Mr. YANG Wenming are executive directors; Mr. YANG Shanhua, Ms. LI Ru, Mr. YANG Binghua, Mr. WANG Kan and Mr. KUI Kaipin are non-executive directors; and Mr. XIE Rong, Mr. YU Tze Shan Hailson, Mr. QIN Ling and Mr. LI Weidong are independent non-executive directors.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in the announcement misleading.*