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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)

INSIDE INFORMATION
PROFIT WARNING

This announcement is made by China Traditional Chinese Medicine Holdings Co. Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Period**”), it is expected that the net profit of the Group for the Period would decrease by 60%-70% as compared to that for the same period in 2021, which is mainly caused by: (1) shortages of published or recorded varieties of national standards and provincial standards for concentrated TCM granule which have put limits on prescription in medical ends and affects the sales for the Period; (2) decrease in demands of some medical institutions for the Period resulting from relatively sufficient products storage of enterprise standard at the end of 2021 to cope with the implementation of the new policy; (3) a significant increase in the production cost since the application of national standards for concentrated TCM granule, whereas price adjustment in medical ends has not yet been fully put in place; and (4) effect arises from the newly added amortisation of intangible asset of protection rights and provision for impairment of assets for the Period.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available, and the Group’s consolidated management accounts for the Period have not been audited by the independent auditor of the

Company. Shareholders and potential investors of the Company are advised to refer to the announcement regarding the Group's annual results for the year ended 31 December 2022 to be published by the end of March 2023.

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

By Order of the Board
China Traditional Chinese Medicine Holdings Co. Limited
CHEN Yinglong
Chairman

Hong Kong, 16 January 2023

As at the date of this announcement, the Board comprises twelve Directors, of which Mr. CHEN Yinglong, Mr. CHENG Xueren and Mr. YANG Wenming are executive Directors; Ms. LI Ru, Mr. YANG Binghua, Mr. WANG Kan, Mr. MENG Qingxin 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.