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CHINA TRADITIONAL CHINESE MEDICINE CO. LIMITED

中國中藥有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 570)

CHANGE IN SHAREHOLDING

This is a voluntary announcement made by China Traditional Chinese Medicine Co. Limited (the “**Company**”).

The Company was notified by 上海國藥股權投資基金合伙企業(有限合伙) (Shanghai Sinopharm Equity Investment Fund Partnership (Limited Partnership)*) (“**Sinopharm Fund**”) on 16 September 2014 that 華寶信托有限責任公司 (Hwabao Trust Co., Ltd*) (“**Sinopharm Fund Trustee**”), which acts as trustee for the benefit of Sinopharm Fund, disposed of a total of 89,866,000 ordinary shares of the Company (the “**Shares**”), representing approximately 3.55% of the issued share capital of the Company, at the price of HK\$3.7 per Share on 16 September 2014. After the disposal, Sinopharm Fund is no longer interested in any Shares and ceased to be a shareholder of the Company.

Sinopharm Fund is a limited partnership established under the laws of the People’s Republic of China and is managed by its general partner which is owned as to 35% by China National Pharmaceutical Group Corporation (“**CNPGC**”), the ultimate controlling shareholder of the Company, and 65% by an independent third party. Accordingly, Sinopharm Fund is an entity deemed to be controlled by CNPGC under the Securities and Futures Ordinance. CNPGC, through its indirect wholly-owned subsidiary namely Sinopharm Group Hongkong Co., Limited (“**Sinopharm Hong Kong**”), is interested in 1,087,060,907 Shares (representing approximately 42.90% of the issued share capital of the Company), comprising 1,016,023,044 Shares beneficially held by Sinopharm Hong Kong and 71,037,863 Shares pledged by Profit Channel Development Limited (a company wholly owned by Mr. YANG Bin, an executive director of the Company) to CNPGC as security in connection with the Company’s bank borrowing to finance its acquisition of Tongjitang Chinese Medicines Company. There has been no change in Sinopharm Hong Kong’s shareholding interest in the Company.

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

Hong Kong, 19 September 2014

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. FANG Shuting and Mr. YU Tze Shan Hailson are independent non-executive Directors.

* for identification purpose only