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Modern Chinese Medicine Group Co., Ltd.

現代中藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1643)

POSITIVE PROFIT ALERT

This announcement is made by Modern Chinese Medicine Group Co., Ltd. (現代中藥集團有限公司) (the “**Company**”, and 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 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 prospective investors that, based on its preliminary review and assessment of the latest information currently available to the Board and the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (the “**Year 2020**”), the Group is expected to record an increase of not less than 30% in the net profit attributable to the equity shareholders of the Company (which is calculated by excluding the effect of one-off listing expenses) for the Year 2020 as compared to that of the corresponding year in 2019 which amounted to approximately RMB58.0 million. The Board is of the view that such increase in the net profit was primarily attributable to the surge in the sales of Additional Ingredient Huoxiang ZhengQi Pill (加味藿香正氣丸) and Fever-removing and Detoxification Pill (清瘟解毒丸) during the Year 2020 because these two kinds of proprietary Chinese medicine are believed to be having the intended therapeutic effect for the treatment of the symptoms of COVID-19 and/or similar illness.

The Company is in the process of preparing the consolidated annual results of the Group for the Year 2020. The information contained in this announcement is based solely on its preliminary review and assessment of the latest information currently available to the Board as at the date of this announcement and the unaudited consolidated management accounts of the Group for the Year 2020, which have neither been confirmed nor audited by the independent auditor of the Company or the audit committee of the Board, and may be subject to adjustment. The actual annual financial results

of the Group for the Year 2020 may differ from the information disclosed in this announcement. The audited consolidated financial results of the Group for the Year 2020 are expected to be published in late March 2021 in compliance with the Listing Rules.

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

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

Hong Kong, 5 March 2021

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