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四环医药
SihuanPharm

Sihuan Pharmaceutical Holdings Group Ltd.

四環醫藥控股集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 0460)

VOLUNTARY ANNOUNCEMENT
SIHUAN PHARMACEUTICAL'S PRODUCT MIDAZOLAM
OROMUCOSAL SOLUTION INCLUDED IN
THE NATIONAL DRUG REIMBURSEMENT LIST 2022

The board of directors (the “**Board**”) of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**” or “**Sihuan Pharmaceutical**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, according to the “Notice on the Publication of the National Drug Reimbursement List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2022 Version)” (the “**NDRL 2022**”) officially issued by the National Healthcare Security Administration and the Ministry of Human Resources and Social Security of the People’s Republic of China (the “**PRC**”), midazolam oromucosal solution (the “**Product**”) produced by the Group’s subsidiary, Jilin Sihuan Aokang Pharmaceutical Co., Ltd., is included in the NDRL 2022.

Midazolam oromucosal solution, a benzodiazepine sedative hypnotic drug, is the first mucosal drug developed in the PRC specifically for infants, children and adolescents for the treatment of acute persistent seizures caused by high fever or epilepsy in children aged 3 months to 18 years. It is a recommended drug in both guidelines for epilepsy treatment and febrile seizures. Midazolam, which is currently in clinical use, is mainly administered orally or intravenously, causing significant impediment to the medication administration for infants and children during persistent seizures. Compared with other formulations, oromucosal solution is convenient to administer and has a fast onset of action, and can even be used for out-of-hospital and home emergency first-aid treatment. The midazolam oromucosal solution developed by Sihuan Pharmaceutical is the first generic and exclusive product in PRC.

With the full opening of the second and third child policy, the population of children in PRC continues to grow and the rate of morbidity and out-patient visit is also on the rise, presenting new development opportunities in pediatric drug market. At present, the pediatric drug market in PRC accounts for only 7-8% of the total pharmaceutical industry, but the population aged 0-15 accounts for 17.8% of the total population, with this huge population base, the pediatric drug market is far from saturated and is with a huge market potential in the future. According to IQVIA data, the domestic sales of midazolam amounted to approximately RMB770 million in 2021 and the compound annual growth rate from 2018 to 2021 was 15.76%.

The psycho-neurological field has always been a key area of focus for the Group. The inclusion of midazolam oromucosal solution in the NDRL 2022, also as the first generic and exclusive domestic product, will have a positive impact on the future expansion of the sales and market share of the Product, as well as the Company's operating results.

About Sihuan Pharmaceutical

Founded in 2001 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in 2010, Sihuan Pharmaceutical is an international medical aesthetic and biopharmaceutical company led and driven by innovation, with an independent and leading research and development technology platform, a rich global product pipeline, strong product registration capability, a full dosage form production platform with high efficiency and low cost and a mature and excellent sales system. Adhering to the overall strategic objective of "full promotion of a two-wheel drive strategy of its medical aesthetics and biopharmaceutical businesses", Sihuan Pharmaceutical endeavours to build itself into a leading medical aesthetics and biopharmaceutical company in China.

This announcement is being made by the Group on a voluntary basis to update the investing public on the Group's latest business development, and does not constitute, and is not intended to be, an advertisement regarding the use of any medicine, surgical appliance, treatment or orally consumed product.

By order of the Board
Sihuan Pharmaceutical Holdings Group Ltd.
Dr. Che Fengsheng
Chairman and Executive Director

Hong Kong, 27 January 2023

As at the date of this announcement, the executive directors of the Company are Dr. Che Fengsheng (Chairman), Dr. Guo Weicheng (Deputy Chairman and Chief Executive Officer), Dr. Zhang Jionglong, Ms. Chen Yanling and Ms. Miao Guili; and the independent non-executive directors of the Company are Mr. Patrick Sun, Mr. Tsang Wah Kwong and Dr. Zhu Xun.