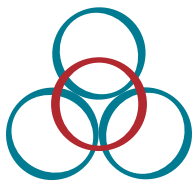


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四环医药
SihuanPharm

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 FIRST CLASS 1
MACROMOLECULE INNOVATIVE DRUG
HER2 BISPECIFIC ANTIBODY ADC XZP-KM501
APPROVED FOR CLINICAL TRIALS

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 XZP-KM501 (recombinant anti-HER2 domain II and domain IV bispecific antibody for injection-MMAE conjugate) (“**KM501**”) developed by Xuanzhu Biopharmaceutical Co., Ltd. (“**Xuanzhu Biopharm**”), a non-wholly owned subsidiary of the Group, has been approved by the National Medical Products Administration (“**NMPA**”) of the People’s Republic of China (“**China**”) to initiate clinical trials for the treatment of solid tumors with HER2 positive expression (including medium and low expression). The approval of KM501 to initiate clinical trials marks the first antibody-drug conjugate (“**ADC**”) drug of Xuanzhu Biopharm has entered the clinical development stage.

KM501 is a new HER2/HER2 double-epitope bispecific antibody ADC drug independently developed by Xuanzhu Biopharm. It is the first patented bispecific-antibody ADC in China. The antibody adopts the common light chain structure. In addition, it adopts the internationally leading patented technology of knocking out fucose with independent intellectual property rights. Furthermore, it has both trastuzumab (anti-HER2 domain IV) and pertuzumab (anti-HER2 domain II) targets and can target these two different epitopes, at the same time, forming a better endocytosis effect, and making the accumulation of toxin in the target site higher, and to have strong anti-tumor activity in low HER2 expression tumors.

KM501 has conducted head-to-head experiments with Enhertu (“**DS-8201**”) in multiple tumor models in mouse, and the results showed that KM501 was superior to or non-inferior to DS-8201 in inhibiting tumor. KM501 has the potential of becoming a Best-in-Class.

Breast cancer is the most common malignant tumor among women. According to the latest data of the World Health Organization (WHO), there were about 420,000 new breast cancer patients in China in 2020, of which about 50% were HER2 low expression. However, the therapeutic drugs are limited as DS-8201 is the only approved drug in the global market at present. The global sales of DS-8201 have increased explosively since its launch. In 2022, the global sales of DS-8201 reached US\$1.26 billion, increasing by twofold from about US\$430 million in 2021. KM501 has the potential to have better efficacy than DS-8201, and it is expected that KM501 will have a huge market potential in the future.

About Xuanzhu Biopharmaceutical

Xuanzhu Biopharmaceutical is the innovative drug subsidiary of Sihuan Pharmaceutical. It is an innovative pharmaceutical company with roots in China and a global perspective, focusing on major diseases such as digestion, oncology and non-alcoholic steatohepatitis, and is committed to the research and development, production and commercialization of class 1 drugs with core proprietary intellectual property rights to address unmet clinical medical needs. The company has a team with extensive experience in the development and industrialisation of innovative drugs. Having been involved in the research of digestion, oncology and non-alcoholic steatohepatitis for many years, the company has a deep understanding and international vision of the development of new drugs in related fields and their future development direction. The company has two R&D platforms: small molecule chemistry and large molecule biologics. The dual engines drive the company's innovation and development, forming a product pipeline that covers small molecule, monoclonal antibodies, bispecific antibodies, antibody-drug conjugate (ADC) and other types of products. The company adheres to the strategic concept of "innovation driven, promoting the development of new drugs in China and serving human health", and the values of "open innovation, courageous commitment, overcoming difficulties and scientific rigor". With a focus on unmet major clinical needs, the company continues to develop new class 1 drugs with international competitiveness, and is committed to developing into a first-class innovative pharmaceutical company with independent research and development, production, and sales capabilities.

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, 24 March 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.