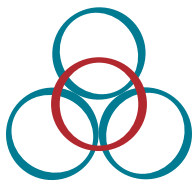


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四环医药
SihuanPharm

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

HUISHENG BIOPHARMACEUTICAL'S DRUG SEMAGLUTIDE INJECTION IND APPLICATION ACCEPTED BY NMPA

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, the Investigational New Drug (IND) application of Semaglutide injection, developed by the Group’s non-wholly owned subsidiary, Huisheng Biopharmaceutical Co., Ltd. (“**Huisheng Biopharmaceutical**”), for the treatment of type 2 diabetes has been accepted by the National Medical Products Administration (the “**NMPA**”) of the People’s Republic of China (“**China**”). It is the first Glucagon like peptide-1 (GLP-1) analog submitted by Huisheng Biopharmaceutical to apply for clinical trial.

Semaglutide is a long-acting GLP-1 receptor agonist (GLP-1RA) injected once a week. It can lower blood glucose by activating the GLP-1 receptor, enhancing insulin secretion and inhibiting glucagon secretion in a glucose concentration-dependent manner, and delaying gastric emptying. It is also able to slow down gastric emptying, thereby lowering blood glucose. It is also more effective than the classic GLP-1 receptor agonist drug Liraglutide in reducing blood glucose and weight. Clinical studies have shown a 1.7% and 1.0% reduction in HbA1c (82% at baseline) after 30 weeks of administration of Semaglutide (1.0mg/w) and Liraglutide (1.2mg/d), respectively. Semaglutide has multiple advantages such as hypoglycaemia, weight loss, cardiovascular protection and no increased risk of hypoglycaemia, and is recommended for priority use in patients with type 2 diabetes mellitus (T2DM), cardiovascular disease or those at very high cardiovascular risk by both domestic and international clinical guidelines.

According to the latest report of IDF, the number of diabetes patients in China was about 140 million in 2021, and it is expected to increase to 174.4 million in 2045. In 2022, the global sales of Semaglutide exceeded US\$10 billion. It was approved to enter the Chinese market in 2021 and was included in the National Reimbursement Drug List (NRDL) in the same year. Currently, only the original Novo Nordisk is approved for marketing in the domestic market, with sales of US\$311 million in the Greater China region in 2022, showing explosive growth.

Based on its excellent hypoglycemic efficacy (good hypoglycemic efficacy, low risk of hypoglycemia and high safety) and outstanding advantages in weight loss and cardiovascular benefits, Semaglutide has the potential to be expanded to a wider range of indications in addition to type 2 diabetes in the future, and it is foreseeable that Semaglutide will continue to grow in the international and domestic markets in the future. It is expected that the annual sales of the Group's Semaglutide injection will grow in accordance with the approval of the market, which has great potential. This will also help the Group to accelerate the development of its diabetes product line, enhance the Group's comprehensive and significantly strengthen the Group's core competitiveness.

About Huisheng Biopharmaceutical

Huisheng Biopharmaceutical is a biopharmaceutical company under Sihuan Pharmaceutical, a large domestic pharmaceutical and medical aesthetics group, focusing on the areas of diabetes and complications. After eight years of construction and development, Huisheng Biopharmaceutical has become one of the few companies in China that has achieved full product coverage in the field of diabetes and related complications, and integrated the whole industrial chain of R&D, production and sales. The company currently has a world-class R&D team of more than 200 people with rich experience in diabetes drug research and development. At present, it has more than 40 products in the research product pipeline of diabetes and complications, covering a full range of second-, third-, and new-generation insulin (covering basic, premixed and quick-acting etc.), innovative drugs with the latest mechanism, such as SGLT-2i, GLP-1a, and other hypoglycemic drugs and complication drugs. Huisheng Biopharmaceutical is committed to providing full-process, all-round integrated treatment solutions for diabetic patients, serving patients and making health easier.

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 pharmaceutical company led 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 goal for the "full promotion of a two-wheel drive strategy of its medical aesthetics and biopharmaceutical businesses", Sihuan Pharmaceutical endeavors to build itself into a leading medical aesthetics and biopharmaceutical company in China.

This announcement is being made by the Company 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, 13 June 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. Tsang Wah Kwong, Dr. Zhu Xun and Mr. Wang Guan.