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Simcere Pharmaceutical Group Limited

先聲藥業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 2096)

PROFIT ALERT

This announcement is made by Simcere Pharmaceutical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of unaudited consolidated management accounts of the Group for the six months ended June 30, 2023, it is expected that:

- 1) For the six months ended June 30, 2023, the Group will record a revenue of approximately RMB3,349 million to RMB3,409 million, representing an increase by approximately 24.0% to 26.3% from RMB2,700 million for the same period last year. Such expected increase in revenue was mainly attributable to a rapid increase in sales of innovative pharmaceuticals.

- 2) For the six months ended June 30, 2023, the Group will record a profit attributable to equity shareholders of the Company of approximately RMB2,245 million to RMB2,305 million, representing a significant increase from RMB64 million for the same period last year. Such expected change in profit attributable to equity shareholders of the Company was mainly attributable to the following items: (a) net realized and unrealized gains (before tax) on financial assets at fair value through profit or loss of approximately RMB1,149 million will be recorded for the six months ended June 30, 2023 due to the change in fair value of the investment portfolio held by the Group, including the change in fair value of the investment in the shares of 3D Medicines Inc., which is measured based on the closing price of the shares of 3D Medicines Inc. as at December 31, 2022 and June 30, 2023, while the net realized and unrealized losses (before tax) on financial assets at fair value through profit or loss recorded for the same period last year was approximately RMB331 million; (b) one-off gain (before tax) of approximately RMB789 million to be recorded by the Group from the disposal of interest in subsidiaries in the first half of 2023; and (c) negative impact on the Company's gross profit margin in the first half of 2023 caused by the change in the sales structure of innovative pharmaceuticals portfolio to a certain extent.

The Company is still in the process of finalizing the interim results of the Group for the six months ended June 30, 2023. The information contained in this announcement is based solely on the preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended June 30, 2023 and is subject to finalization and other potential adjustments, if any, and has not been reviewed or confirmed by the Group's auditors or the Audit Committee of the Board. Shareholders and potential investors of the Company should refer to the Group's interim results announcement for the six months ended June 30, 2023, which is expected to be published by the end of August 2023.

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

By order of the Board
Sincere Pharmaceutical Group Limited
Mr. Ren Jinsheng
Chairman and Chief Executive Officer

Hong Kong, July 27, 2023

As at the date of this announcement, the Board comprises Mr. REN Jinsheng as the Chairman and executive Director, Mr. TANG Renhong, Mr. WAN Yushan and Ms. WANG Xi as the executive Directors; and Mr. SONG Ruilin, Mr. WANG Jianguo, Mr. WANG Xinhua and Mr. SUNG Ka Woon as the independent non-executive Directors.