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Sincere 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 Sincere 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 the unaudited consolidated management accounts of the Group for the year ended December 31, 2023 (“**FY2023**”), it is expected that:

- 1) the Group will record a revenue of approximately RMB6,578 million to RMB6,638 million for FY2023, representing an increase of approximately 4.0% to 5.0% as compared to the restated revenue of approximately RMB6,324 million for the year ended December 31, 2022 (“**FY2022**”).

- 2) the Group will record a profit attributable to equity shareholders of the Company of approximately RMB685 million to RMB745 million for FY2023, representing a decrease of approximately 20.0% to 26.4% as compared to the restated profit attributable to equity shareholders of the Company of approximately RMB931 million for FY2022. Such expected change in profit attributable to equity shareholders of the Company was mainly attributable to the impacts of the following investment projects and one-off profit or loss items: (a) due to the change in fair value of the shares of 3D Medicines Inc. held by the Group (measured based on the closing price of the shares of 3D Medicines Inc. as at December 31, 2022 and December 31, 2023), a net realized and unrealized loss before tax on financial assets at fair value through profit or loss of approximately RMB742 million is expected to be recorded in FY2023, while a net realized and unrealized gain before tax on financial assets at fair value through profit or loss of approximately RMB394 million was recorded for such investment in FY2022; and (b) one-off gain before tax of approximately RMB789 million was recorded by the Group from the disposal of interest in subsidiaries in the first half of 2023.

The Group prepared its consolidated financial information in respect of the acquisitions by applying the principles of merger accounting. Since the acquisition of Nanjing Jiayuantang Biological Technology Co., Ltd. (“**Nanjing Jiayuantang**”) (the “**Acquisition**”) was completed in November 2023, the comparative consolidated financial information of the Group for FY2022 has been restated as if the Acquisition had been completed at the beginning of the comparative period. Before the restatement, the Group recorded a revenue of approximately RMB6,319 million and a profit attributable to equity shareholders of the Company of approximately RMB933 million for FY2022. After the restatement, it is expected to record a revenue of approximately RMB6,324 million and a profit attributable to equity shareholders of the Company of approximately RMB931 million for FY2022. The above restated financial information has not been audited or reviewed by the auditor. For more details on the Acquisition, please refer to the announcement of the Company dated January 1, 2024.

The Company is still in the process of finalising the annual results of the Group for FY2023. The information contained in this announcement is based solely on the preliminary assessment of the Group’s unaudited consolidated management accounts for FY2023, and is subject to finalisation 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 annual results announcement for FY2023, which is expected to be published in late March 2024.

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, February 18, 2024

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; Mr. SONG Ruilin, Mr. WANG Jianguo, Mr. WANG Xinhua and Mr. SUNG Ka Woon as the independent non-executive Directors.