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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)

PROFIT WARNING

This announcement is issued by Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Company for the year ended 31 December 2024 (the “**Year**”) and the information currently available to the Board, the Group is expected to record a revenue of not less than RMB1,800 million and a loss of not more than RMB600 million for the Year.

The factors affecting the financial results of the Group for the Year primarily include the following:

- (1) The generic drug business of the Group has been declining due to the centralized procurement policy of the PRC;
- (2) The medical aesthetics business of the Group continued the trend in the first half of 2024, maintaining a rapid growth of not less than 50%;

- (3) The research and development (R&D) of innovative drugs of the Group has entered into mid-to-late stage. In order to ensure the rapid development of the products, the Group's R&D expenses on innovative drugs have remained high despite the decline in R&D expenses as compared to the past; and
- (4) There were one-off expenses arising from the grant of new equity incentives by a subsidiary of the Company, Xuanzhu Biopharmaceutical Co., Ltd. during the Year.

Notwithstanding the aforesaid business challenges and financial impacts, during the Year, the Group had received NDA approvals for 1 new innovative drug (2 specifications), a total of 2 biosimilars and a total of more than ten generic drug preparation. It is expected that these drugs will bring new contributions to the Group's revenue upon their launch. Moreover, the medical aesthetics business of the Group has maintained and is expected to achieve continuous growth. In addition, the Group expects to seek further business progress in other business segments. The Group believes that these developments will bring positive contribution to the revenue and profit of the Group.

The Board would like to remind the Shareholders and potential investors that the information contained in this announcement has not been reviewed or audited by the independent auditor or the audit committee of the Company and may be subject to adjustments. The actual results of the Company for the Year may differ from the information contained in this announcement. Detailed financial information of the Company for the Year will be disclosed in the final results announcement of the Company, which is expected to be published before the end of March 2024.

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

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

Hong Kong, 3 February 2025

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.