Fusen Pharmaceutical Company Limited
福森藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1652)

PROFIT WARNING

This announcement is made by Fusen Pharmaceutical Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company would like to inform the shareholders (the "**Shareholders**") and potential investors that, based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 ("**FY2024**") and the information currently available to the Company, the Group is expected to record an expected loss attributable to owners of the Company with a range from approximately RMB170 million to RMB210 million for FY2024, as compared with the loss attributable to owners of the Company of approximately RMB36.3 million for the year ended 31 December 2023 ("**FY2023**"). The Board considered that the continuous loss results for FY2024 are mainly due to the combined effects of the following factors:

(a) due to the impact of external factors, the industry as a whole has entered into a channel inventory destocking phase, and the adjustment of the inventory structure of the Group in terminal channels has led to a short-term decline in the Group's sales volume. The Group is hence expected to record a significant decline in operating income, though still maintaining a relatively stable gross profit margin;

(b) due to the continuing investment by the Group in research and development ("**R&D**"), the expenses on R&D for FY2024 are expected to be not less than RMB100 million (FY2023: RMB65.2 million); and

(c) an impairment loss on the Group's interest in an associate, namely Weihai Rensheng Pharmaceutical Group Company Limited of not less than RMB70 million for FY2024 (FY2023: RMB20.3 million).

As the Company is still in the process of preparing and finalizing the annual results of the Group, the information as contained in this announcement is merely based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for FY2024 and the information currently available, rather than any figures or information that have been audited or reviewed by the auditors of the Company. Details on the financial information of the Group for FY2024 to be disclosed in the annual results announcement (which is expected to be published by March 2025) shall prevail.

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

By order of the Board
Fusen Pharmaceutical Company Limited
Mr. Cao Zhiming
Chairman and Executive Director

Hong Kong, 20 March 2025

As at the date of this announcement, the Board of the Company comprises Mr. Hou Taisheng, Mr. Chi Yongsheng, Ms. Meng Qingfeng and Mr. Cao Zhiming (formerly known as Mr. Cao Dudu) as executive Directors, and Mr. Sze Wing Chun, Mr. Lee Kwok Tung Louis and Dr. To Kit Wa as independent non-executive Directors.