Modern Chinese Medicine Group Co., Ltd.
現代中藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1643)

INSIDE INFORMATION ANNOUNCEMENT
POSITIVE PROFIT ALERT

This announcement is made by Modern Chinese Medicine Group Co., Ltd. (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 (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Director(s)**" and the "**Board**", respectively) would like to inform the shareholders of the Company (the "**Shareholders**") and the potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 (the "**Period**") and the information currently available to the Board, the Group is expected to record a profit attributable to the equity Shareholders of not less then RMB2.0 million for the Period, while a loss of approximately RMB6.9 million was recorded for the six months ended 30 June 2024. The Board believes that the turnaround from loss to profit was due to a significant decrease in disposal loss on property, plant and equipment. During the six month ended 30 June 2024, the Group recorded a substantive disposal loss on property, plant and equipment, as a result of the demonlishment of a preparation workshop owned by the Group.

Despite the aforesaid, a decrease in revenue of 15% to 20% is expected to be recorded for the Period compared to the six months ended 30 June 2024. The Board believes that the decrease in revenue was mainly attributable to fierce competition in the industry.

The Company is still in the process of finalizing the financial results of the Group for the Period. The information contained in this announcement is only based on the preliminary review and analysis of the latest unaudited consolidated management accounts of the Group and the information currently available to the Group and is not based on any figures or information audited or reviewed by the Company's independent auditor, and may be subject to amendments. As such, the above information is provided for the

Shareholders' and potential investors' reference only. The Shareholders and potential investors are advised to read carefully in the interim results announcement of the Group to be published by the end of August 2025.

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

By order of the Board
Modern Chinese Medicine Group Co., Ltd.
Zhang Hongli
Executive Director

Hong Kong, 15 August 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Sun Xinlei, Ms. Zhang Hongli and Ms. Jia Yanru; and three independent non-executive Directors, namely Ms. Liu Ling, Mr. Leung Tsz Wing and Mr. Wong Chi Kin.