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)

PROFIT WARNING

This announcement is made by Modern Chinese Medicine Group Company 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 (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 "**Directors**" and the "**Board**", respectively) wishes to inform the shareholders (the "**Shareholders**") and the potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 (the "**Year**") and the information currently available to the Board, it is expected that the Group would record a net loss in a sum not less than RMB13 million for the Year, while a net profit of approximately RMB9.7 million was recorded for the year ended 31 December 2024. To the best knowledge of the Directors, turning from net profit to net loss was mainly attributable to 1) the loss of some distributors; 2) the exclusion of some best-selling products of the Group, such as Cardiotonic Enhancement Capsule (山玫膠囊), from the national medical insurance list due to the reform of the medical insurance, leading to a decrease in sales; 3) reduced purchase orders, resulting in persistently high unit fixed costs; and 4) the decline in overall gross profit margin due to price reduction for other products included in the medical insurance catalog.

The information contained in this announcement is prepared only based on (i) the Board's preliminary assessment of the consolidated management accounts of the Group for the Year, which have neither been audited or reviewed by the independent auditors of the Company nor reviewed by the audit committee of the Company; and (ii) the information currently available to the Board, which is subject to change and finalisation. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the Year, which is expected to be published at or before the end of March 2026.

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

For and on behalf of
Modern Chinese Medicine Group Co., Ltd.
Zhang Hongli
Executive Director

Hong Kong, 25 March 2026

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