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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)

VOLUNTARY ANNOUNCEMENT
MEDICAL DEVICE REGISTRATION CERTIFICATE
OBTAINED FOR MEDICAL SKIN CARE GEL
AND REPAIR GEL

The board of directors (the “**Board**”) of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that medical device registration certificate has been issued by the National Medical Products Administration of the People’s Republic of China in relation to the medical skin care gel and medical skin repair gel developed by MeiYan KongJian Biotechnology (Jilin) Co., Ltd. of the Group.

The medical skin care gel and medical skin repair gel can be used for skin care or repair after optoelectronic, hydro lifting and other medical aesthetics treatments. The medical skin care gel can form a protective layer on the surface of the wound, and functions as a physical barrier. It can lower the rate of wound infection and inflammation and promote fast recovery of the wound, with the medical skin care gel being used immediately after the medical aesthetics treatment. The medical skin repair gel can be applied to allergic skin. In general, the skin is more sensitive in the short period (of around 7 days) after medical aesthetics treatment. The medical skin repair gel therefore helps to alleviate allergy symptoms so as to get the skin back to optimal condition sooner.

According to Frost & Sullivan, the market size of medical device dressing products in China has increased from approximately RMB230 million in 2016 to approximately RMB4.18 billion in 2020, representing a compound annual growth rate of approximately 105.7%. It is expected that the market size of the medical device dressing products will reach approximately RMB20.14 billion by 2025, with an expected compound annual growth rate of approximately 37% from 2020 to 2025.

The approval for the two products of medical skin care gel and medical skin repair gel not only marks the further implementation of the in-house pipelines of the Group’s medical aesthetics products, but also enriches and expands the product portfolio of medical aesthetics platform of the Group.

About MeiYan KongJian

MeiYan KongJian is a medical aesthetics subsidiary of Sihuan Pharmaceutical, a large pharmaceutical and medical aesthetics group company in China. Focusing on the high-growth and low penetration PRC medical aesthetics market experiencing explosive growth, MeiYan KongJian has successfully established a “one-stop” new medical aesthetics platform in China and is dedicated to building a leading company featuring with full medical aesthetics product matrix in China by leveraging the rigour and innovation of pharmaceutical companies through globalized layout and localized production, comprehensive and professional medical aesthetics product matrix, strong product R&D and registration capabilities as well as diversified marketing channel ability.

Sihuan Pharmaceutical has a forward-looking layout in the medical aesthetics field, and entered into an exclusive distribution agreement with Hugel Inc., a leading biomedical company in the South Korea, in relation to botulinum toxin Letybo[®] and hyaluronic acid in 2014. Letybo[®] has been successfully approved for marketing in China as the first botulinum toxin product imported from the South Korea in October 2020. After years of development, MeiYan KongJian builds the complete product matrix across medical aesthetics value chain with “self-development + BD” dual engine drivers. Taking the coverage of the whole life cycle of beauty enthusiasts as the starting point, its product layout covers a variety of high-quality medical aesthetics products, including the filling, shaping, supporting, supplementing, optoelectronic device, body sculpturing, skin care and others. MeiYan KongJian is equipped with strong in-house R&D and technology transformation capabilities, and its current R&D pipelines has more than ten self-developed class III medical aesthetics products and tens of class II medical aesthetics products. Besides, MeiYan KongJian has established the Meiyen Laboratory in Los Angeles, the United States, to conduct innovative technology introduction, independent research and development of new generation medical aesthetics products and biomaterial, and the technology transformation and manufacture in China. Leveraging the global resources of Sihuan Pharmaceutical, the parent company, MeiYan KongJian has strong product registration, manufacture and sales capabilities and is able to quickly accelerate the launch of new products. At present, MeiYan KongJian has completed the construction of three domestic manufacture bases with a gross floor area of 16,000 square meters. It has currently planned for 9 production lines equipped with optimized quality management system and is able to implement effective risk management in the whole life cycle of products. Most members in the sales team of MeiYan KongJian come from multinational medical aesthetics and pharmaceutical enterprises with rich sales experience for medical aesthetics products. They work closely with tens of agents with the sales network covering more than 200 cities and 2,200 medical aesthetics institutions nationwide.

About Sihuan Pharmaceutical

Founded in 2001 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in 2010, Sihuan Pharmaceutical is an international pharmaceutical and medical aesthetics company led by innovation, with a leading independent production and research and development technology platform, rich global product pipelines and a mature and excellent sales system. Adhering to the overall strategic goal for the “full promotion of a two-wheel drive strategy of its medical aesthetics and biopharmaceutical businesses”, Sihuan Pharmaceutical endeavors to “build itself into a leading medical aesthetics and biopharmaceutical company in China”.

This announcement is being made by the Group on a voluntary basis to update the investing public on the Group's latest business development, and does not constitute, and is not intended to be, an advertisement regarding the use of any medicine, surgical appliance, treatment or orally consumed product.

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

Hong Kong, 10 January 2022

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, Mr. Choi Yiau Chong and Ms. Chen Yanling; and the independent non-executive directors of the Company are Mr. Patrick Sun, Mr. Tsang Wah Kwong and Dr. Zhu Xun.