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LANSEN PHARMACEUTICAL HOLDINGS LIMITED

朗生醫藥控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 503)

ANNOUNCEMENT ON ESTIMATED PROFIT DECREASE FOR THE YEAR ENDED 31 DECEMBER 2021

This announcement is made by Lansen Pharmaceutical Holdings Limited (the “**Company**”, together with its subsidiaries shall be referred to as 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 (the “**Listing Rules**”) and Part XI VA Insider Information Provisions (as defined in the Listing Rules) of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021:

1. the Group’s revenue is expected to be about the same as last year;
2. the Group’s operating profit is expected to record a significant decrease of approximately 38% as compared with that of last year; and
3. the Group’s net profit is expected to record a significant decrease of approximately 99% as compared with that of last year.

While the Group's revenue is expected to be about the same as last year in US dollar (the presentation currency of the financial statements), it would represent a moderate decrease of approximately 7% as compared with that of last year in Renminbi (the functional currency of the main business of the Group) and such difference is due to the appreciation of Renminbi against US dollar during the year. The decrease in the Group’s revenue was primarily attributable to the decrease in sales volume of the Group’s core products Pafulin and Sicorten as compared with those in last year. The Group has noticed the decrease in sales volume and has adjusted the sales strategies and implemented gradually.

The decrease in the Group’s operating profit was primarily attributable to the aforementioned decrease in revenue, which resulted in a decrease of corresponding gross profit.

The decrease in the Group's net profit was primarily attributable to the aforementioned decrease in operating profit and a loss of approximately US\$1.1 million relating to the shares (the “**Starry Shares**”) of Zhejiang Starry Pharmaceutical Company Limited (“**Starry**”) recorded during the year, while a gain of approximately US\$84.7 million was recorded last year.

Starry is a company incorporated in the PRC and its shares are listed on Shanghai Stock Exchange. Starry related loss/gain includes (i) a realised loss of US\$1.1 million from the disposal of interest in Starry during the year, while a realised gain of US\$25.3 million was recorded last year; (ii) a one-off net gain of approximately US\$45.6 million was recorded last year arising from the reclassification of the interest in Starry as financial assets at fair value through profit or loss (“**FVTPL**”) last year. Starry was accounted for as an associate of the Company prior to the reclassification. As disclosed in the Group's 2020 Annual Report, as the Starry Shares held by the Group were less than 5%, the director appointed to Starry by the Group retired from the board of directors in 2020. According to applicable accounting standards, the Group had no right to exercise significant influence on Starry since then and therefore, Starry ceased to be an associate of the Company and the interest in Starry was reclassified as financial assets at FVTPL since 2020; and (iii) an unrealised gain from financial assets at FVTPL of approximately US\$13.8 million was recorded last year, and there was no such gain during the year.

The information contained in this announcement is only a preliminary estimation by the management of the Group based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and the information currently available, which have not been reviewed or audited by the auditors of the Company nor approved by the audit committee of the Company. Therefore, the actual results of the Group for the year ended 31 December 2021 may be different from the information contained herein.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
Lansen Pharmaceutical Holdings Limited
Wu Zhen Tao
Chairman

Hong Kong, 26 January 2022

As at the date of this announcement, the executive managing Director is Mr. Chen Li; the non-executive Directors are Mr. Wu Zhen Tao, Mr. Stephen Burnau Hunt and Ms. Liu Xuezi; the independent non-executive Directors are Mr. Chan Kee Huen, Michael, Mr. Fritz Heinrich Horlacher and Mr. Yeung Tak Bun, Allen.