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## **Fusen Pharmaceutical Company Limited**

**福森藥業有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1652)**

### **VOLUNTARY ANNOUNCEMENT DISTRIBUTION AGREEMENT**

This announcement is made by Fusen Pharmaceutical Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company and potential investors an update on the latest business development of the Group.

#### **THE DISTRIBUTION AGREEMENT**

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce that, on 18 July 2022, the Company, as distributor, and TAUMEDIKA SRL., an independent third party, as supplier (the “**Supplier**”), entered into a distribution agreement (the “**Distribution Agreement**”), pursuant to which, among others, the Company shall have the exclusive right to market, distribute and sell KARISMA supplied by the Supplier in the People’s Republic of China (the “**PRC**”) (for the avoidance of doubt, including the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan).

KARISMA is an injectable Class III medical device registered in the European Union. It contains Hydroxylated  $\alpha 1$  chain of type I collagen, hyaluronic acid, and Carboxymethyl cellulose, which is suitable for medium-term correction of facial skin defects due to skin aging or loss of volume, and therefore suitable for people who want to reduce skin imperfections on the face, lips, laugh contours or for tissue regeneration in the case of people with destructured subcutaneous tissue. KARISMA has low risk of allergic reactions and 100% solubility, which has been proven by clinical study.

The Directors believe that KARISMA will have good market prospects after commercialisation in the PRC. The Company will also be responsible for registering and promoting KARISMA in the PRC, including but not limited to, conducting social media activities and creating the Company’s own advertising materials.

## **REASON AND BENEFITS OF ENTERING INTO THE DISTRIBUTION AGREEMENT**

The Board believes that, as a result of the enhanced level of consumer spending and change of societal attitudes in the PRC, the medical aesthetic market is still far from being saturated and has great potential. There remains a high demand for quality and effective products in the market. The Group expects to benefit from the revenue generated through distributing KARISMA in the PRC as the exclusive distributor, which is in line with the Group's ongoing business strategy of diversifying product portfolio, thereby strengthening the foundation for the Group's long term development. As such, the Board considers that entering into the Distribution Agreement represents a good opportunity for the Group to further expand its business and revenue base. The Company will continue its worldwide search for products with high market competitiveness and will introduce such products into the PRC market.

The Directors are of the view that the terms of the Distribution Agreement are fair and reasonable and that entering into the Distribution Agreement is in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE SUPPLIER**

The Supplier is an Italian pharmaceutical company located in Rome, which has been specialising in the aesthetics market and focusing on developing collagen-based products, and launched its first product in 2015.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Supplier and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

By order of the Board  
**Fusen Pharmaceutical Company Limited**  
**Cao Changcheng**  
*Chairman and Executive Director*

Hong Kong, 18 July 2022

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