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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)

PROFIT WARNING

This announcement is made by Fusen Pharmaceutical Company Limited (the “**Company**”, together with its subsidiaries, 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 the Inside Information Provisions (as defined in 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 “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available to the Board, the Group expects to record an expected loss attributable to Shareholders with a range from approximately RMB30 million to RMB45 million for the six months ended 30 June 2024, as compared with the profit attributable to Shareholders of approximately RMB16.5 million for the six months ended 30 June 2023. The change from profit to loss of the Group was mainly attributable to the decrease in revenue for the six months ended 30 June 2024 by not less than 40% as compared to that for the six months ended 30 June 2023. The expected decrease in revenue is due to the combined effects of the following factors:

- (1) Due to the impact of market demand, the revenue of the first half of 2024 declined by more than 40% as compared to that for the first half of 2023. In particular, in early 2023, the sales were significantly higher than normal for the same period of the other years due to the ease of the COVID-19 pandemic and the recovering market environment.
- (2) Continuing the Company’s business strategy in 2023, the Group increased its investment in research and development (“**R&D**”). As a result, the expenses on R&D for the first half of 2024 are expected to be more than double the amount of that for the corresponding period in 2023.

The Company is still in the process of finalising the consolidated interim results of the Group for the six months ended 30 June 2024. The information contained in this announcement only represents a preliminary assessment based on the unaudited consolidated management accounts for the six months ended 30 June 2024 and such information currently available to the Board has not been reviewed or audited by the auditors of the Company. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the six months ended 30 June 2024 which is expected to be published on 29 August 2024.

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

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

Hong Kong, 20 August 2024

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 (formerly known as Mr. Cao Dudu) as executive Directors, and Mr. Sze Wing Chun, Mr. Lee Kwok Tung Louis and Dr. To Kit Wa as independent non-executive Directors.

* *For identification purposes only*