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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 Co., Ltd. (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 of Hong Kong Limited (the “**Listing Rules**”) and 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 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 30 June 2023 (“**2023 1H**”) and the information currently available to the Board, the Group is expected to record a fall in profit attributable to the owners of the Company ranging from 40% to 50% for 2023 1H as compared to that of the corresponding period in 2022 which amounted to approximately RMB49.9 million.

The expected fall in profit was primarily attributable to 1) the rise in the costs of commonly used raw materials; and 2) the substantial decrease in production of Vitality Supplement Pill (補腎填精丸), one of the top selling products of the Group, due to tight supply of the relevant raw materials, and therefore resulting in the overall decline in revenue.

The Group is still in the process of finalising its consolidated interim results for 2023 1H. As such, the information contained in this announcement is only based on the preliminary review and analysis of the information currently available to the Group and the unaudited consolidated management accounts of the Group for 2023 1H available and is not based on any figures or information audited or reviewed by the Company’s independent auditor or reviewed by the audit committee of the Board, and may be subject to adjustments. As such, the above information is provided for the reference of the only. The Shareholders and potential investors are advised to refer to the interim results announcement of the Group for 2023 1H which is expected to be published in late August 2023.

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

By order of the Board
Modern Chinese Medicine Group Co., Ltd.
Zhang Hongli
Executive Director

Hong Kong, 18 August 2023

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