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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 Company Limited (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 the Inside Information Provisions (as defined under 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 “**Directors**” and the “**Board**”, respectively) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 (the “**Period**”) and the information currently available to the Board, it is expected that the Group would record a net loss (after tax) in a sum ranging from RMB4.5 million to RMB8.5 million for the Period, while a net profit (after tax) of approximately RMB27.6 million was recorded for the six months ended 30 June 2023. To the best knowledge of the Directors, the Group turned to net loss from net profit was mainly attributable to 1) the decrease in revenue as a result of the temporary suspension of production due to the renovation work carried out on a preparation workshop, 2) the disposal loss on property, plant and equipment resulting from the demolition of a preparation workshop. Despite the aforesaid, the Board does not expect to have a significant adverse impact on the Group’s overall operations and cash flows. As at the date of this announcement, the Group has sufficient cash on hand to meet its current business needs.

The information contained in this announcement is prepared only based on (i) the Board’s preliminary assessment of the consolidated management accounts of the Group for the Period, which have neither been audited or reviewed by the independent auditors of the Company (the “**Independent Auditors**”) nor reviewed by the audit committee of the Company (the “**Audit Committee**”); and (ii) the

information currently available to the Board, which is subject to change and finalisation. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Period, which is expected to be published at or before the end of August 2024.

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

For and on behalf of
Modern Chinese Medicine Group Co., Ltd.
Zhang Hongli
Executive Director

Hong Kong, 15 August 2024

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