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康臣藥業集團有限公司
CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1681)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATES

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

Reference is made to the voluntary announcements of the Company dated 17 August 2021 and 20 March 2022 regarding the establishment of a wholly-owned subsidiary, Consun Pharmaceutical (Horgos) Co., Ltd.* (康臣藥業(霍爾果斯)有限公司) (“**Consun Pharmaceutical (Horgos)**”), in Horgos, Xinjiang, by Consun Pharmaceutical (Inner Mongolia) Co., Ltd.* (康臣藥業(內蒙古)有限責任公司), a wholly-owned subsidiary of the Company, and the press conference held in Horgos Economic Development Zone in Xinjiang, announcing, among other things, an extension of the preferential enterprise income tax policies to 2030 respectively.

On 18 June 2022, Consun Pharmaceutical (Horgos) held a trial production ceremony in Plant No. 8, Area A05, Horgos Comprehensive Bonded Zone, Yili Kazakh Autonomous Prefecture, Xinjiang Uygur Autonomous Region. The first fully automatic production line of Chinese medicine granules was officially completed and put into trial production, with an estimated annual output of approximately 100,000 pieces (boxes). The Group believes that with the opening and production of the Consun Pharmaceutical (Horgos), it will help the Group to expand its production capacity, improve production efficiency, increase product coverage in the Northwest region, and explore and develop potential markets in the five countries in the Central Asia by taking advantage of the cost advantage of rich Chinese herbal medicine resources in the Northwest region, especially the Yili Valley region and the countries along the Central Asia under the “Belt and Road Initiative”.

By order of the Board of
Consun Pharmaceutical Group Limited
An Meng
Chairman

Hong Kong, 20 June 2022

As at the date of this announcement, the Board comprises Mr. An Meng, Ms. Li Qian, Professor Zhu Quan and Mr. Xu Hanxing as executive directors; Ms. Zhang Lihua as a non-executive director; and Mr. Su Yuanfu, Mr. Feng Zhongshi and Ms. Chen Yujun as independent non-executive directors.

* For identification purpose only