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

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1681)

**SUPPLEMENTAL ANNOUNCEMENT
 IN RELATION TO THE ANNUAL REPORT
 FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the annual report of Consun Pharmaceutical Group Limited (the “**Company**”) for the year ended 31 December 2019 (the “**Annual Report**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

In addition to the information provided in the paragraph headed “Share Option Scheme” in the Report of Directors and note 22(a) to the consolidated financial statements in the Annual Report, the Board would like to provide the following further information in relation to the share options for the year ended 31 December 2019:

Movements on the share options for the year ended 31 December 2019

Tranche Number	Outstanding	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding
	as at 1 January 2019					as at 31 December 2019
	'000	'000	'000	'000	'000	'000
Directors						
Mr. AN Yubao ⁽¹⁾	2014 T3 ⁽²⁾	3,000	–	–	–	3,000
	2014 T4 ⁽²⁾	3,000	–	–	–	3,000
	2016 T7 ⁽²⁾	1,200	–	–	–	1,200
	2016 T8 ⁽²⁾	1,200	–	–	–	1,200
	2016 T9 ⁽²⁾	1,600	–	–	–	1,600
	2019 T4 ⁽³⁾	–	2,625	–	–	2,625
	2019 T5 ⁽³⁾	–	2,625	–	–	2,625
	2019 T6 ⁽³⁾	–	3,500	–	–	3,500
Sub-total		10,000	8,750	0	0	18,750

	Tranche Number	Outstanding as at 1 January 2019 '000	Granted during the year '000	Exercised during the year '000	Cancelled during the year '000	Lapsed during the year '000	Outstanding as at 31 December 2019 '000
Ms. LI Qian ⁽¹⁾	2014 T3 ⁽²⁾	3,000	–	–	–	–	3,000
	2014 T4 ⁽²⁾	3,000	–	–	–	–	3,000
	2016 T7 ⁽²⁾	1,200	–	–	–	–	1,200
	2016 T8 ⁽²⁾	1,200	–	–	–	–	1,200
	2016 T9 ⁽²⁾	1,600	–	–	–	–	1,600
	2019 T4 ⁽³⁾	–	2,625	–	–	–	2,625
	2019 T5 ⁽³⁾	–	2,625	–	–	–	2,625
	2019 T6 ⁽³⁾	–	3,500	–	–	–	3,500
Sub-total		10,000	8,750	0	0	0	18,750
Professor ZHU Quan	2014 T1 ⁽²⁾	720	–	–	–	–	720
	2014 T2 ⁽²⁾	480	–	–	–	–	480
	2016 T4 ⁽²⁾	600	–	–	–	–	600
	2016 T5 ⁽²⁾	358	–	–	–	–	358
	2016 T6 ⁽²⁾	800	–	–	–	(470)	330
	2019 T1 ⁽³⁾	–	240	–	–	–	240
	2019 T2 ⁽³⁾	–	240	–	–	–	240
	2019 T3 ⁽³⁾	–	320	–	–	–	320
Sub-total		2,958	800	0	0	(470)	3,288
Mr. TANG Ning	2014 T1 ⁽²⁾	230	–	–	–	–	230
	2014 T2 ⁽²⁾	119	–	–	–	–	119
	2016 T1 ⁽²⁾	287	–	–	–	–	287
	2016 T2 ⁽²⁾	270	–	–	–	–	270
	2016 T3 ⁽²⁾	600	–	–	–	(216)	384
	2019 T1 ⁽³⁾	–	390	–	–	–	390
	2019 T2 ⁽³⁾	–	390	–	–	–	390
	2019 T3 ⁽³⁾	–	520	–	–	–	520
Sub-total		1,506	1,300	0	0	(216)	2,590

	Tranche Number	Outstanding as at 1 January 2019 '000	Granted during the year '000	Exercised during the year '000	Cancelled during the year '000	Lapsed during the year '000	Outstanding as at 31 December 2019 '000
Employees							
In aggregate	2014 T1 ⁽²⁾	3,266	-	-	-	-	3,266
	2014 T2 ⁽²⁾	3,266	-	-	-	-	3,266
	2016 T1 ⁽²⁾	7,190	-	(208)	-	(1,014)	5,968
	2016 T2 ⁽²⁾	7,190	-	(208)	-	(1,014)	5,968
	2016 T3 ⁽²⁾	9,587	-	(277)	-	(1,352)	7,958
	2019 T1 ⁽³⁾	-	13,020	-	-	(1,116)	11,904
	2019 T2 ⁽³⁾	-	13,020	-	-	(1,116)	11,904
	2019 T3 ⁽³⁾	-	17,360	-	-	(1,488)	15,872
Sub-total		30,499	43,400	(693)	0	(7,100)	66,106
Total		54,963	63,000	(693)	0	(7,786)	109,484

Notes:

1. a substantial shareholder of the Company
2. Share options granted before 1 January 2019:

Tranche Number	Date of Grant as per Board's approval	Vesting Period		Exercise Period		Exercise Price
		from	to	from	to	
		DD/MM/YYYY	DD/MM/YYYY	DD/MM/YYYY	DD/MM/YYYY	
2014 T1	24/03/2014	24/03/2014	23/03/2015	24/03/2015	23/03/2024	6.64
2014 T2	24/03/2014	24/03/2014	23/03/2016	24/03/2016	23/03/2024	6.64
2014 T3	24/03/2014	28/05/2014*	23/03/2015	24/03/2015	23/03/2024	6.64
2014 T4	24/03/2014	28/05/2014*	23/03/2016	24/03/2016	23/03/2024	6.64
2016 T1	01/04/2016	01/04/2016	31/03/2017	01/04/2017	31/03/2026	4.01
2016 T2	01/04/2016	01/04/2016	31/03/2018	01/04/2018	31/03/2026	4.01
2016 T3	01/04/2016	01/04/2016	31/03/2019	01/04/2019	31/03/2026	4.01
2016 T4	01/04/2016	01/04/2016	31/03/2017	01/04/2017	31/03/2026	4.01
2016 T5	01/04/2016	01/04/2016	31/03/2018	01/04/2018	31/03/2026	4.01
2016 T6	01/04/2016	01/04/2016	31/03/2019	01/04/2019	31/03/2026	4.01
2016 T7	01/04/2016	27/05/2016*	31/03/2017	01/04/2017	31/03/2026	4.01
2016 T8	01/04/2016	27/05/2016*	31/03/2018	01/04/2018	31/03/2026	4.01
2016 T9	01/04/2016	27/05/2016*	31/03/2019	01/04/2019	31/03/2026	4.01

* the date on which the relevant shareholders' approval was granted

3. Share options granted during the year ended 31 December 2019:

Tranche Number	Date of Grant as per Board's approval DD/MM/YYYY	Vesting Period		Exercise Period		Exercise Price HKD	Option Value HKD
		from	to	from	to		
		DD/MM/YYYY	DD/MM/YYYY	DD/MM/YYYY	DD/MM/YYYY		
2019 T1	02/01/2019	02/01/2019	31/03/2020	01/04/2020	01/01/2029	4.476	1.4434
2019 T2	02/01/2019	02/01/2019	31/03/2021	01/04/2021	01/01/2029	4.476	1.4900
2019 T3	02/01/2019	02/01/2019	31/03/2022	01/04/2022	01/01/2029	4.476	1.5317
2019 T4	02/01/2019	31/05/2019*	31/03/2020	01/04/2020	01/01/2029	4.476	1.9825
2019 T5	02/01/2019	31/05/2019*	31/03/2021	01/04/2021	01/01/2029	4.476	2.0625
2019 T6	02/01/2019	31/05/2019*	31/03/2022	01/04/2022	01/01/2029	4.476	2.1216

* the date on which the relevant shareholders' approval was granted

During the year ended 31 December 2019, the Board approved the grant of 63,000,000 share options to certain Directors and eligible employees of the Group on 2 January 2019 with an exercise price of HKD4.476 and the closing price of the Company's shares immediately before the date of such grant was HKD4.55.

During the year ended 31 December 2019, all of the 693,000 exercised share options were exercised by the Group's employees at the exercise price of HKD4.01 and the weighted average closing price of the Company's shares immediately before the dates on which such share options were exercised was HKD4.8196.

The share option value is measured based on a binomial tree model and the total value of share options granted during the year ended 31 December 2019 is as follows:

Share options granted to:	Total value of share options HKD' 000
Directors	
Mr. AN Yubao *	18,044
Ms. LI Qian *	18,044
Professor ZHU Quan	1,194
Mr. TANG Ning	1,940
Employees	
In aggregate	<u>64,783</u>
Total	<u><u>104,005</u></u>

* a substantial shareholder of the Company

The total value of share options granted is charged to profit or loss as part of staff costs over the vesting period taking into account the probability that the share options will vest.

In addition, the remaining life of the Share Option Scheme, which will expire on 1 December 2023, is approximately 3 years 8 months from the date of the Annual Report (i.e. 23 March 2020) and there is no minimum period for which a share option must be held before it can be exercised pursuant to the terms of the Share Option Scheme.

The above additional information does not affect other information contained in the Annual Report. Save as disclosed in this announcement, all other information in the Annual Report remains unchanged.

By order of the Board
Consun Pharmaceutical Group Limited
AN Yubao
Chairman of the Board

Hong Kong, 26 August 2020

As at the date of this announcement, the Board comprises Mr. AN Yubao, Ms. LI Qian and Professor ZHU Quan as executive Directors; Mr. SU Yuanfu, Mr. FENG Zhongshi and Ms. CHEN Yujun as independent non-executive Directors.