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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)

**VOLUNTARY ANNOUNCEMENT
IN RELATION TO THE STRATEGIC COOPERATION AGREEMENT AND
THE PROJECT AGREEMENT ENTERED INTO WITH
CHENGDU BRILLIANT PHARMACEUTICAL CO., LTD.**

The board of directors (the “**Board**”) of Consun Pharmaceutical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 28 June 2021, Guangzhou Consun Pharmaceutical Company Limited* (廣州康臣藥業有限公司) (“**GZ Consun**”), a wholly-owned subsidiary of the Company, (i) entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Chengdu Brilliant Pharmaceutical Co., Ltd.* (成都倍特藥業股份有限公司) (“**Brilliant Pharmaceutical**”) in relation to the strategic cooperation in the field of contrast medium (the “**Strategic Cooperation**”); and (ii) entered into a tripartite cooperation agreement (the “**Project Agreement**”) with Brilliant Pharmaceutical and its wholly-owned subsidiary Sichuan Ren’an Pharmaceutical Co., Ltd.* (四川仁安藥業有限責任公司) (“**Ren’an Pharmaceutical**”) in relation to a project regarding a certain type of iodine preparations.

THE STRATEGIC COOPERATION AGREEMENT

Pursuant to the Strategic Cooperation Agreement, GZ Consun and Brilliant Pharmaceutical intend to cooperate in the research, development and reporting of active pharmaceutical ingredients and preparations, and market development for a series of contrast medium products. During the production stage, GZ Consun shall be responsible for manufacturing the contrast medium preparations, while Ren’an Pharmaceutical shall become the preferred supplier of GZ Consun for the active pharmaceutical ingredients of the contrast medium.

The Strategic Cooperation Agreement provides a strategic cooperation framework between GZ Consun and Brilliant Pharmaceutical. The terms of cooperation contemplated under the Strategic Cooperation Agreement are subject to the terms of any specific agreements which GZ Consun and Brilliant Pharmaceutical may subsequently enter into from time to time. If any transaction contemplated under the specific agreement constitutes a notifiable transaction for the Company under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

THE PROJECT AGREEMENT

The cooperation under the Project Agreement is as follows: Brilliant Pharmaceutical shall conduct research and development of a certain type of iodine contrast medium preparations, and shall assist GZ Consun to complete the relevant reporting and registration of the iodine contrast medium preparations. During the production of the iodine contrast medium preparations, GZ Consun shall, under the same conditions, give priority to using the active pharmaceutical ingredients manufactured by Ren'an Pharmaceutical. Ren'an Pharmaceutical shall ensure the quality and stable supply of its products, and in the event of any adjustments to the sales price of the iodine contrast medium preparations, Ren'an Pharmaceutical shall adjust the prices of the active pharmaceutical ingredients accordingly, so that both GZ Consun and Ren'an Pharmaceutical may obtain reasonable profits that are in line with the industry level.

All data formed, research reports submitted and technical documents in relation to the production processes under the Project Agreement shall be owned by GZ Consun.

INFORMATION ON BRILLIANT PHARMACEUTICAL

Brilliant Pharmaceutical is a joint stock company established in the People's Republic of China (the "PRC") with limited liability.

Brilliant Pharmaceutical is principally engaged in the research and development, production and sales of high-end generic drugs, innovative drugs and active pharmaceutical ingredients.

INFORMATION ON REN'AN PHARMACEUTICAL

Ren'an Pharmaceutical is a company established in the PRC with limited liability, and is wholly owned by Brilliant Pharmaceutical. Ren'an Pharmaceutical is principally engaged in the research and development, production and sales of active pharmaceutical ingredients.

To the best of the Board's knowledge, information and belief, and having made all reasonable enquiries, Ren'an Pharmaceutical, Brilliant Pharmaceutical and their ultimate beneficial owners are all third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION AGREEMENT AND THE PROJECT AGREEMENT

The Group is an integrated pharmaceutical group principally engaged in the research, manufacturing and marketing of modern Chinese medicines and medical contrast medium in the PRC.

The Strategic Cooperation with Brilliant Pharmaceutical and the cooperation among parties of the Project Agreement will strengthen the Group's supply of and security for chemical drug raw materials, and also strengthen and enrich the Group's coverage of research and development of contrast medium (iodine injection and gadolinium injection). Meanwhile, the Strategic Cooperation and the cooperation among parties of the Project Agreement are in line with the future development trend of the integration of "active pharmaceutical ingredients + preparations" of contrast medium.

The Board is of the view that entering into the Strategic Cooperation Agreement and the Project Agreement is in line with the Company's development strategy and is in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 23 July 2021

As of the date of this announcement, the board of directors of the Company comprises Mr. AN Meng, Ms. LI Qian, Professor ZHU Quan and Mr. XU Hanxing as executive directors; Ms. ZHANG Lihua as non-executive director; Mr. SU Yuanfu, Mr. FENG Zhongshi and Ms. CHEN Yujun as independent non-executive directors.

* *For identification purpose only*