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康臣葯業集團有限公司
CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1681)

VOLUNTARY ANNOUNCEMENT

TEMPORARY PRODUCTION SUSPENSION OF A SUBSIDIARY FOR REPAIR AND MAINTENANCE OF PRODUCTION EQUIPMENT

This announcement is made by the board of directors (the “**Board**”) of Consun Pharmaceutical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The Board announces that, as the in-use period of the equipment in the old production site of Guangxi Yulin Pharmaceutical Group Co., Ltd, a subsidiary of the Company, and its subsidiaries (collectively referred to as “**Yulin Pharmaceutical Group**”), which is located in the urban area of Yulin’s city center, is relatively long, and the production volume has increased due to sales growth, the site equipment has been more frequently used, resulting in a corresponding increase in various daily repair and maintenance works, which in turn has an impact on the planned progress of production to varying degrees. In order to conduct a more in-depth and comprehensive repair and maintenance for the production equipment and improve the overall production efficiency, Yulin Pharmaceutical Group has arranged a temporary production suspension of the old production site commencing from 1 May 2018 to mid-June 2018 so that the production equipment and principal production processes could be rectified as a whole. The repair, maintenance and rectification works also include the repair, maintenance and reconstruction of boilers and sewage treatment system to ensure that the production processes are more in line with the GMP and environmental protection requirements.

As Yulin Pharmaceutical Group has planned to relocate all of its production lines to the new production site, the relevant repair, maintenance and rectification works are therefore only a short- to mid-term measure. The aim is to ensure the production efficiency of the old production site before the construction of the new production site is completed without significant capital expenditure involved. Currently, the relevant repair, maintenance and rectification works are nearly completed and it is expected that the old production site of Yulin Pharmaceutical Group will fully resume production on 14 June 2018.

During the production suspension period of the old production site, although Yulin Pharmaceutical Group has made preparation in advance and increased its inventory supply of finished goods, as the actual time required for repair, maintenance and rectification work was longer than estimated, the product supply has been affected to various extents. The Board believes that this temporary production suspension of Yulin Pharmaceutical Group would have no material adverse impact on the business and financial position of Yulin Pharmaceutical Group. It is estimated that it will only result in a lower growth rate in sales of Yulin Pharmaceutical Group for the first half of 2018 as compared to that of the corresponding period last year. The Board will, based on the actual situation and in accordance with the relevant requirements of the Listing Rules, disclose information in due course, including but not limited to disclosing the development of Yulin Pharmaceutical Group in the interim report.

The above information is announced by the Company on a voluntary basis and does not constitute any forecast of the overall performance of the Company or the Group. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 5 June 2018

As at the date of this announcement, the Board comprises Mr. AN Yubao, Ms. LI Qian, Professor ZHU Quan and Mr. TANG Ning as executive directors; Mr. SU Yuanfu, Mr. FENG Zhongshi and Ms. CHENG Xinxin as independent non-executive directors.