

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 announcement of the Company dated 17 August 2021 (the “**Announcement**”) 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. Unless otherwise specified, capitalised terms used in this announcement have the same meanings as those defined in the Announcement.

On 17 March 2022, Horgos Economic Development Zone in Xinjiang (the “**Development Zone**”) convened a press conference announcing, among other things, an extension of the preferential enterprise income tax policies to 2030 (i.e. commencing from 1 January 2021 to 31 December 2030). Under the enterprise income tax policy of “five-year exemption and five-year deduction” (五免五減) announced on 17 March 2022, the newly-established enterprises in the Development Zone falling within the key encouraged industries set out in the Catalogue of Key Encouraged Industries in Poverty Areas of Xinjiang for Preferential Enterprise Income Tax Treatment (《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》) (the “**Catalogue**”) covering 449 industries in 36 categories shall be exempted from enterprise income tax for 5 years since the taxable year which the first operating income is generated. Subsequent to the five-year enterprise income tax exemption, the enterprise shall be further exempted from paying the local share of enterprise income tax from the sixth to tenth year.

Consun Pharmaceutical (Horgos) falls within the scope of the Catalogue, and thus will enjoy the afore-mentioned tax preferential policy. This will be conducive to the future development of Consun Pharmaceutical (Horgos) and generate significant benefits for the overall profit return of the Group in the coming ten years.

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

Hong Kong, 20 March 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.*