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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

- Turnover for the year 2013 amounted to RMB571,765,000, representing an increase of RMB113,964,000 (or 24.9%) over RMB457,801,000 in 2012.
- Profit attributable to Shareholders for the year 2013 amounted to RMB152,882,000, representing an increase of RMB16,676,000 (or 12.2%) over RMB136,206,000 in 2012.
- Basic and diluted earnings per share for the year 2013 amounted to RMB0.20, and RMB0.18 for the year 2012.
- The Board did not recommend the distribution of final dividend for the year ended 31 December 2013.

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Consun Pharmaceutical Group Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013.

SIGNIFICANT MILESTONES

After more than a decade of hard work, the Company was listed successfully on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 December 2013 (the "Listing"). The initial public offering from the Company received an overwhelming response in the market. The public offering tranche in Hong Kong was oversubscribed by 128 times. Apart from raising new capital amounting to approximately RMB800 million for the Group and providing a powerful tool for the development of the Group's businesses, the successful listing has also enhanced the Group's brand image and position in the market and provide an intangible asset for expanding the Group's sales network.

BUSINESS OVERVIEW

By developing the market intensively, the Group has kept sales on a robust growth trend over the past year, with year-on-year growth of 24.9% in turnover. The Group's main product, uremic clearance granules ("UCG"), remains the growth drivers of the Group's sales, achieving an increase of 25.8% and maintaining its leading position among oral modern Chinese medicines for kidney diseases. UCG has even been included in the latest version of the National List of Essential Medicines. This is a recognition by the State of the clear efficacy of this medicine, paving a broad path for further development of our market.

As for kidney repair and edema alleviation granules, which were launched in 2010, the product recorded a growth of 77.6% in 2013, making it the Group's new promising medicine for kidney diseases. For the medical contrast medium, the year-on-year growth in 2013 was 30.4%. It firmly commands the leading position in the domestic medical contrast medium market for magnetic resonance imaging.

CONTINUED MARKET EXPANSION

Although the Group's pharmaceutical sales network covers all provinces, cities and autonomous regions across the nation, there is still massive potential for further development, which includes covering more medical disciplines and hospitals of different scales, especially for tier-2 or lower basic medical market. We will continue to strengthen the professional knowledge and training of our marketing representatives so that more medical practitioners and patients will come to know the efficacy of our medicines. This will allow continued expansion in the depth and the breadth of the Group's nationwide sales network.

RESEARCH AND DEVELOPMENT INNOVATION

The Group continues to invest in our research and development ("R&D") and innovation programmes. Our efforts and progress have been recognised by the science and technology departments of local governments. We have also been granted incentives and subsidy from the government for technological transformation. Among others, our medicine for treating the irritable bowel syndrome of digestive system, researched and developed by our Group independently, was awarded the New Medicine Certificate by China Food and Drug Administration at the end of 2013, proving the capability of our R&D team.

OUTLOOK

Riding on the robust growth trend, coupled with the capital strength brought on by the Listing, the Group will continue to cultivate the market for existing products intensively even as we increase our R&D effort. The launch of new medicines will be accelerated to enrich the Group's medicinal products reserves. At the same time, we will seek for merger and acquisition targets that will complement the Group's business. We will continue to stride towards the goals of being the leader in oral modern Chinese medicines for kidney diseases and medical contrast medium segments. As always, our ultimate aim is to provide stable and profitable returns for the Company's shareholders ("Shareholders") while contributing to the society at the same time.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

		Year ended 31 December	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Turnover	*2*	**571,765**	457,801
Cost of sales		**(119,531)**	(111,112)
Gross profit		**452,234**	346,689
Other revenue	*3*	**13,434**	20,517
Distribution costs		**(177,926)**	(135,496)
Administrative expenses		**(77,692)**	(50,721)
Other net income/(loss)		**412**	(1,927)
Profit before taxation	*4*	**210,462**	179,062
Income tax	*5*	**(57,580)**	(42,856)
Profit for the year		**152,882**	136,206
Other comprehensive income for the year			
Exchange differences on translation of financial statements of operations outside the People's Republic of China (the "PRC"), net of nil tax		**9**	(23)
Total comprehensive income for the year attributable to equity shareholders of the Company		**152,891**	136,183
Basic and diluted earnings per share	*6*	**RMB0.20**	RMB0.18

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

		As at 31 December	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**232,270**	171,497
Lease prepayments		**24,828**	21,681
Other investment		**2,600**	2,600
Deferred tax assets		**4,558**	5,171
Total non-current assets		**264,256**	200,949
Current assets			
Inventories		**48,966**	22,442
Trade and other receivables	*8*	**241,697**	264,391
Pledged deposits		**–**	76,470
Cash and cash equivalents		**902,026**	81,755
Total current assets		**1,192,689**	445,058
Current liabilities			
Trade and other payables	*9*	**138,428**	249,899
Deferred income		**436**	900
Current tax payable		**11,251**	9,548
Total current liabilities		**150,115**	260,347
Net current assets		**1,042,574**	184,711
Total assets less current liabilities		**1,306,830**	385,660

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2013

		As at 31 December	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Non-current liabilities			
Deferred income		**9,567**	1,898
Deferred tax liabilities		**39,899**	28,584
Total non-current liabilities		**49,466**	30,482
Net assets		**1,257,364**	355,178
Capital and reserves			
Share capital		**78,250**	1
Reserves		**1,179,114**	355,177
Total equity		**1,257,364**	355,178

NOTE

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company was incorporated as an exempted company under the laws of Cayman Islands with limited liability on 13 December 2010. The Company became the holding company of the Group upon completion of the reorganisation on 24 December 2012 (the "Reorganisation").

Prior to the Reorganisation, Guangzhou Consun Pharmaceutical Co., Ltd. ("Guangzhou Consun") was the holding company of the Group. Upon completion of the Reorganisation, the Company became the Group's new holding company and Guangzhou Consun became an intermediate holding company.

The companies that took part in the Reorganisation were controlled by the same shareholders before and after the Reorganisation and therefore there were no changes in the economic substance of the ownership and the business of the Group. The Reorganisation only involved inserting newly formed entities with no substantive operations as new holding companies of Guangzhou Consun, which was the Group's sole holding company of operating entities. Accordingly, the Reorganisation has been accounted for using a principle similar to that for a reverse acquisition as set out in HKFRS 3, Business combinations, with Guangzhou Consun treated as the acquirer for accounting purposes. These financial statements has been prepared and presented as a continuation of the financial statements of Guangzhou Consun with the assets and liabilities of Guangzhou Consun recognized and measured at their historical carrying amounts at the beginning of the earliest year presented.

All material intra-group transactions and balances have been eliminated on consolidation.

The financial statements are presented in RMB, rounded to the nearest thousand and is prepared on the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

New and revised standards adopted by the Group

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income
- HKFRS 10, Consolidated financial statements
- HKFRS 12, Disclosure of interests in other entities
- HKFRS 13, Fair value measurement
- Amendments to HKFRS 7, Disclosures – Offsetting financial assets and financial liabilities

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly.

2. TURNOVER AND SEGMENT INFORMATION

Revenue represents the sales value of goods supplied to customers. Revenue excludes sales taxes and surcharges and is after deduction of any trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Kidney medicines	**446,267**	352,704
Contrast medium	**85,123**	65,272
Others	**40,375**	39,825
	571,765	457,801

Major customers:

The Group's customer base is diversified and includes only one customer with whom transactions have exceeded 10% of the Group's revenues. Revenues from this customer amounted to approximately RMB114,463,000 for the year ended 31 December 2013 (2012: RMB82,041,000).

Segment information:

Management has determined operating segments with reference to the reports reviewed by the chief operating decision maker of the Group that are used to assess the performance and allocate resources.

The chief operating decision maker of the Group assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on sales of pharmaceutical products. Therefore, management considers there to be only one operating segment under the requirements of HKFRS 8, Operating Segments. In this regard, no segment information is presented for the years.

No geographic information is shown as the Group's operating profit is entirely derived from activities of manufacture and sale of pharmaceutical products in the PRC.

3. OTHER REVENUE

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Government grants		
– Unconditional subsidies	**8,390**	16,930
– Conditional subsidies	**724**	1,244
Interest income	**4,216**	2,340
Others	**104**	3
	13,434	20,517

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Staff costs

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Salaries, wages, bonuses and benefits	**97,851**	72,452
Contribution to retirement schemes	**3,548**	1,991
	101,399	74,443

Staff costs includes directors' and senior management's remuneration.

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in defined contribution retirement benefit schemes (the "Schemes") organised by the local government authorities whereby the PRC subsidiaries are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. The Group has no other obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

(b) Other items

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Depreciation	**12,314**	11,161
Amortisation	**553**	553
Auditor's remuneration		
– Audit services	**900**	354
– Non-audit services	**4,473**	–
Impairment losses (reversed)/recognised for doubtful debts	**(663)**	779
Operating lease charges	**320**	93
Research and development cost	**20,827**	13,423
Cost of inventories	**119,531**	111,112

5. INCOME TAX

(a) Taxation in consolidated statements of comprehensive income represents:

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Current tax		
Provision for PRC income tax for the year	**45,652**	27,869
Deferred tax		
Origination of temporary differences	**11,928**	14,987
	57,580	42,856

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) No provision was made for Hong Kong Profits Tax as the Group did not earn income subject to Hong Kong Profits Tax for the years ended 31 December 2012 and 2013.

(iii) Taxable income for the subsidiaries of the Company in the PRC is subject to PRC income tax rate of 25%, unless otherwise specified. As Guangzhou Consun and Consun Pharmaceutical (Inner Mongolia) Company Limited were certified as an Advanced and New Technology Enterprise, they were entitled to the preferential income tax rate of 15% from 2011 to 2013 and 2012 to 2014 respectively.

(iv) According to the relevant tax law and its implementation rules, dividends receivable by non-PRC-resident corporate investors from PRC-resident enterprises are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. The Group has adopted the 10% withholding tax rate for PRC withholding tax purposes.

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

	Year ended 31 December	
	2013	*2012*
	RMB'000	*RMB'000*
Profit before taxation for the year	**210,462**	179,062
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	**55,770**	44,769
Effect of non-deductible expenses	**9,724**	9,816
Effect of tax concession	**(26,275)**	(26,016)
PRC dividend withholding tax	**18,361**	14,287
Actual tax expenses	**57,580**	42,856

6. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated based on:

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Revenue attributable to the owner of the Company:		
Profit for calculating basic and diluted earnings per share	**152,882**	136,206

	Year ended 31 December	
	2013	2012
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	**758,904**	750,000

7. DIVIDENDS

The Group declared on 20 October 2013 and distributed in December 2013 a special dividend of RMB51,555,000. No final dividend for the year ended 31 December 2013 is recommended.

8. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Trade debtors	**21,179**	64,492
Bills receivable	**208,733**	192,090
Less: Allowance for doubtful debtors	**(4,917)**	(8,107)
Trade receivables	**224,995**	248,475
Other receivables	**7,498**	4,992
Prepayments	**9,204**	10,924
	241,697	264,391

As of the end of the year, the aging analysis of trade receivables based on the invoice date, is as follows:

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Within 3 months	**224,524**	246,041
3 to 12 months	**219**	2,434
Over 12 months	**252**	–
	224,995	248,475

Trade receivables are due within 180 days from the date of billing.

9. TRADE AND OTHER PAYABLES

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Trade payables	**20,567**	31,976
Receipts in advance	**3,470**	5,770
Accrued expenses	**32,673**	24,810
Employee benefits payable	**26,923**	21,803
Dividends payable	**–**	130,352
Amount due to related parties	**–**	16,669
Other payables	**54,795**	18,519
	138,428	249,899

As of the end of the year, the ageing analysis of trade payables, based on the invoice date, is as follows:

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Within 1 month	**11,738**	28,584
1 to 12 months	**8,652**	1,188
Over 12 months	**177**	2,204
	20,567	31,976

FINANCIAL REVIEW

Turnover

The Group's turnover increased by RMB113,964,000 or 24.9% from RMB457,801,000 in 2012 to RMB571,765,000 in 2013, of which, the sales of the kidney medicines was RMB446,267,000, representing an increase of 26.5%, and the sales of the medical contrast medium was RMB85,123,000, representing an increase of 30.4%.

Cost and gross profit

Despite the increase in the prices of certain raw materials and wages of employees, benefited from the decrease in the prices of some other raw materials and the economies of scale and improvement in production efficiency, the Group's overall gross profit margin was improved by 3.4% from 75.7% in 2012 to 79.1% in 2013.

Other revenue

In 2013, other revenue was RMB13,434,000, which mainly included the government grants and interest income. Compared with the revenue of RMB20,517,000 in 2012, the decrease in other revenue was mainly due to the decrease in the government grants received. Such grants were the subsidies or incentives provided by the local government to support the development of the local enterprises, and were decided by the local government in its sole discretion on whether and when to provide such grants to our Group according to its financial conditions and policies.

Distribution costs

The Group's distribution costs increased by 31.3% from RMB135,496,000 in 2012 to RMB177,926,000 in 2013, which was mainly due to the expansion of the marketing network, recruitment of additional marketing staff and increase of marketing and academic promotion activities.

Administrative expenses

The Group's administrative expenses increased by 53.2% from RMB50,721,000 in 2012 to RMB77,692,000 in 2013, which mainly reflected the expenses relating to the Listing of the Company on the Stock Exchange in Hong Kong.

Income tax

The Group's income tax increased by 34.4% from RMB42,856,000 in 2012 to RMB57,580,000 in 2013, the effective tax rate (income tax divided by profit before taxation) increased by 3.5% from 23.9% to 27.4%, which was mainly because the tax holiday enjoyed by Consun Pharmaceutical (Inner Mongolia) Company Limited ("康臣藥業(內蒙古)有限責任公司"), a subsidiary of the Group in Mainland China, expired in 2012, and its income tax rate increased from 12.5% in 2012 to 15% in 2013. Furthermore, the expenses related to the Listing of the Company on the Stock Exchange mainly occurred in Hong Kong, and could not offset the profit of the Group generated in Mainland China in terms of taxation.

Annual profit and earnings per share

The Group's annual profit increased by 12.2% from RMB136,206,000 in 2012 to RMB152,882,000 in 2013, while the earnings per share (basic and diluted) increased by RMB0.02 from RMB0.18 in 2012 to RMB0.20 in 2013.

Foreign exchange risk

Almost all of the Group's operating revenue, cost and expenses of sales and administrative expenses were denominated in Renminbi. Except for some deposits denominated in Hong Kong dollars, most of the Group's assets and liabilities were denominated in Renminbi. As Renminbi is the functional currency of the Group, the foreign exchange risk mainly came from the assets denominated in Hong Kong dollars.

For the year ended 31 December 2013, the Group did not purchase any foreign currency and interest rate derivatives or relevant hedging instruments (2012: nil).

Use of proceeds from the initial public offering of shares

The net proceeds of the Company's initial public offering of shares on the Stock Exchange on 19 December 2013 (after deducting the listing expenses of approximately RMB78,263,000) is approximately RMB774,662,000. The Group will use such net proceeds in the following manner as disclosed in the prospectus:

- Approximately 40% for infrastructure investment;
- Approximately 20% for research and development activities in order to develop new products;
- Approximately 15% for expansion of our existing marketing and distribution networks;
- Approximately 15% for merger and acquisition; and
- Approximately 10% for working capital and other general corporate purposes.

As of the date of this announcement, the Group has not used any proceeds. Such proceeds are temporarily deposited as time deposits in a bank in Hong Kong to earn interest income.

Material acquisition or disposal

For the year ended 31 December 2013, the Group did not have any material acquisitions or disposals (2012: nil).

Pledge of assets

As at 31 December 2013, the Group did not have any pledged asset (2012: a financial guarantee secured by pledged deposits and bills receivable of RMB76,470,000 and RMB63,351,000 respectively was issued. The financial guarantee was released in March 2013.)

Gearing ratio

The Group's gearing ratio as at 31 December 2013 (percentage of total liabilities divided by total assets) was 13.7% (2012: 45.0%).

Contingent liabilities and guarantees

As at 31 December 2013, the Group did not have any significant contingent liabilities or guarantees (2012: a financial guarantee amounted to RMB118,000,000 was issued. The financial guarantee was released in March 2013).

Subsequent events

There was no material event occurred during the period from 31 December 2013 to the date of this announcement.

Capital commitments

As at 31 December 2013, the Group had capital commitments of approximately RMB5,983,000 (2012: RMB23,387,000) in respect of property, plant and equipment. Such commitments were mainly used by the Group for expansion of production lines and technology innovation. The Group intended to use the cash flow from its operations and the net proceeds from the initial public offering to meet the fund demand of the capital commitments.

Human resources management

As at 31 December 2013, the Group hired a total of 1,149 employees (2012: 939). The total staff costs (including the director's remuneration) for the year ended 31 December 2013 was RMB101,399,000 (2012: RMB74,443,000). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices. Besides the basic salaries and the mandatory retirement benefit schemes, the employee benefits also included discretionary bonuses.

The Group made considerable efforts in continuing education and training programs for its staff, to continuously enhance their knowledge, skills and cooperation spirit. The Group regularly provided internal and external training courses for relevant staff according to their needs.

Dividends

The Group declared on 20 October 2013 and distributed in December 2013 a special dividend of RMB51,555,000. The Board resolved not to recommend the distribution of final dividend for the year ended 31 December 2013.

Corporate governance

The Company has adopted the code provisions ("Code Provisions") set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). The Company had complied with the Code Provisions during the period from the date of Listing to 31 December 2013.

Model code for the directors' securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions. The Company had made specific enquiry, and all directors confirmed that they had fully complied with the required standard set out in the Model Code for the year ended 31 December 2013.

Purchase, sale or redemption of the Company's listed securities

During the period from the date of Listing to 31 December 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Audit committee and annual results review

The audit committee of the Company (the "Audit Committee") comprises two independent non-executive Directors (i.e. Ms. CHENG Xinxin (a director who has appropriate professional background and serves as the chairman of the Audit Committee) and Mr. FENG Zhongshi) and an executive Director (Mr. WANG Shunlong). The main duties of the Audit Committee are to assist the Board in all aspects; to provide independent opinion and monitor the effectiveness of the Group's financial reporting process, internal control and risk management systems; to monitor the audit process and perform other duties assigned by the Board of the Company.

The Audit Committee has reviewed the accounting policies adopted by the Group and the consolidated annual results of the Group for the year ended 31 December 2013.

Closure of the register of members

The register of members of the Company will be closed from 23 May 2014 to 28 May 2014 (both days inclusive), to determine the members' entitlement to attend the forthcoming annual general meeting ("AGM") of the Company and vote at the AGM. In order to be entitled to attend the AGM and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 22 May 2014.

Annual general meeting

The AGM of the Company will be held in Hong Kong on 28 May 2014 (Wednesday). The Company will dispatch a notice of AGM to its Shareholders in due course.

Publication of information on the Stock Exchange's website

This announcement is published on the websites of the Company (www.chinaconsun.com) and the Stock Exchange (www.hkexnews.hk), and the annual report of the Company for the year ended 31 December 2013 will be despatched to Shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 21 March 2014

As at the date of this announcement, the Board comprises Mr. AN Yubao, Ms. LI Qian and Professor ZHU Quan as executive Directors; Mr. YOUNG Wai Po, Peter, Mr. WANG Shunlong and Mr. WANG Zi Han as non-executive Directors; Mr. SU Yuanfu, Mr. FENG Zhongshi and Ms. CHENG Xinxin as independent non-executive Directors.