



China Pharma Expects Considerable Increase in Growth Opportunities Related to Hainan Free Trade Port

HAIKOU CITY, April 19, 2021 – China Pharma Holdings, Inc. (NYSE American: CPHI) ("China Pharma," the "Company" or "We"), a specialty pharmaceutical company, commented on the policy statements in "Several Special Measures to Support the Construction of Hainan Free Trade Port to Relax Market Access" released by the National Development and Reform Commission and the Ministry of Commerce in April. This statement follows the release of the Overall Plan for the Construction of Hainan Free Trade Port in June 2020 and the establishment of the Hainan BoaoLecheng International Medical Tourism Pilot District in 2013, which were both approved by the State Council.



22 specific measures were put forth in five areas, including the following:

- **Development of Internet Prescription Drug Sales.** Set up Hainan e-prescription center to provide third-party information services for prescription drug sales agencies. For prescription drugs already on the market in China, except for drugs that are explicitly subject to special management under the National Drug Administration Law, all are allowed to be sold on the Internet by relying on electronic prescription centers and will no longer be approved separately

To better position China Pharma to take advantage of this major growth opportunity, our wholly-owned subsidiary, Hainan Helpson Medical & Pharmaceutical Biotechnology Co., Ltd., signed a strategic cooperation agreement on April 17, 2021 with Huiyi (which has more than 40,000 registered doctors), an Internet hospital jointly invested in by AstraZeneca and Hillhouse Capital.

- **Increased Drug Market Access**

This measure is in line with previous policies, including the "Guiding Principles for Real-World Evidence in Support of Drug Development and Review (Trial)" published on 3 January 2020, and the BoaoLecheng Real World Data Research and Innovation Center established in BoaoLecheng on April 10, 2020.

- **Development of Hainan's High-End Medical Beauty Industry**



Beauty medical institutions in BoaoLecheng can now sell and use in bulk medical products that already being sold in the U.S., EU, Japan, and other countries.

- **Optimization of Access and Development Environment for the Transplant Science Field**

This policy is conducive to facilitating the active integration of Traditional Chinese Medicine and Western Medicine, with the goal of developing health centers.

- **Transformation of Universities Scientific Research in Hainan, including but not limited to marine science**

This will allow China Pharma and others to now take full advantage of marine resources, which has seen significant global investment and R&D over the years, to further develop and commercialize products.

- **Increased Agriculture Market Access**

This is beneficial to China Pharma as it will allow for use of tropical plant resources and leverage geographic advantages of nutritional products, where China Pharma has a competitive advantage.

In addition, Hainan introduced a series of Talent Service Management Reform, and preferential tax policies. These policies include exemption from corporate income tax on new foreign direct investment by 2025 for tourism, modern service industries and high-tech industrial enterprises. The policies focus on creating economic stimulus and growth, job creation and the easing of operating barriers, all of which will help China Pharma as it continues to realize its business strategy and drive growth.

Ms. Zhilin Li, China Pharma's Chairman and CEO, commented, "This is a milestone for our Country, Hainan and for China Pharma. Supportive Government policy will remove barriers and accelerate development and create far greater success than any one enterprise can do on its own. We believe this will serve as a powerful catalyst for increased investment, faster market development and vast new growth opportunities for companies like China Pharma. Developing medical tourism in the Lecheng Pilot Zone has already proven to be a major economic boost. We are particularly pleased with the latest policies which will benefit Hainan's position in both the domestic market and internationally, and will in turn open additional growth opportunities for China Pharma as we seek to create value for the company and shareholders."

According to the China Daily, "Chinese tourists spent an estimated 1 trillion yuan overseas in 2019. Assuming there is no increase in the amount in the next five years, even if Chinese travelers spend 10 percent of that amount in Hainan in the next two years to buy such products, the island will attract 100 billion yuan by 2022. Add to this the BoaoLecheng International Medical Tourism Pilot Zone's goal of offering the Chinese People the fastest access to the most advanced medical devices and health services, and you have huge business potential." (source: China Daily, Jan. 14, 2021)

About China Pharma Holdings, Inc.

China Pharma Holdings, Inc. is a specialty pharmaceutical company that develops, manufactures and markets a diversified portfolio of products, focusing on conditions with high incidence and high mortality rates in China, including cardiovascular, CNS, infectious, and digestive diseases. The Company's cost-effective business model is driven by market demand and supported by new GMP-certified product lines covering the major dosage forms. In addition, the Company has a broad and expanding nationwide distribution network across all major cities and



provinces in China. The Company's wholly-owned subsidiary, Hainan Helpson Medical & Biotechnology Co., Ltd., is located in Haikou City, Hainan Province. For more information about China Pharma Holdings, Inc., please visit www.chinapharmaholdings.com. The Company routinely posts important information on its website.

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