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CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(formerly known as China Pharmaceutical Group Limited 中國製藥集團有限公司)

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock code: 1093)

ADJUSTMENT TO CONVERSION PRICE OF CONVERTIBLE BONDS DUE 2017

Reference is made to (i) the circular of CSPC Pharmaceutical Group Limited (the “**Company**”) dated 27 September 2012 (the “**Circular**”) concerning, among others, the issue of Convertible Bonds and (ii) the annual results announcement of the Company dated 28 March 2013 (the “**Annual Results Announcement**”) whereby a final dividend of HK10 cents per Share for the year ended 31 December 2012 (the “**Final Dividend**”) was proposed subject to Shareholders’ approval at the annual general meeting. Approval was obtained from the Shareholders in the Company’s annual general meeting held on 23 May 2013.

The Company shall pay the Final Dividend on 17 June 2013 and with effect from such date, the Conversion Price of the Convertible Bonds will, in accordance with the CB Terms and Conditions (as defined below), be adjusted from HK\$2.15 per Share to HK\$2.0855 per Share.

Reference is made to (i) the Circular and (ii) the Annual Results Announcement.

Capitalized terms used herein shall, unless otherwise defined, have the same meanings as adopted in the Circular.

As stipulated under Condition 7.3(d) of the terms and conditions of the Convertible Bonds (the “**CB Terms and Conditions**”), if and whenever the Company shall pay or make any Dividend (as defined in the CB Terms and Conditions) to the Shareholders, the Conversion Price of the Convertible Bonds shall be adjusted by multiplying the Conversion Price in force immediately before such Dividend by the quotient of (a) the Current Market Price (as defined in the CB Terms and Conditions) of one Share on the last Trading Day preceding the date on which the

Dividend is publicly announced (the “**Relevant Market Price**”) less the Fair Market Value (as defined in the CB Terms and Conditions) on the date of such announcement of the portion of the cash distribution attributable to one Share, divided by (b) the Relevant Market Price. Such adjustment shall become effective on the date that such Dividend is paid.

As announced in the Annual Results Announcement, the board of directors of the Company recommended the payment of the Final Dividend of HK10 cents per Share, subject to the approval of Shareholders at the annual general meeting of the Company. Approval was obtained from the Shareholders in the Company’s annual general meeting held on 23 May 2013. The Company shall pay the Final Dividend on 17 June 2013 and with effect from such date, the Conversion Price will, in accordance with the CB Terms and Conditions, be adjusted from HK\$2.15 per Share (the “**Current Conversion Price**”) to HK\$2.0855 per Share (the “**Adjusted Conversion Price**”). Save for the abovementioned adjustment to the Conversion Price, the other terms of the Convertible Bonds shall remain unchanged.

As at the date of this announcement, the aggregate principal amount of the outstanding Convertible Bonds is US\$556,827,619.10. Following the above adjustment to the Conversion Price, the maximum number of Shares issuable by the Company upon full conversion of the outstanding Convertible Bonds at the Adjusted Conversion Price will be 2,082,596,705 Shares, an increase of 62,477,901 Shares from the original 2,020,118,804 Shares based on the Current Conversion Price.

For and on behalf of
CSPC Pharmaceutical Group Limited
CAI Dongchen
Chairman

Hong Kong, 14 June 2013

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. FENG Zhenying, Mr. CHAK Kin Man, Mr. PAN Weidong, Mr. ZHAO John Huan, Mr. WANG Shunlong, Mr. WANG Huaiyu, Mr. LU Jianmin, Mr. WANG Zhenguo and WANG Jinxu as executive directors; Mr. LEE Ka Sze, Carmelo as non-executive director; and Mr. HUO Zhenxing, Mr. QI Moujia, Mr. GUO Shichang, Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo and Mr. ZHANG Fawang as independent non-executive directors.