



**ANNOUNCEMENT
IN PURSUANCE OF RULE 13.17**

In accordance with the requirements under rule 13.17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Board of Directors of China Pharmaceutical Group Limited (the “Company”) announces certain details of a facility agreement entered into between a bank (the “Bank”) and Shijiazhuang Pharmaceutical Group Company Limited (“SPG”), the Company’s ultimate holding company.

By a facility agreement dated April 25, 2007 (the “Facility Agreement”) entered into between the Bank and SPG, a facility in the aggregate amount of RMB510,000,000 is made available by the Bank to SPG and certain subsidiaries of the Company (the “Subsidiaries”). The facility is a general working capital facility for one year from April 25, 2007. Out of the aggregate facility amount of RMB510,000,000, RMB360,000,000 is made available to the Subsidiaries. The Subsidiaries intend to use the facility to finance their general working capital requirements.

As a condition under the Facility Agreement, SPG has pledged 600,589,874 ordinary shares of the Company (representing approximately 39.05% of the issued share capital of the Company) in favour of the Bank as security.

By Order of the Board
CHINA PHARMACEUTICAL GROUP LIMITED
CAI DONGCHEN
Chairman

Hong Kong, April 25, 2007

As at the date of this announcement, the Board of Directors of the Company comprises eight executive directors, namely Mr. Cai Dongchen, Mr. Yue Jin, Mr. Feng Zhenying, Mr. Ji Jianming, Mr. Chak Kin Man, Mr. Pan Weidong, Mr. Li Zhibiao and Mr. Zhang Zheng; one non-executive director, namely Mr. Lee Ka Sze, Carmelo and four independent non-executive directors, namely Mr. Huo Zhenxing, Mr. Qi Moujia, Mr. Guo Shichang and Mr. Chan Siu Keung, Leonard.