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中國製藥集團有限公司  
**China Pharmaceutical  
Group Limited**

*(Incorporated in Hong Kong under the Companies Ordinance)*

**(Stock Code: 1093)**

**ANNOUNCEMENT  
AND  
RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The board of directors of China Pharmaceutical Group Limited (the “**Company**”) has been informed by its controlling shareholder, Shijiazhuang Pharmaceutical Group Company Limited (“**SPG**”), that the State-owned Assets Administration Commission of the People’s Government of Shijiazhuang (石家莊市人民政府國有資產監督管理委員會) has announced its intention to dispose of all the state-owned interests of SPG (representing 100% interest in SPG, the “**SPG Interest**”) by way of transfer through listing-for-sale (掛牌公開轉讓) at the Hebei Merger Centre (河北省產權交易中心) (the “**Exchange Centre**”) pursuant to relevant PRC regulations. The disposal of the SPG Interest, if materialized, will result in a change in statutory control of SPG and may trigger an obligation on the part of the successful tenderer to make a general offer for the shares of the Company in accordance with The Code on Takeovers and Mergers (the “**Takeovers Code**”).

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The board of directors of the Company has been informed by its controlling shareholder, SPG, which has approximately 50.93% shareholding interest in the Company, that on 8 May 2007 the State-owned Assets Administration Commission of the People’s Government of Shijiazhuang (石家莊市人民政府國有資產監督管理委員會) has announced its intention to dispose of the SPG Interest by way of transfer through listing-for-sale (掛牌公開轉讓) at the Exchange Centre pursuant to relevant PRC regulations. Details of the transfer through listing-for-sale are set out in the announcement issued by the Exchange Centre dated 8 May 2007 posted at [www.sjzgz.gov.cn](http://www.sjzgz.gov.cn) and [www.hbcqw.org.cn](http://www.hbcqw.org.cn). The latest time for submission of tender is stated in the relevant announcement to be 5 p.m., 4 June 2007.

It is expected that the transfer through listing-for-sale, if materialized, will result in a change in statutory control of SPG and may trigger an obligation on the part of the successful tenderer to make a general offer for the shares of the Company in accordance with the Takeovers Code. At this stage, the directors of the Company are unaware of any significant change in the management and board of directors of the Company as a result of the proposed disposal of the SPG Interest.

The Company will make further announcements as and when appropriate to update shareholders of the Company on the status of the intended disposal of the SPG Interest.

## **Securities in the Company**

As at the date hereof, the Company has a total of 1,538,124,661 ordinary shares of HK\$0.10 each in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code, the “**Relevant Securities**”) as at the date hereof.

## **Dealings disclosure**

The associates (as defined in the Takeovers Code) of the Company are reminded to disclose their dealings in the Relevant Securities under Rule 22 of the Takeovers Code.

## **Responsibilities of stockbrokers, banks and other intermediaries**

Stockbrokers, banks and others who deal in Relevant Securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any Relevant Security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive (as defined in the Takeovers Code) in its dealings enquiries. Therefore, those who deal in Relevant Securities should appreciate that stockbrokers and other intermediaries will supply the Executive (as defined in the Takeovers Code) with relevant information as to those dealings, including identities of clients, as part of that co-operation.

**The disposal of the SPG Interest may or may not materialize. Shareholders of the Company and investors should exercise caution when dealing in shares of the Company.**

Trading in the shares of the Company was suspended from 9:33 a.m. on Tuesday, 8 May 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on Wednesday, 9 May 2007.

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

Hong Kong, 8 May 2007

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*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.*