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Legend Holdings Limited

(Incorporated in the PRC with limited liability)

Massive Giant Group Limited

(Incorporated in the British Virgin Islands with limited liability)



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)

JOINT ANNOUNCEMENT

CLOSING OF UNCONDITIONAL MANDATORY CASH OFFER BY GOLDBOND CAPITAL (ASIA) LIMITED ON BEHALF OF MASSIVE GIANT GROUP LIMITED

**TO ACQUIRE ALL THE ISSUED SHARES OF HK\$0.10 EACH IN THE SHARE
CAPITAL OF CHINA PHARMACEUTICAL GROUP LIMITED**

**(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to the Offeror



Goldbond Capital (Asia) Limited

The Offeror and the Board wish to announce that the latest time for acceptance of the General Offer was, and the General Offer closed at, 4:00 p.m. on 9 August 2007. The Offeror did not extend the period of the General Offer.

As at 4:00 p.m. on 9 August 2007, valid acceptances in respect of a total of 166,232 Shares under the General Offer, representing approximately 0.011% of the existing issued share capital of the Company and of the voting rights which may be exercised at general meetings of the Company have been received by the Offeror (based on 1,538,124,661 Shares in issue as at the date of this announcement).

Prior to the commencement of the period between 8 May 2007, being the date of the Announcement and 4:00 p.m. on the Closing Date (the “Offer Period”), the Offeror and the parties acting in concert with it did not own, or control or direct over any Shares or rights over the Shares. Immediately before the commencement of the General Offer on 19 July 2007, the Offeror and the parties acting in concert with it held, controlled or directed an aggregate of 783,316,161 Shares, representing approximately 50.927% of the existing issued share capital of the Company. Saved for entering into the Agreement in which Legend Holdings becoming indirectly interested in 783,316,161 Shares, representing approximately 50.927% of the entire issued share capital of the Company, neither the Offeror nor any parties acting in concert with it has dealt in any Shares or any other securities, including equity related convertible securities, warrants, options or subscription rights in respect of any equity share capital of the Company during the period commencing on 8 November 2006, being the date falling six months prior to the announcement dated 8 May 2007 made by the Company (the “Announcement”) and up to 16 July 2007, being the Latest Practicable Date (the “Relevant Period”). Taking into account the valid acceptances in respect of 166,232 Shares under the General Offer, the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror or parties acting in concert with it during the period between 8 May 2007, being the date of the Announcement and 4:00 p.m. on the Closing Date, was 783,482,393 Shares, representing approximately 50.938% of the existing issued share capital of the Company and of the voting rights which may be exercised at general meetings of the Company (based on 1,538,124,661 Shares in issue as at the date of this announcement). Upon the closing of the General Offer, approximately 48.932% of the existing issued share capital of the Company remains to be held by the public who are independent of the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules) and are independent from the Offeror and parties acting in concert with it.

The Board also wishes to announce that immediately after the closing of the General Offer and up to the making of this announcement, there is no change to the Board composition of the Company.

The Board further announces that there will be no change in the principal place of business of the Company.

References are made to the joint announcement dated 28 June 2007 (the “Joint Announcement”) made by China Pharmaceutical Group Limited (the “Company”), Massive Giant Group Limited (the “Offeror”) and Legend Holdings Limited in respect of the General Offer and the composite offer and response document dated 19 July 2007 (the “Composite Offer Document”) despatched to the Independent Shareholders. Unless otherwise stated herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement and the Composite Offer Document.

CLOSING OF THE OFFER AND ACCEPTANCE LEVEL

The Offeror and the Board wish to announce that the latest time for acceptance of the General Offer was, and the General Offer closed at, 4:00 p.m. on 9 August 2007. The Offeror did not extend the period of the General Offer.

As at 4:00 p.m. on 9 August 2007, valid acceptances in respect of a total of 166,232 Shares under the General Offer, representing approximately 0.011% of the existing issued share capital of the Company and of the voting rights which may be exercised at general meetings of the Company have been received by the Offeror (based on 1,538,124,661 Shares in issue as at the date of this announcement).

SHAREHOLDINGS AND PUBLIC FLOAT OF THE COMPANY

Prior to the commencement of the Offer Period, the Offeror and the parties acting in concert with it did not own, control or direct any Shares or rights over the Shares. Immediately before the commencement of the General Offer on 19 July 2007, the Offeror and the parties acting in concert with it held, controlled or directed an aggregate of 783,316,161 Shares, representing approximately 50.927% of the existing issued share capital of the Company. Saved for entering into the Agreement in which Legend Holdings becoming indirectly interested in 783,316,161 Shares, representing approximately 50.927% of the entire issued share capital of the Company, neither the Offeror nor any parties acting in concert with it has dealt in any Shares or any other securities, including equity related convertible securities, warrants, options or subscription rights in respect of any equity share capital of the Company during the Relevant Period. Taking into account the valid acceptances of in respect of 166,232 Shares under the General Offer, the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror or parties acting in concert with it during the Offer Period was 783,482,393 Shares, representing approximately 50.938% of the existing issued share capital of the Company and of the voting rights which may be exercised at general meetings of the Company. Upon the closing of the General Offer, approximately 48.932% of the existing issued share capital of the Company remains to be held by the public who are independent of the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules) and are independent from the Offeror and parties acting in concert with it. During the Offer Period, the Offeror and the parties acting in concert with it have acquired 783,482,393 Shares or approximately 50.938% of the existing issued share capital of the Company.

The shareholding structure of the Company (a) immediately before the commencement of the General Offer and (b) immediately upon the completion of the General Offer will be as follows:

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE GENERAL OFFER

Name of shareholder	(a) Immediately before the commencement of the General Offer		(b) Immediately after the completion of the General Offer	
	Number of Shares	% shareholding	Number of Shares	% shareholding
Legend Holdings (through SPG)	783,316,161	50.927	783,316,161	50.927
MGL	—	—	166,232	0.011
Directors of the Company (<i>Note 1</i>)	2,004,000	0.130	2,004,000	0.130
Public shareholders	752,804,500	48.943	752,638,268	48.932
Total:	1,538,124,661	100	1,538,124,661	100

Note 1: 2,000,000 Shares and 4,000 Shares, representing 0.13% and 0.00026% of the issued Shares of the Company, held by Mr. Cai Dongchen, chairman of the Company and Mr. Chak Kin Man, an executive Director of the Company respectively

CHANGE OF DIRECTORS, AUTHORISED REPRESENTATIVES, MEMBERS OF AUDIT COMMITTEE AND REMUNERATION COMMITTEE

The Board wishes to announce that immediately after the closing of the General Offer and up to the making of this announcement, there is no change to the Board composition of the Company. However, it is the intention of the Offeror that there will be a change in the composition of the Board of the Company. The Offeror is in the process of identifying suitable personnel for the positions of executive Directors and independent non-executive Directors at appropriate times. Further announcement(s) will be made once the appointment of the new Directors (including but not limited to the three independent non-executive Directors), setting out details of the appointment of such Directors in accordance with Rule 13.51(2) of the Listing Rules, is confirmed.

All appointments and resignations of Directors will be made in full compliance with the requirements of the Takeovers Code and further announcement(s) will be made by the Company in accordance with the requirements of the Listing Rules.

CHANGE OF PRINCIPAL PLACE OF BUSINESS

The Board further announces that there will be no change in the principal place of business of the Company.

On behalf of the board of directors

Legend Holdings Limited

Mr. Zeng Maochao

Chairman

On behalf of the board of directors

Massive Giant Group Limited

Mr. John Huan Zhao

Director

On behalf of the Board

China Pharmaceutical Group Limited

Mr. Cai Dongchen

Chairman

Hong Kong, 9 August 2007

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

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

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

As at the date of this announcement, the board of directors of Legend Holdings comprises five executive directors, namely Mr. Zeng Maochao, Mr. Liu Chuanzhi, Mr. Li Qin, Mr. Zhu Linan and Mr. Chen Guodong; one non-executive director, namely Mr. Yang Bailing.,

As at the date of this announcement, the board of directors of the Offeror comprises three executive directors, namely Mr. John Huan Zhao, Mr. Qiu Zhongwei and Mr. Wang Shunlong.