



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
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 pledge agreement entered into between a bank (the “Bank”) and China Charmaine Pharmaceutical Company Limited (“CCPCL”), the Company’s immediate holding company and a wholly owned subsidiary of Shijiazhuang Pharmaceutical Group Company Limited (“SPG”).

Reference is made to the announcement of the Company dated April 25, 2007 relating to a facility agreement (the “Facility Agreement”) entered into between the Bank and SPG for a facility in the aggregate amount of RMB510,000,000 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 for their general working capital requirements. As a condition under the Facility Agreement, SPG has pledged 600,589,874 ordinary shares of the Company in favour of the Bank as security (the “Original Security”)

On December 19, 2007, a pledge agreement was entered into between the Bank and CCPCL whereby CCPCL has pledged 600,000,000 ordinary shares of the Company (representing approximately 39.01% of the issued share capital of the Company) in favour of the bank to replace the Original Security as security for the Facility Agreement.

By Order of the Board
CAI Dongchen
Chairman

Hong Kong, December 21, 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 nonexecutive directors, namely Mr. Huo Zhenxing, Mr. Qi Moujia, Mr. Guo Shichang and Mr. Chan Siu Keung, Leonard.