



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 13.18

In accordance with the requirements under rule 13.18 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 loan agreement entered into between a bank (the “Bank”) and the Company on June 13, 2008

By a loan agreement dated June 13, 2008 (the “Loan Agreement”) entered into between the Bank and the Company, a facility in the aggregate amount of HK\$200,000,000 (the “Facility”) is made available by the Bank to the Company subject to and in accordance with the terms and conditions therein contained. The Facility is a term loan facility with a tenor of 4 years from June 13, 2008. Under the Loan Agreement, the default of any of the following undertakings will constitute an event of default: (i) Hony Capital Fund III, L.P. beneficially owns, directly or indirectly, not less than 35% of the entire issued share capital of the Company; (ii) Legend Holdings Limited beneficially owns, directly or indirectly, not less than 34.48% of the entire ownership interest in Hony Capital Fund III, L.P.; and (iii) any replacement or addition (in terms of head count) of executive directors of the Company will not be more than one third of the existing executive directors. In the event of default, the Facility will become immediately repayable. The Company intends to use the Facility to refinance its existing indebtedness and for its capital expenditure.

By Order of the Board

Cai Dongchen

Chairman

Hong Kong, June 13, 2008

As at the date of this announcement, the Board of Directors of the Company comprises 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 as executive directors; Mr. Lee Ka Sze, Carmelo as non-executive director and Mr. Huo Zhenxing, Mr. Qi Moujia, Mr. Guo Shichang and Mr. Chan Siu Keung, Leonard as independent non-executive directors.