



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 facility agreement entered into between a syndicate of banks (the “Banks”) and the Company on November 24, 2008.

By a facility agreement dated November 24, 2008 (the “Facility Agreement”) entered into between the Banks and the Company, a facility in the aggregate amount of US\$22,500,000 with rights of accession to lending entities (exercisable within 6 months of the date of the Facility Agreement) to increase the aggregate amount to US\$50,000,000 (the “Facility”) is made available by the Banks to the Company subject to and in accordance with the terms and conditions therein contained. The Facility is a term loan facility to be repayable by instalments with the last instalment following 36 months from November 24, 2008.

Under the Facility Agreement, it will be an event of default if (a) Hony Capital Fund III, L.P. (“Hony Capital”) (i) does not or ceases to beneficially own, directly or indirectly, at least 35 per cent. of the shares (of each class) of, and equity interests in, the Company or (ii) ceases to be, directly or indirectly, the single largest shareholder of the Company; or (b) Legend Holdings Limited (“Legend”) (i) does not or ceases to beneficially own at least 34.48 per cent. of the aggregate number of units in Hony Capital or (ii) ceases to hold the single largest value of fund (meaning the most number of units) in Hony Capital; or (c) Hony Capital fails to vest in Legend the ultimate control in relation to all decisions exercisable (directly or indirectly) by Massive Giant Group Limited (“MGGL”) or Hony Capital to the extent they relate to (i) the management of MGGL’s or Hony Capital’s direct or indirect equity stake in the Company, (ii) MGGL’s or Hony Capital’s direct or indirect equity stake in the Company and any disposal of investment decisions in relation thereto and (iii) all other matters relating to the general management and affairs of the Company, and in which event the Facility may become immediately repayable.

The Company intends to use the Facility to refinance its existing indebtedness and for its general working capital.

By Order of the Board
China Pharmaceutical Group Limited
Cai Dongchen
Chairman

Hong Kong, November 24, 2008

As at the date of this announcement, the board of directors of the Company comprises Mr. Cai Dongchen, Mr. Yue Jin, Mr. Ji Jianming, Mr. Feng Zhenying, 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.