

## CHANGE OF DIRECTORS

The Board of Directors (the “Board”) of China Pharmaceutical Group Limited (the “Company”) announces that, with effect from 18 December 2008: (i) Mr. Ji Jianming, Mr. Li Zhibiao and Mr. Zhang Zheng have resigned as executive directors of the Company due to a re-structuring of the Board; and (ii) Mr. Zhao John Huan and Mr. Wang Shunlong have been appointed as executive directors of the Company.

Mr. Ji, Mr. Li and Mr. Zhang have confirmed that they have no disagreement with the Board and there are no other matters that need to be brought to the attention of the shareholders of the Company in relation to their resignations as executive directors of the Company.

Mr. Zhao John Huan, aged 45, holds an MBA degree from Kellogg School of Management at Northwestern University, dual master’s degrees in electric engineering and physics from Northern Illinois University and a bachelor’s degree in physics from Nanjing University. Mr. Zhao has extensive experience in senior management positions at several US and PRC companies. Mr. Zhao is also a vice president of Legend Holdings Limited (“Legend”), a director of Massive Giant Group Limited (“MGGL”) and the CEO of Hony Capital Limited.

Mr. Zhao is also a non-executive director of China Glass Holdings Limited which is listed on The Stock Exchange of Hong Kong Limited, a director of Simcere Pharmaceutical Group which is listed on New York Stock Exchange and an independent director of Gemdale Holdings Co., Limited which is listed on Shanghai Stock Exchange. Save as disclosed above, Mr. Zhao did not hold any other directorships in any other listed public companies in the last three years or any positions with any subsidiaries of the Company.

Mr. Wang Shunlong, aged 44, holds a doctorate degree in engineering from Tsinghua University and has spent three years as a visiting researcher at Eindhoven University of Technology in the Netherlands. Mr. Wang has extensive experience in corporate management and investment planning. Mr. Wang is also a managing director of Hony Capital Limited and a director of MGGL.

Mr. Wang is also an independent non-executive director of Zhongyu Gas Holdings Limited which is listed on the GEM of The Stock Exchange of Hong Kong Limited. Save as disclosed above, Mr. Wang did not hold any other directorships in any other listed public companies in the last three years or any positions with any subsidiaries of the Company.

There is no service contract entered into between the Company and Mr. Zhao and Mr. Wang. They are not appointed for a specific term. They are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the articles of association of the Company.

Each of Mr. Zhao and Mr. Wang is entitled to receive a monthly remuneration of HK\$100,000 and HK\$50,000 respectively plus discretionary bonus to be determined by the Board. In addition, each of Mr. Zhao and Mr. Wang will receive a director's fee of HK\$60,000 per annum subject to approval by the shareholders of the Company at the annual general meeting. The remuneration of the two newly appointed executive directors has been reviewed and approved by the remuneration committee of the Company with reference to the prevailing market practice, the Company's remuneration policy and their duties and responsibilities with the Company.

MGGL is the controlling shareholder of the Company and Legend owns an indirect interest of approximately 34.48% in MGGL. Hony Capital Limited is owned as to 100% by Legend. Save as disclosed above, Mr. Zhao and Mr. Wang do not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date hereof, Mr. Zhao and Mr. Wang do not have any interests in the shares of the Company within the meanings of Part XV of the Securities and Futures Ordinance.

Mr. Zhao and Mr. Wang have confirmed that there are no other matters that need to be brought to the attention of the shareholders in connection with their appointments as executive directors and there is no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company would like to take this opportunity to express its gratitude to Mr. Ji, Mr. Li and Mr. Zhang for their valuable contribution to the Company for the past years and also extend its warm welcome to Mr. Zhao and Mr. Wang for joining the Board.

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

Hong Kong, 18 December 2008

*As at the date of this announcement, the Board of the Company comprises Mr. Cai Dongchen, Mr. Yue Jin, Mr. Feng Zhenying, Mr. Chak Kin Man, Mr. Pan Weidong, Mr. Zhao John Huan and Mr. Wang Shunlong 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.*