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UNUSUAL PRICE AND TRADING VOLUME MOVEMENT

This announcement is made at the request of The Stock Exchange of Hong Kong Limited pursuant to rule 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Board of Directors (the “Board”) of China Pharmaceutical Group Limited (the “Company”) has noted the increase in the price and trading volume of the shares in the Company today and wishes to state that, save for the negotiation of a possible acquisition of certain pharmaceutical business (the “Possible Acquisition”) with an associate of the controlling shareholder of the Company which may involve the issuance of new securities by the Company, it is not aware of any reasons for such increase.

The Board also confirms that, save for the Possible Acquisition, there are no negotiations or agreements relating to intended acquisitions or realizations which are disclosable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter disclosable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materializes, it will constitute a connected transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any formal agreement has been signed.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 11 June 2012

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