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CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(formerly known as China Pharmaceutical Group Limited 中國製藥集團有限公司)

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock code: 1093)

ANNOUNCEMENT ON SETTLEMENT OF THE VITAMIN C ANTITRUST COMPLAINTS (DIRECT PURCHASERS) AND RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to announce that the Company and Weisheng Pharmaceutical reached settlement on 12 March 2013 with the plaintiffs in the Vitamin C Antitrust Complaints (Direct Purchasers) in the amount of US\$22.5 million (equivalent to approximately HK\$174.6 million) to resolve all the claims in their entirety and to terminate the litigation.

The Company will apply to the Stock Exchange for the resumption of trading in the shares of the Company will effect from 9:00 a.m. on 18 March 2013 following the publication of this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Reference is made to the announcement of CSPC Pharmaceutical Group Limited 石藥集團有限公司 (formerly known as China Pharmaceutical Group Limited 中國製藥集團有限公司) (the “**Company**”) dated 22 February 2005, the annual and interim reports of the Company published since then, and the circular of the Company dated 27 September 2012, in relation to a number of antitrust complaints filed in the United States of America (the “**United States**”) against, inter alia, the Company and its subsidiary, Weisheng Pharmaceutical (Shijiazhuang) Co. Ltd. (“**Weisheng Pharmaceutical**”) in *Animal Science Products, Inc., et al. v. Hebei Welcome Pharmaceutical Co. Ltd., et al.*, United States District Court for the Eastern District of New York (the “**Court**”) Case No. CV05-453, alleging that certain manufacturers of vitamin C in the People’s Republic of China have since at least December 2001 conspired to control prices and volumes of exports of vitamin C to the United States and that as such have been in violation of the federal and state laws of the United States (the “**Vitamin C Antitrust Complaints (Direct Purchasers)**”).

SETTLEMENT OF THE VITAMIN C ANTITRUST COMPLAINTS (DIRECT PURCHASERS)

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The board of directors of the Company (the “**Board**”) wishes to announce that the Company and Weisheng Pharmaceutical reached settlement on 12 March 2013 with the plaintiffs in the Vitamin C Antitrust Complaints (Direct Purchasers) in the amount of US\$22.5 million (equivalent to approximately HK\$174.6 million) (the “**Settlement Amount**”) to resolve all the claims in their entirety and to terminate the litigation (the “**Settlement**”). The Settlement Amount is payable by the Company and Weisheng Pharmaceutical as to US\$20,000,000 (equivalent to approximately HK\$155,200,000) within 40 days of full execution of a formal agreement in relation to the Settlement (the “**Settlement Agreement**”) and US\$2,500,000 (equivalent to approximately HK\$19,400,000) within 365 days of the final judgment approving the Settlement Agreement. The Settlement Agreement is subject to approval by the Court. The judgment the Court entered on 14 March 2013 of US\$153.3 million (equivalent to approximately HK\$1,189.61 million) was against two other defendants and was against neither the Company nor Weisheng Pharmaceutical.

Despite the Company’s management believes that the Company and Weisheng Pharmaceutical are not liable for the claims asserted and that they have good and valid defenses thereto, the Company and Weisheng Pharmaceutical have nevertheless agreed to the Settlement to (i) avoid the risk of an adverse jury verdict and treble damage award against the Company and Weisheng Pharmaceutical, (ii) avoid further expense, inconvenience, and the distraction of burdensome and protracted appeals in relation to the Vitamin C Antitrust Complaints (Direct Purchasers), (iii) obtain the releases, orders, and judgment contemplated by the Settlement Agreement and (iv) put to rest with finality all claims that have been asserted against the Company and Weisheng Pharmaceutical in the Vitamin C Antitrust Complaints (Direct Purchasers).

It should be noted that the Vitamin C Antitrust Complaints (Direct Purchasers) do not include the actions brought by the indirect purchasers, where such actions were stayed until final judgment is entered by the Court in the Vitamin C Antitrust Complaints (Direct Purchasers).

FINANCIAL IMPACTS OF THE VITAMIN C ANTITRUST COMPLAINTS (DIRECT PURCHASERS) ON THE GROUP

Sufficient provision has already been made for the Vitamin C Antitrust Complaints (Direct Purchasers) in the Company’s consolidated financial statements for the year ended 31 December 2012.

The Settlement Amount will be paid out of the internal resources of the Company and its subsidiaries.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) was halted with effect from 9:48 a.m. on 15 March 2013 pending the release of this announcement. The Company will apply to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 18 March 2013 following the publication of this announcement.

By order of the Board
CAI Dongchen
Chairman

Hong Kong, 15 March 2013

As at the date of this announcement, the Board comprises 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, Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo and Mr. ZHANG Fawang as independent non-executive directors.

In this announcement, US\$ has been converted to HK\$ at the rate of US\$1 = HK\$7.76 for illustration purpose only. No representation is made that any amounts in US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.