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CSPC

CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock code: 1093)

**CONTINUING CONNECTED TRANSACTIONS
WITH A WHOLLY-OWNED SUBSIDIARY OF A SUBSTANTIAL
SHAREHOLDER OF AN INSIGNIFICANT SUBSIDIARY**

The Board announced that the Continuing Connected Transactions contemplated under the Master Agreement as disclosed in the announcement of the Company dated 3 May 2012 now fall under the exemption under Chapter 14A of the Listing Rules in that Siping has become an “insignificant subsidiary” and Guangdong Titan will no longer be a connected person of the Group, thus the Continuing Connected Transactions will be exempt from reporting and annual review requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 3 May 2012 in connection with the Master Agreement entered into between Siping (a non wholly-owned subsidiary of the Company) and Guangdong Titan (a wholly-owned subsidiary of a substantial shareholder of Siping) in relation to the sale and purchase of pharmaceutical intermediate products for a term commencing from 3 May 2012 and expiring on 30 April 2015.

Based on the financial statements of Siping for the year ended 31 December 2013 and the Group for the year ended 31 December 2013, as the total assets, profits and revenue of Siping compared to that of the Group are all less than 5% under the percentage ratios for the latest financial year, Siping will therefore be regarded as an insignificant subsidiary pursuant to Chapter 14A of the Listing Rules.

In view of the above, Guangdong Titan will no longer be a connected person of the Group under the Listing Rules. As a result, so long as the Continuing Connected Transactions fulfill the exemption under Chapter 14A of the Listing Rules, the Continuing Connected Transactions contemplated under the Master Agreement (a) will be exempt from any reporting requirement under Chapter 14A of the Listing Rules (b) the annual review of the Continuing Connected Transactions in the annual report of the Company will also no longer be required and (c) will not be subject to the re-compliance requirements under Rule 14A.54 even if the annual cap of the Continuing Connected Transactions previously disclosed is exceeded.

In the event that the Continuing Connected Transactions no longer meet the conditions for the exemption under Chapter 14A of the Listing Rules, the Company will re-comply with the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company;
“Company”	CSPC Pharmaceutical Group Limited 石藥集團有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Continuing Connected Transactions”	the sale and purchase of pharmaceutical intermediate products between Siping and Guangdong Titan as contemplated under the Master Agreement;
“Group”	the Company and its subsidiaries;
“Guangdong Titan”	廣東立國製藥有限公司 (Guangdong Titan Pharmaceutical Co., Ltd.*), a foreign investment company established in the People’s Republic of China and is a wholly-owned subsidiary of a substantial shareholder of Siping;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Master Agreement”	the master agreement dated 3 May 2012 entered into between Siping and Guangdong Titan in relation to the sale and purchase of pharmaceutical intermediate products for a term commencing from 3 May 2012 and expiring on 30 April 2015;
“Siping”	四平市精細化學品有限公司 (Siping City Fine Chemicals Product Co. Ltd.*), a sino-foreign equity joint venture company established in the People’s Republic of China and a non wholly-owned subsidiary of the Company;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

By order of the Board
CSPC Pharmaceutical Group Limited
Cai Dongchen
Chairman

Hong Kong, 12 August 2014

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, Mr. WANG Zhenguo and Mr. WANG Jinxu as executive Directors; Mr. LEE Ka Sze, Carmelo as non-executive Director and Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo, Mr. LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Shilin as independent non-executive Directors.

* For identification purpose only.