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CSPC PHARMACEUTICAL GROUP LIMITED
石藥集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)
(Stock code: 01093)

**FORMATION OF INDEPENDENT BOARD COMMITTEE
AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Reference is made to the announcement (the “**Announcement**”) of CSPC Pharmaceutical Group Limited (the “**Company**”) dated October 26, 2015 in relation to, among other matters, the Whitewash Waiver, the proposed adoption of the New Share Option Scheme and the Re-election. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

FORMATION OF INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. LEE Ka Sze, Carmelo, being a non-executive Director, and all the independent non-executive Directors, namely Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo, Mr. LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Shilin, has been formed to advise the Independent Shareholders in respect of the Whitewash Waiver after considering the opinion of the independent financial adviser.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

China Galaxy International Securities (Hong Kong) Co., Limited (“**China Galaxy**”) has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Whitewash Waiver, and to make a recommendation as to, amongst others, whether the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. The appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

China Galaxy is a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO. The letter of advice from China Galaxy in relation to the matters above will be included in the circular to be despatched by the Company in due course.

For and on behalf of the Board
CSPC Pharmaceutical Group Limited
Cai Dongchen
Chairman

Hong Kong, November 2, 2015

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. CHAK Kin Man, Mr. PAN Weidong, Mr. WANG Shunlong, Mr. WANG Huaiyu, Mr. LU Jianmin, Mr. WANG Zhenguo, Mr. WANG Jinxu and Mr. LU Hua 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of the statements in this announcement misleading.