

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*



**UNAUDITED RESULTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2011**

The board of directors of China Pharmaceutical Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2011 as follows:

**CONSOLIDATED INCOME STATEMENT**

*For the three months ended 31 March 2011*

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	2,176,324	1,881,760
Cost of sales	<u>(1,622,623)</u>	<u>(1,286,231)</u>
Gross profit	553,701	595,529
Other income	15,389	11,165
Selling and distribution expenses	(141,592)	(120,585)
Administrative expenses	(157,360)	(136,202)
Other expenses	<u>(49,382)</u>	<u>(48,399)</u>
Operating profit	220,756	301,508
Share of results of a jointly controlled entity	3,367	1,439
Finance costs	<u>(14,539)</u>	<u>(14,445)</u>
Profit before taxation	209,584	288,502
Taxation	<u>(40,359)</u>	<u>(48,502)</u>
Profit for the period	<u><u>169,225</u></u>	<u><u>240,000</u></u>

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2011</b>	2010
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period attributable to:		
Owners of the Company	<b>161,541</b>	234,854
Non-controlling interests	<b>7,684</b>	5,146
	<u>169,225</u>	<u>240,000</u>
	<b><i>HK cents</i></b>	<i>HK cents</i>
Earnings per share — Basic	<u><b>10.53</b></u>	<u>15.30</u>

*Notes:*

1. The accounting policies used in the preparation of the financial data for the three months ended 31 March 2011 are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2010.
2. The calculation of the basic earnings per share for the three months ended 31 March 2011 is based on the unaudited profit for the period attributable to owners of the Company of HK\$161,541,000 (2010: HK\$234,854,000) and the weighted average of 1,533,601,372 ordinary shares (2010: 1,534,960,661 shares) in issue during the period.  
  
No diluted earnings per share is presented for the three months ended 31 March 2010 and 2011 as there were no potential ordinary shares in issue during both periods.
3. The board of directors does not declare the payment of an interim dividend for the three months ended 31 March 2011 (2010: Nil).
4. The financial data for the three months ended 31 March 2011 is based on the internal records and management accounts of the Group and has not been reviewed or audited by the external auditor of the Company.

## SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating and reportable segment for the period under review:

*For the three months ended 31 March 2011*

	Intermediates and Bulk Drugs		Finished Drugs	Others	Segment Total	Eliminations	Consolidated
	Vitamin C series	Antibiotics series					
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
SEGMENT REVENUE							
External sales	490,404	950,056	703,480	32,384	2,176,324	—	2,176,324
Inter-segment sales	674	240,618	—	76,285	317,577	(317,577)	—
TOTAL REVENUE	<u>491,078</u>	<u>1,190,674</u>	<u>703,480</u>	<u>108,669</u>	<u>2,493,901</u>	<u>(317,577)</u>	<u>2,176,324</u>
Inter-segment sales are charged at prevailing market rates.							
SEGMENT PROFIT	<u>90,729</u>	<u>95,123</u>	<u>69,235</u>	<u>3,000</u>			258,087
Unallocated income							1,278
Unallocated central expenses							<u>(38,609)</u>
Operating profit							<u>220,756</u>

For the three months ended 31 March 2010

	Intermediates and Bulk Drugs				Segment Total	Eliminations	Consolidated
	Vitamin C series	Antibiotics series	Finished Drugs	Others			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
SEGMENT REVENUE							
External sales	518,803	735,401	568,484	59,072	1,881,760	—	1,881,760
Inter-segment sales	849	204,637	—	66,229	271,715	(271,715)	—
TOTAL REVENUE	<u>519,652</u>	<u>940,038</u>	<u>568,484</u>	<u>125,301</u>	<u>2,153,475</u>	<u>(271,715)</u>	<u>1,881,760</u>
Inter-segment sales are charged at prevailing market rates.							
SEGMENT PROFIT	<u>242,540</u>	<u>40,611</u>	<u>47,176</u>	<u>2,786</u>			333,113
Unallocated income							1,932
Unallocated central expenses							<u>(33,537)</u>
Operating profit							<u>301,508</u>

By order of the Board

**Cai Dongchen**

Chairman

Hong Kong, 31 May 2011

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