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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: 1093)

COMPLETION OF EXERCISE OF THE EXISTING SHARE OPTIONS

COMPLETION OF THE EXERCISE

Completion of the Exercise of the Existing Share Options took place on 26 August 2016.

INTRODUCTION

Reference is made to the circular of CSPC Pharmaceutical Group Limited (the “**Company**”) dated 20 November 2015 (the “**Circular**”) in relation to, among other things, the Whitewash Waiver. Unless the context requires otherwise, terms used herein shall have the same meanings as in the Circular.

THE EXERCISE

The Board is pleased to announce that all conditions precedent in respect of the Exercise set out under the section headed “Conditions of the Exercise” in the “Letter from the Board” contained in the Circular had been satisfied and the Listing Committee of the Stock Exchange has granted the approval in respect of the listing of, and permission to deal in, the Existing Share Option Shares.

Completion of the Exercise took place on 26 August 2016 in accordance with the terms of 2004 Share Option Scheme. Mr. Huang Yin, a Key Employee of the Management, ceased to be a full-time employee of the Company on 20 December 2015, and the 1,000,000 Existing Share Options held by him have lapsed in accordance with the 2004 Share Option Scheme. The remaining 140,000,000

Existing Share Option Shares have been issued to the Management Group. Upon completion of the Exercise in full, the Management Group holds approximately 31.61% of the issued Shares as enlarged by the issuance of the Existing Share Option Shares.

The estimated net proceeds from the issue of the Existing Share Options Shares to the Management Group, after deduction of expenses, are approximately HK\$557,200,000.

EFFECT ON SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company immediately before and after completion of the Exercise:

	Immediately before completion of the Exercise		Immediately after completion of the Exercise	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
I Management Group				
Mr. Cai and Mr. Cai's Controlled Corporations (<i>Note 1</i>)	1,772,363,534	29.98%	1,852,363,534	30.61%
Mr. Pan Weidong	0	0.00%	10,000,000	0.17%
Mr. Wang Huaiyu	0	0.00%	15,000,000	0.25%
Mr. Lu Jianmin	0	0.00%	10,000,000	0.17%
Mr. Wang Zhenguo	0	0.00%	3,000,000	0.05%
Mr. Wang Jinxu	0	0.00%	3,000,000	0.05%
Mr. Lu Hua	0	0.00%	3,000,000	0.05%
Key Employees (<i>Note 2</i>)	0	0.00%	16,000,000	0.26%
Sub-total of the Management Group:	1,772,363,534	29.98%	1,912,363,534	31.61%
II Other Shareholders				
Other Shareholders	4,138,654,869	70.02%	4,138,654,869	68.39%
Total:	5,911,018,403	100%	6,051,018,403	100%

Notes:

- (1) As at the date of this announcement, Mr. Cai's Controlled Corporations include Massive Giant, True Ally and Key Honesty, which directly holds 1,058,016,034, 493,880,000 and 213,929,500 Shares, respectively. Massive Giant is wholly owned by Massive Top. Massive Top is held as to 75% by March Rise, as to 15% by Zhongyihe and as to 10% by True Ally. March Rise is held as to 60% by Zhongyihe and as to 40% by True Ally. The general partner of Zhongyihe is Mr. Cai. True Ally is wholly owned by Mr. Cai. Key Honesty is wholly owned by True Ally, which in turn is wholly owned by Mr. Cai.
- (2) As at the date of this announcement, Key Employees consist of Mr. Lei Jianjun, Ms. Tian Yumiao, Mr. Liu Jian, Mr. Chen Xuejun, Mr. Li Chunlei, Mr. Sun Jumin, Mr. Zhang Heming, Mr. Kang Hui, Mr. Min Longgang, Ms. Wang Tao and Mr. Zhang Dazhi.

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

Hong Kong, 26 August 2016

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 Chuan 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 inquiries, 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 statement in this announcement misleading.