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国药集团
SINOPHARM

國藥控股股份有限公司

SINOPHARM GROUP CO. LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as 國藥控股股份有限公司)

(Stock Code: 01099)

AMENDMENT TO THE USE OF PROCEEDS OF THE PLACING OF H SHARES UNDER GENERAL MANDATE

References are made to the announcements of the Company dated 17 January 2020 and 23 January 2020 (the “**Announcements**”) in relation to the placement of H Shares by the Company under general mandate. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The net proceeds from the Placing of the Placing Shares amounted to HK\$4,027 million, equivalent to approximately RMB3,567 million (the “**Net Proceeds**”). As set out in the Announcements, the Company intended to use the Net Proceeds for the expansion of pharmaceutical distribution, retail network and medical device business as well as improvement of working capital after the expansion (the “**Use of Proceeds**”). As of the date of this announcement, the use of Net Proceeds by the Company has been in compliance with the proposed usage as stated above. Taking into account the actual capital demand of the Company and its subsidiaries and in order to further improve the efficiency of the use of Net Proceeds, the Board resolved to amend the Use of Proceeds on 21 August 2020. According to the amended Use of Proceeds, the Company will use the Net Proceeds to expand the pharmaceutical distribution, retail network and medical device business of the Company and its subsidiaries, to improve the working capital of the Company and its subsidiaries as well as to repay the interest-bearing debts of the Company (the “**New Use of Proceeds**”).

The Company will continue to disclose the use of Net Proceeds in the periodic reports of the Company in accordance with requirements of the Listing Rules.

By order of the Board
Sinopharm Group Co. Ltd.
Li Zhiming
Chairman

Shanghai, the PRC

21 August 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Li Zhiming, Mr. Yu Qingming and Mr. Liu Yong; the non-executive Directors of the Company are Mr. Chen Qiyu, Mr. Ma Ping, Mr. Hu Jianwei, Mr. Deng Jindong, Mr. Wen Deyong, Ms. Guan Xiaohui and Ms. Feng Rongli; and the independent non-executive Directors of the Company are Mr. Yu Tze Shan Hailson, Mr. Tan Wee Seng, Mr. Liu Zhengdong, Mr. Zhuo Fumin and Mr. Chen Fangruo.

** The Company is registered as a non-Hong Kong company under the Hong Kong Companies Ordinance under its Chinese name and the English name "Sinopharm Group Co. Ltd."*