

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



上海醫藥集團股份有限公司

Shanghai Pharmaceuticals Holding Co., Ltd. *

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02607)

**RESULTS OF THE ANNUAL GENERAL MEETING
RECORD DATE FOR DISTRIBUTION AND RECEIPT OF CASH DIVIDENDS**

The 2021 annual general meeting (the “**AGM**”) of Shanghai Pharmaceuticals Holding Co., Ltd. (the “**Company**”) was held at the Reporting Hall, 2nd Floor of Shanghai Pharmaceutical Building, No. 200 Taicang Road, Huangpu District, Shanghai, the PRC on 30 June 2022, Thursday, at 1:00 p.m.

Details of the resolutions considered at the AGM were set out in the Company's notice of the AGM and the circular of the AGM dated 9 June 2022 (the “**Circular**”). Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The AGM was held in compliance with the requirements of the Company Law of the People's Republic of China and the Articles of Association, and was chaired by Mr. ZHOU Jun, Chairman of the Board. In compliance with the requirements of the Hong Kong Listing Rules, Computershare Hong Kong Investor Services Limited, the Company's H Share registrar, acted as the scrutineer for the vote-counting at the AGM. Grandall Legal Group, Shanghai Office acted as the witnessing lawyer at the AGM. Among 10 directors of the Company, Mr. ZHOU Jun, Mr. GE Dawei, Mr. CHO Man, Mr. LI Yongzhong, Mr. SHEN Bo, Mr. HONG Liang, Mr. GU Zhaoyang and Mr. Manson FOK attended the AGM, and Ms. LI An and Mr. CAI Jiangnan did not attend the AGM due to other business arrangements.

As at the record date of the AGM, the total number of issued Shares of the Company was 3,696,414,318, comprising of 2,777,341,614 A Shares and 919,072,704 H Shares. There were no Shares entitling any Shareholders to attend and vote only against the resolutions proposed at the AGM. As stated in the Circular and to the best knowledge, information and belief of the Directors, save for the related connected persons of the Company (holding in aggregate 1,125,817,837 A Shares and 161,948,900 H Shares) that shall abstain from voting on ordinary resolution No. 7, no Shareholders were subject to any restriction on their voting on the resolutions proposed at the AGM.

ATTENDANCE AND POLL RESULTS OF THE AGM

Set out below are the details of the attendance at the AGM:

Number of Shareholders and authorised proxies present at the AGM		117
Including:	Number of A Shareholders	115
	Number of H Shareholders	2

Total number of Shares carrying voting rights		2,369,812,049
Including:	Total number of Shares held by A Shareholders	1,855,211,885
	Total number of Shares held by H Shareholders	514,600,164

Percentage in total number of Shares carrying voting rights (%)		64.111105
Including:	Shareholding of A Shareholders	50.189501
	Shareholding of H Shareholders	13.921604

The poll results in respect of the resolutions proposed at the AGM are as follows:

Ordinary Resolutions

1. Annual Report for 2021

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,575,761	99.857907	2,362,159	0.127326	273,965	0.014767
H Shares	511,923,964	99.479946	1,569,300	0.304955	1,106,900	0.215099
Total Ordinary Shares	2,364,499,725	99.775834	3,931,459	0.165897	1,380,865	0.058269

2. Report of the Board of Directors for 2021

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,575,761	99.857907	2,576,359	0.138872	59,765	0.003221
H Shares	511,923,964	99.479946	1,569,300	0.304955	1,106,900	0.215099
Total Ordinary Shares	2,364,499,725	99.775834	4,145,659	0.174936	1,166,665	0.049230

3. Report of the Board of Supervisors for 2021

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,575,761	99.857907	2,576,359	0.138872	59,765	0.003221
H Shares	511,923,964	99.479946	1,569,300	0.304955	1,106,900	0.215099
Total Ordinary	2,364,499,725	99.775834	4,145,659	0.174936	1,166,665	0.049230

Shares						
--------	--	--	--	--	--	--

4. Final Accounts Report for 2021 and Financial Budget for 2022

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,832,899,091	98.797291	22,252,729	1.199471	60,065	0.003238
H Shares	349,655,338	67.946993	163,837,926	31.837908	1,106,900	0.215099
Total Ordinary Shares	2,182,554,429	92.098208	186,090,655	7.852549	1,166,965	0.049243

5. Profit Distribution Plan for 2021

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,679,269	99.863486	2,532,516	0.136509	100	0.000005
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,479,333	99.859368	3,332,616	0.140628	100	0.000004

6. Proposal regarding Re-appointment of Auditor

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,851,544,874	99.802340	3,666,911	0.197655	100	0.000005
H Shares	498,597,414	96.890256	16,002,750	3.109744	0	0.000000
Total Ordinary Shares	2,350,142,288	99.169986	19,669,661	0.830010	100	0.000004

7. Proposal regarding Renewal of Financial Services Agreement with Shanghai Shangshi Finance Co., Ltd. and Daily Related/Continuing Connected Transactions and Discloseable Transactions

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	697,612,764	95.577264	32,281,184	4.422722	100	0.000014
H Shares	61,507,780	11.952538	291,523,684	56.650523	161,568,700	31.396939
Total Ordinary Shares	759,120,544	60.998319	323,804,868	26.018993	161,568,800	12.982688

8. Proposal regarding External Guarantees for 2022

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,832,913,358	98.798060	22,298,427	1.201935	100	0.000005
H Shares	360,607,346	70.075249	153,956,418	29.917678	36,400	0.007073

Total Ordinary Shares	2,193,520,704	92.560957	176,254,845	7.437503	36,500	0.001540
-----------------------	---------------	-----------	-------------	----------	--------	----------

9. Proposal regarding Amendments to the Administrative Measures for Funds Raised by the Company

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,635,426	99.861123	2,576,359	0.138872	100	0.000005
H Shares	513,763,664	99.837447	800,100	0.155480	36,400	0.007073
Total Ordinary Shares	2,366,399,090	99.855982	3,376,459	0.142478	36,500	0.001540

Special Resolutions

10. Proposal regarding Issuance of Debt Financing Products

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,576,359	0.138871	90,100	0.004857
H Shares	513,763,664	99.837447	800,100	0.155480	36,400	0.007073
Total Ordinary Shares	2,366,309,090	99.852184	3,376,459	0.142478	126,500	0.005338

11. Proposal regarding the Satisfaction of the Conditions for Issuing Corporate Bonds

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,576,359	0.138871	90,100	0.004857
H Shares	513,763,664	99.837447	800,100	0.155480	36,400	0.007073
Total Ordinary Shares	2,366,309,090	99.852184	3,376,459	0.142478	126,500	0.005338

12. Proposal regarding Public Issuance of Corporate Bonds

12.01 Face value and issuing price of bonds to be issued and scale of issuance

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,576,359	0.138871	90,100	0.004857
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,376,459	0.142478	90,100	0.003802

12.02 Interest rate of bonds and its way of determination

Type of Shareholders	For		Against		Abstain	
	Number of	Percentage	Number of	Percentage	Number of	Percentage

	votes	(%)	votes	(%)	votes	(%)
A Shares	1,852,545,426	99.856272	2,576,359	0.138871	90,100	0.004857
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,376,459	0.142478	90,100	0.003802

12.03 Variety and term of bonds

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,576,359	0.138871	90,100	0.004857
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,376,459	0.142478	90,100	0.003802

12.04 Method of principal and interest repayment

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,576,359	0.138871	90,100	0.004857
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,376,459	0.142478	90,100	0.003802

12.05 Method of issuance

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,576,359	0.138871	90,100	0.004857
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,376,459	0.142478	90,100	0.003802

12.06 Target of issuance and arrangement of placement to shareholders of the Company

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,570,926	99.857647	2,550,859	0.137496	90,100	0.004857
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,370,990	99.854796	3,350,959	0.141402	90,100	0.003802

12.07 Use of proceeds

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage	Number of votes	Percentage	Number of votes	Percentage

	votes	(%)	votes	(%)	votes	(%)
A Shares	1,852,538,426	99.855895	2,673,359	0.144100	100	0.000005
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,338,490	99.853425	3,473,459	0.146571	100	0.000004

12.08 Guarantees

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,666,359	0.143723	100	0.000005
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,466,459	0.146276	100	0.000004

12.09 Measures to guarantee bonds repayment

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,666,359	0.143723	100	0.000005
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,466,459	0.146276	100	0.000004

12.10 Way of underwriting

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,666,359	0.143723	100	0.000005
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,466,459	0.146276	100	0.000004

12.11 Listing arrangements

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,666,359	0.143723	100	0.000005
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,466,459	0.146276	100	0.000004

12.12 Period of validity of the resolution

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,666,359	0.143723	100	0.000005
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,466,459	0.146276	100	0.000004

12.13 Authorizations regarding this issuance to the executive committee of the board

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,545,426	99.856272	2,666,359	0.143723	100	0.000005
H Shares	513,800,064	99.844520	800,100	0.155480	0	0.000000
Total Ordinary Shares	2,366,345,490	99.853720	3,466,459	0.146276	100	0.000004

13. Proposal regarding the General Mandate of the Company

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,822,730,520	98.249183	32,260,965	1.738937	220,400	0.011880
H Shares	164,758,131	32.016727	289,983,333	56.351194	59,858,700	11.632079
Total Ordinary Shares	1,987,488,651	83.866932	322,244,298	13.597884	60,079,100	2.535184

At the AGM, all resolutions were voted by poll. As more than half of the votes were cast in favour of the Resolutions No. 1 to 9, these resolutions were duly passed as ordinary resolutions; as more than two-thirds of the votes were cast in favour of the Resolutions No. 10 to 13, these resolutions were duly passed as special resolutions.

In accordance with the relevant regulatory requirements of CSRC and the Shanghai Stock Exchange, the poll results of the voting of holders of A Shares with less than 5% of voting shares in respect of the resolution involving significant events at the AGM are as follows:

Resolution No.	Resolutions	For		Against		Abstain	
		Number of votes	Percent -age (%)	Number of votes	Percent -age (%)	Number of votes	Percent -age (%)
5.	Profit Distribution Plan for 2021	61,734,636	96.059243	2,532,516	3.940601	100	0.000156
6.	Proposal regarding Re-appointment of Auditor	60,600,241	94.294122	3,666,911	5.705722	100	0.000156
7.	Proposal regarding Renewal of Financial Services Agreement with Shanghai Shangshi Finance Co., Ltd. and Daily Related/Continuing Connected Transactions and Discloseable Transactions	31,985,968	49.770244	32,281,184	50.229601	100	0.000155
8.	Proposal regarding External Guarantees for 2022	41,968,725	65.303438	22,298,427	34.696406	100	0.000156
11.	Proposal regarding the Satisfaction of the Conditions for Issuing Corporate Bonds	61,600,793	95.850983	2,576,359	4.008821	90,100	0.140196
12.	Proposal regarding Public Issuance of Corporate Bonds						
12.01	Face value and issuing price of bonds to be issued and scale of issuance	61,600,793	95.850983	2,576,359	4.008821	90,100	0.140196
12.02	Interest rate of bonds and its way of determination	61,600,793	95.850983	2,576,359	4.008821	90,100	0.140196
12.03	Variety and term of bonds	61,600,793	95.850983	2,576,359	4.008821	90,100	0.140196
12.04	Way of principal and	61,600,793	95.850983	2,576,359	4.008821	90,100	0.140196

	interest repayment						
12.05	Method of issuance	61,600,793	95.850983	2,576,359	4.008821	90,100	0.140196
12.06	Target of issuance and arrangement of placement to shareholders of the Company	61,626,293	95.890661	2,550,859	3.969143	90,100	0.140196
12.07	Use of proceeds	61,593,793	95.840091	2,673,359	4.159753	100	0.000156
12.08	Guarantees	61,600,793	95.850983	2,666,359	4.148861	100	0.000156
12.09	Measures to guarantee bonds repayment	61,600,793	95.850983	2,666,359	4.148861	100	0.000156
12.10	Way of underwriting	61,600,793	95.850983	2,666,359	4.148861	100	0.000156
12.11	Listing arrangements	61,600,793	95.850983	2,666,359	4.148861	100	0.000156
12.12	Period of validity of the resolution	61,600,793	95.850983	2,666,359	4.148861	100	0.000156
12.13	Authorizations regarding this issuance to the executive committee of the board	61,600,793	95.850983	2,666,359	4.148861	100	0.000156

RECORD DATE FOR DISTRIBUTION AND RECEIPT OF CASH DIVIDENDS

The AGM resolved an ordinary resolution to distribute a cash dividend of RMB4.20 (tax inclusive) for every ten (10) Shares for year 2021.

The cash dividends are expected to be paid on 29 August 2022, Monday to Shareholders whose names appear on the H Share register of members of the Company on 18 July 2022, Monday (the “**Record Date**”). Holders of H Shares whose names appear on the register of members of the Company at the close of business on the Record Date are entitled to the cash dividends.

In order to be entitled to the cash dividends, holders of H Shares should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on the Record Date.

Relevant cheques will be despatched by the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, on 29 August 2022, Monday to holders of H Shares entitled to receive such dividends by ordinary post at their own risk.

The cash dividends, as calculated and declared in RMB, will be paid in RMB for A Shares and in Hong Kong dollars for H Shares. The average central parity exchange rate of RMB against Hong Kong dollars as quoted by the People’s Bank of China for the five trading days preceding the date of the AGM (namely 23 June to 29 June 2022), being RMB0.853448 against HK\$1.00, will be taken as the exchange rate for foreign currency translation. Accordingly, the cash dividend per H Share of the Company is HK\$0.492121 (tax inclusive).

Individual Income Tax Payable by Non-resident Individual Shareholders

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Document Guo Shui Fa [1993] No. 045 issued by the State Administration of Taxation on 28 June 2011, the dividend distributed by the Company to non-PRC resident individual shareholders of H Shares is subject to PRC individual income tax at a rate agreed by the applicable tax agreement or arrangement between China and the jurisdictions that the shareholders reside in, ranging from 5% to 20% (as the case may be). The Notice further states that the tax rate applicable to dividend income as stated in the relevant tax agreement or arrangement is 10% in general, therefore the Company may withhold 10% of the dividend for tax payment without prior approval of the competent tax authority. Shareholders who reside in a jurisdiction where the applicable tax rate for dividend is lower than 10% (as stated in the relevant tax agreement or arrangement) are entitled to a refund of the excessive amount withheld by the Company, though such refund is subject to the approval of the competent tax authority. For shareholders who reside in a jurisdiction where the tax rate for dividend is above 10% but less than 20% (as stated in the relevant tax agreement or arrangement), we shall withhold the individual income tax at the actual rate in accordance with the relevant tax agreement or arrangement without the approval of the competent tax authority. For shareholders who reside in a jurisdiction where the tax rate for dividend is 20% (as stated in the relevant tax agreement or arrangement) or no tax agreement or arrangement has been entered into with China, we shall withhold the individual income tax at the rate of 20%. A brief introduction to the above arrangements has been made in the letter issued by the State Administration of

Taxation to the Hong Kong Inland Revenue Department on 28 June 2011. The letter further specified that Hong Kong resident individuals shall pay a 10% individual income tax for the dividend received from the Company. Therefore the Company shall deduct 10% from the dividend to be distributed to non-PRC resident individual shareholders of H Shares as individual income tax, unless otherwise specified in the relevant requirements and procedures of the PRC tax authorities.

Enterprise Income Tax Payable by Non-resident Enterprise Shareholders

Pursuant to the PRC Enterprise Income Tax Law and its implementation regulations, non-PRC resident enterprises which have not established any organisations or premises in China are subject to a 10% enterprise income tax for all the income generated in China. Also, according to the Notice on Issues Relevant to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Offshore Non-resident Enterprise Holders of H Shares issued by the State Administration of Taxation on 6 November 2008, PRC resident enterprises shall withhold dividend distributed to overseas non-PRC resident enterprise holders of H Shares at a uniform rate of 10% as enterprise income tax since 2008. Overseas non-PRC resident enterprise shareholders enjoying tax concessions under the relevant tax agreement or arrangement are eligible to a refund of the excessive amount withheld by the Company, though the refund is subject to the approval of the competent tax authorities.

Profit Distribution for Investors of the Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the “**Northbound Trading**”), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited as the nominee account holding such Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of the Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may authorise a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The Record Date and the date of distribution of cash dividends and other arrangements for the investors of the Northbound Trading will be the same as those for the A Shareholders of the Company.

Profit Distribution for Investors of the Southbound Trading

For investors of the Shanghai Stock Exchange (including enterprises and individuals) and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the Company has entered into the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading (港股通 H 股股票現金紅利派發協議) with both Shanghai and Shenzhen Branches of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares for the Southbound Trading, will receive the cash dividends distributed by the Company and

distribute the cash dividends to the relevant investors of H Shares of the Southbound Trading through its depositary and clearing system. The cash dividends for the investors of H Shares of the Southbound Trading will be paid in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81 號)) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127 號)), for dividends received by mainland investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the relevant tax themselves.

The Record Date and the date of distribution of cash dividends and other arrangements for the investors of the Southbound Trading will be the same as those for the H Shareholders of the Company.

The Company will withhold the income tax payable by its H Shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company's register of H Shareholders on the relevant Record Date. The Company assumes no liability whatsoever in respect of any disputes or losses arising from any delay in, or inaccurate determination of, the status of the shareholders.

Shareholders are recommended to consult their tax advisers regarding the PRC, Hong Kong and other tax implications arising from their holding and disposal of H Shares of the Company.

A separate announcement will be published on the Shanghai Stock Exchange for details of the arrangement regarding the distribution of cash dividends to A Shareholders of the Company.

By order of the Board
Shanghai Pharmaceuticals Holding Co., Ltd. *
ZHOU Jun
Chairman

Shanghai, the PRC, 1 July 2022

As of the date of this announcement, the executive Directors of the Company are Mr. CHO Man, Mr. LI Yongzhong and Mr. SHEN Bo; the non-executive Directors are Mr. ZHOU Jun, Mr. GE Dawei and Ms. LI An; and the Independent Non-executive Directors are Mr. CAI Jiangnan, Mr. HONG Liang, Mr. GU Zhaoyang and Mr. Manson FOK.

** For identification purpose only*