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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
CHANGE OF THE ACCOUNTING FIRM
AND
APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND APPOINTMENT OF THE
MEMBER OF THE STRATEGY COMMITTEE**

I. RESULTS OF THE ANNUAL GENERAL MEETING

The 2023 annual general meeting (the “AGM”) of Shanghai Pharmaceuticals Holding Co., Ltd. (the “Company”) was held at Meeting Room 601, 6th Floor of Affiliated Building, Maple International Building Two, 450 Fenglin Road, Xuhui District, Shanghai, the PRC on Friday, 28 June 2024 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 7 June 2024 (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. YANG Qihua, Chairman of the Board. In compliance with the requirements of the Hong Kong Listing Rules, Link Market Services (Hong Kong) Pty Limited, the Company’s H Share registrar, acted as the scrutineer for the vote-counting at the AGM. Grandall Law Firm (Shanghai) acted as the witnessing lawyer at the AGM. Among 7 directors of the Company, Mr. YANG Qihua, Mr. SHEN Bo, Mr. LI Yongzhong, Mr. DONG Ming, and Mr. WANG Zhong attended the AGM, and Mr. GU Zhaoyang and Mr. Manson FOK did not attend the AGM due to other business arrangements. All the 3 supervisors of the Company, namely Mr. XU Youli, Mr. YU Weidong and Mr. MA Jia, attended the AGM. The secretary to the Board attended the AGM, and the president and most of the senior management of the Company were present at the meeting in person.

As at the record date of the AGM, the total number of issued Shares of the Company was 3,703,488,265, comprising of 2,784,415,561 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, to the best knowledge, information and belief of the Directors, save for Shanghai Shangshi and its associates as the connected/associated persons of the Company (holding in aggregate 1,125,317,837 A Shares and 223,385,900 H Shares as at the record date of the AGM) who were required to abstain from voting on the ordinary resolution No. 8, no Shareholders were subject to any restriction on their voting on the resolutions proposed at the AGM. No parties had stated their intention in the Circular to vote against or abstain from any of the proposed resolutions. There were no Shares actually voted but excluded from calculating the poll results of the proposed resolutions. As of record date of the AGM, there were (a) no treasury Shares held by the Company (including any treasury shares held or deposited with CCASS) and (b) no Shares repurchased by the Company were pending cancellation, which, for the purpose of the AGM, were excluded from the total number of issued Shares entitled to attend and vote at the AGM, and the Company did not exercise any voting rights attached to those Shares.

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		54
Including:	Number of A Shareholders	53
	Number of H Shareholders	1

Total number of Shares carrying voting rights		2,325,328,952
Including:	Total number of Shares held by A Shareholders	1,854,754,204
	Total number of Shares held by H Shareholders	470,574,748

Percentage in total number of Shares carrying voting rights (%)		62.7875
Including:	Shareholding of A Shareholders	50.0813
	Shareholding of H Shareholders	12.7062

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

Ordinary Resolutions (by means of non-cumulative voting)

1. Annual Report for 2023

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,877,939	99.8988	133,700	0.0072	1,742,565	0.0940
H Shares	469,157,848	99.6989	609,700	0.1296	807,200	0.1715
Total Ordinary Shares	2,322,035,787	99.8584	743,400	0.0319	2,549,765	0.1097

2. Report of the Board of Directors for 2023

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,877,939	99.8988	133,700	0.0072	1,742,565	0.0940
H Shares	467,528,848	99.3527	2,238,700	0.4758	807,200	0.1715
Total Ordinary Shares	2,320,406,787	99.7883	2,372,400	0.1020	2,549,765	0.1097

3. Report of the Board of Supervisors for 2023

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,877,939	99.8988	133,700	0.0072	1,742,565	0.0940
H Shares	469,157,748	99.6989	609,800	0.1296	807,200	0.1715
Total Ordinary Shares	2,322,035,687	99.8584	743,500	0.0319	2,549,765	0.1097

4. Final Accounts Report for 2023 and Financial Budget for 2024

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,852,749,539	99.8919	262,100	0.0141	1,742,565	0.0940
H Shares	468,636,648	99.5881	1,130,900	0.2404	807,200	0.1715
Total Ordinary Shares	2,321,386,187	99.8304	1,393,000	0.0599	2,549,765	0.1097

5. Profit Distribution Plan for 2023

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,854,717,304	99.9980	36,900	0.0020	0	0.0000
H Shares	470,552,148	99.9952	0	0.0000	22,600	0.0048
Total Ordinary Shares	2,325,269,452	99.9974	36,900	0.0016	22,600	0.0010

6. Proposal regarding Interim Dividend Arrangement for 2024

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,854,718,304	99.9981	35,900	0.0019	0	0.0000
H Shares	470,552,148	99.9952	0	0.0000	22,600	0.0048
Total Ordinary Shares	2,325,270,452	99.9975	35,900	0.0015	22,600	0.0010

7. Proposal regarding Change of the Accounting Firm for 2024

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,853,034,404	99.9073	36,900	0.0020	1,682,900	0.0907
H Shares	470,552,148	99.9952	0	0.0000	22,600	0.0048
Total Ordinary Shares	2,323,586,552	99.9251	36,900	0.0016	1,705,500	0.0733

8. Proposal regarding Renewal of Financial Services Agreement with Shanghai Shangshi Group 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	698,177,925	95.7147	22,242,975	3.0494	9,015,467	1.2359
H Shares	220,221,853	46.7985	103,977,395	22.0958	146,375,500	31.1057
Total Ordinary Shares	918,399,778	76.5326	126,220,370	10.5183	155,390,967	12.9491

9. Proposal regarding External Guarantees for 2024

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,834,066,695	98.8846	19,004,609	1.0247	1,682,900	0.0907
H Shares	342,953,871	72.8798	127,248,574	27.0411	372,303	0.0791
Total Ordinary Shares	2,177,020,566	93.6220	146,253,183	6.2896	2,055,203	0.0884

Special Resolutions (by means of non-cumulative voting)

10. Proposal regarding Application for Centralized Registration of Different Types of New Debt Financing Instruments (DFI)

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,834,066,695	98.8846	19,003,609	1.0246	1,683,900	0.0908
H Shares	342,953,871	72.8798	127,598,277	27.1154	22,600	0.0048
Total Ordinary Shares	2,177,020,566	93.6220	146,601,886	6.3046	1,706,500	0.0734

11. 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	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

12. Proposal regarding the Satisfaction of 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	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13. Proposal regarding Issuance of Corporate Bonds

13.01 Face value 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	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13.02 Interest rate of bonds and its way of determination

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13.03 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	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13.04 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	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13.05 Method of issuance

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,851,274,186	99.8124	1,796,118	0.0968	1,683,900	0.0908
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,678,556	0.5022	1,706,500	0.0734

13.06 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	1,851,274,186	99.8124	1,796,118	0.0968	1,683,900	0.0908
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,678,556	0.5022	1,706,500	0.0734

13.07 Use of proceeds

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13.08 Guarantees

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13.09 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	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13.10 Way of underwriting

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

13.11 Listing arrangements

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,851,274,186	99.8124	1,796,118	0.0968	1,683,900	0.0908
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,678,556	0.5022	1,706,500	0.0734

13.12 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	1,851,274,186	99.8124	1,796,118	0.0968	1,683,900	0.0908
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,678,556	0.5022	1,706,500	0.0734

13.13 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	1,851,274,186	99.8124	1,797,118	0.0969	1,682,900	0.0907
H Shares	460,669,710	97.8951	9,882,438	2.1001	22,600	0.0048
Total Ordinary Shares	2,311,943,896	99.4244	11,679,556	0.5023	1,705,500	0.0733

14. 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	1,812,401,935	97.7166	33,336,802	1.7973	9,015,467	0.4861
H Shares	271,961,534	57.7935	198,590,614	42.2017	22,600	0.0048
Total Ordinary Shares	2,084,363,469	89.6374	231,927,416	9.9739	9,038,067	0.3887

Ordinary Resolutions (by means of cumulative voting)

15. Proposal regarding Election of Non-executive Director of the Eighth Session of the Board

15.01 Mr. ZHANG Wenxue

Type of Shareholders	For		Against		Abstain	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	1,843,924,303	99.4161	0	0.0000	0	0.0000
H Shares	428,270,097	91.0100	42,282,051	8.9852	22,600	0.0048
Total Ordinary Shares	2,272,194,400	97.7150	42,282,051	1.8184	22,600	0.0010

At the AGM, all resolutions were voted by poll. As more than half of the votes were cast in favour of Resolutions No. 1 to 9 and Resolution No. 15, these resolutions were duly passed as ordinary resolutions; as more than two-thirds of the votes were cast in favour of Resolutions No. 10 to 14, 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 2023	63,772,671	99.9422	36,900	0.0578	0	0.0000						
6.	Proposal regarding Interim Dividend Arrangement for 2024	63,773,671	99.9437	35,900	0.0563	0	0.0000						
7.	Proposal regarding Change of the Accounting Firm for 2024	62,089,771	97.3048	36,900	0.0578	1,682,900	2.6374						
8.	Proposal regarding Renewal of Financial Services Agreement with Shanghai Shangshi Group Finance Co., Ltd. and Daily Related/Continuing Connected Transactions and Discloseable Transactions	32,551,129	51.0129	22,242,975	34.8584	9,015,467	14.1287						
9.	Proposal regarding External Guarantees for 2024	43,122,062	67.5793	19,004,609	29.7833	1,682,900	2.6374						
12.	Proposal regarding the Satisfaction of the Conditions for Issuing Corporate Bonds	60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374						
13.	Proposal regarding Issuance of Corporate Bonds												
13.01	Face value of bonds to be issued and scale of issuance							60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374
13.02	Interest rate of bonds and its way of							60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374

	determination						
13.03	Variety and term of bonds	60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374
13.04	Method of principal and interest repayment	60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374
13.05	Method of issuance	60,329,553	94.5462	1,796,118	2.8149	1,683,900	2.6389
13.06	Target of issuance and arrangement of placement to shareholders of the Company	60,329,553	94.5462	1,796,118	2.8149	1,683,900	2.6389
13.07	Use of proceeds	60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374
13.08	Guarantees	60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374
13.09	Measures to guarantee bonds repayment	60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374
13.10	Way of underwriting	60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374
13.11	Listing arrangements	60,329,553	94.5462	1,796,118	2.8149	1,683,900	2.6389
13.12	Period of validity of the resolution	60,329,553	94.5462	1,796,118	2.8149	1,683,900	2.6389
13.13	Authorizations regarding this issuance to the executive committee of the Board	60,329,553	94.5462	1,797,118	2.8164	1,682,900	2.6374
15.	Proposal regarding Election of Non-executive Director of the Eighth Session of the Board	/					
15.01	Mr. ZHANG Wenxue	52,979,670	83.0278				

II. RECORD DATE FOR DISTRIBUTION AND RECEIPT OF CASH DIVIDENDS

The AGM resolved an ordinary resolution to distribute a cash dividend of RMB4.10 (tax inclusive) for every ten (10) Shares for year 2023.

The cash dividends are expected to be paid on Tuesday, 27 August 2024 to Shareholders whose names appear on the H Share register of members of the Company on Friday, 19 July 2024, (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, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, 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, Link Market Services (Hong Kong) Pty Limited, on Tuesday, 27 August 2024, 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 closing selling rate as quoted by China Foreign Exchange Trade System for the five trading days preceding the date of the AGM (namely 21 and 24 to 27 June 2024), being RMB0.930394 = 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\$0.440674 (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

depository 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.

III. CHANGE OF THE ACCOUNTING FIRM

As disclosed in the announcement of the Company dated 22 December 2023 in relation to the proposed change of the Accounting Firm and the Circular, PricewaterhouseCoopers Zhong Tian LLP (“**PwC Zhong Tian**”) has been providing audit services for the Company for 13 consecutive years, which reached the maximum term for a company to engage the same accounting firm consecutively as required by the Ministry of Finance of the People's Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council and China Securities Regulatory Commission. Therefore, the Company shall change its accounting firm for the year 2024. As at the date of this announcement, the Board had fully communicated with PwC Zhong Tian, and confirmed that there is no disagreement or unresolved issue between the Company and PwC Zhong Tian, and there are no other matters regarding the change of the accounting firm that need to be brought to the attention of the Shareholders. PwC Zhong Tian has also confirmed to the Board that there are no matters regarding its retirement that need to be brought to the attention of the Shareholders.

After receiving the recommendation from the Audit Committee under the Board of Directors, the Board

of Directors convened a meeting on 21 December 2023 to consider and approve the “Resolution regarding the Change of the Accounting Firm for the Year 2024”, and agreed to appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company’s auditor of financial statements and internal control for the year 2024, subject to the approval by the Shareholders at the Annual General Meeting. Following the passing of resolution no. 7 at the Annual General Meeting, the Board of Directors is pleased to announce that Deloitte Touche Tohmatsu Certified Public Accountants LLP has been appointed as the Company’s auditor of financial statements and internal control for the year 2024, with effect from the conclusion of the Annual General Meeting to hold office until the conclusion of the next annual general meeting of the Company.

IV. APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND APPOINTMENT OF THE MEMBER OF THE STRATEGY COMMITTEE

Reference is made to the announcement of the Company dated 31 May 2024 in relation to the proposed election of non-executive Director.

The Board is pleased to announce that at the Annual General Meeting, Mr. ZHANG Wenxue was duly elected by the Shareholders as a non-executive Director of the eighth session of the Board for a term until the end of the eighth session of the Board, with effect from 28 June 2024. And at the Board meeting of the Company held on 28 June 2024, Mr. ZHANG Wenxue, an non-executive Director, was elected by the Board as the member of the Strategy Committee of the Board. The positions of Mr. YANG Qiuhua, an executive Director, and Mr. WANG Zhong, an independent non-executive Director, as convener and member of the Strategy Committee of the Board respectively, remain unchanged.

Details of the biography of Mr. ZHANG Wenxue were set out in the Company’s circular of the Annual General Meeting dated 7 June 2024. As at the date of this announcement, there has been no material change to such information.

By order of the Board
Shanghai Pharmaceuticals Holding Co., Ltd. *
YANG Qiuhua
Chairman

Shanghai, the PRC, 28 June 2024

As of the date of this announcement, the executive Directors of the Company are Mr. YANG Qiuhua, Mr. SHEN Bo, Mr. LI Yongzhong and Mr. DONG Ming; the non-executive Director is Mr. ZHANG Wenxue; and the independent non-executive Directors are Mr. GU Zhaoyang, Mr. Manson FOK and Mr. WANG Zhong.

** For identification purpose only*