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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)

**APPOINTMENT OF CHAIRMAN AND CHIEF SUPERVISOR
CHANGES TO THE COMPOSITION OF THE STRATEGY COMMITTEE,
NOMINATION COMMITTEE, AUDIT COMMITTEE AND
REMUNERATION AND ASSESSMENT COMMITTEE
APPOINTMENT OF PRESIDENT, VICE PRESIDENTS AND
CHANGE OF BOARD SECRETARY, JOINT COMPANY SECRETARY AND
AUTHORISED REPRESENTATIVE**

CHANGES TO THE BOARD, THE BOARD OF SUPERVISORS AND MANAGEMENT

The board of directors (the “**Board**”) of Shanghai Pharmaceuticals Holding Co., Ltd. (the “**Company**”) hereby announces the personnel changes in relation to the Board, the board of supervisors and management of the Company as below:

1. Mr. ZHOU Jie, an executive director, has been elected by the Board as the chairman of the sixth session of the Board for a term for three years, with effect from 28 June 2016;
2. Mr. XU Youli, a supervisor, has been elected by the board of supervisors as the chief supervisor of the sixth session of the board of supervisors for a term for three years, with effect from 28 June 2016;
3. Mr. CHO Man, an executive director, has been elected by the Board as the convener of the Strategy Committee of the Board; Mr. TSE Cho Che, Edward, an independent non-executive director, and Mr. CAI Jiangnan, an independent non-executive director, have been elected by the Board as members of the Strategy Committee of the Board;
4. Mr. TSE Cho Che, Edward, an independent non-executive director, has been elected by the Board as the convener of the Nomination Committee of the Board; Mr. ZHOU Jie, an executive director, and Mr. HONG Liang, an independent non-executive director, have been elected by the Board as members of the Nomination Committee of the Board;

5. Mr. WAN Kam To, an independent non-executive director, has been elected by the Board as the convener of the Audit Committee of the Board; Mr. TSE Cho Che, Edward, an independent non-executive director, and Mr. HONG Liang, an independent non-executive director, have been elected by the Board as members of the Audit Committee of the Board;

6. Mr. HONG Liang, an independent non-executive director, has been elected by the Board as the convener of the Remuneration and Assessment Committee of the Board; Mr. WAN Kam To, an independent non-executive director, and Mr. CAI Jiangnan, an independent non-executive director, have been elected by the Board as members of the Remuneration and Assessment Committee of the Board;

7. Mr. CHO Man, an executive director, has been appointed as the president of the Company by the Board for the same term as the sixth session of the Board, with effect from 28 June 2016; and

8. Mr. LIU Yanjun, Mr. REN Jian, Mr. SHU Chang and Mr. MAO Jianyi have been appointed as the vice presidents of the Company, Mr. SHEN Bo has been appointed as the chief financial officer of the Company, and Mr. LIU Dawei has been appointed as the Board secretary and the joint company secretary by the Board, all for the same term as the sixth session of the Board, with effect from 28 June 2016.

CHANGE OF BOARD SECRETARY, JOINT COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE

Mr. SHEN Bo (“**Mr. Shen**”) has tendered his resignation as the Board secretary and the joint company secretary of the Company due to change of work arrangements, and Mr. HU Fengxiang (“**Mr. Hu**”) has tendered his resignation as the authorised representative of the Company under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) as he is no longer acting as the director of the Company, all with effect from 28 June 2016.

Each of Mr. Shen and Mr. Hu has confirmed that he has no disagreement with the Board, and there is no other matter relating to his resignation that shall be brought to the attention to the shareholders of the Company.

The Board is pleased to announce that Mr. LIU Dawei (“**Mr. Liu**”) has been appointed as the Board secretary, the joint company secretary and the authorised representative of the Company under the Hong Kong Listing Rules with effect from 28 June 2016. Ms. Mok Ming Wai (“**Ms. Mok**”), the other joint company secretary of the Company, will assist Mr. Liu in performing his duties as a joint company secretary. Mr. ZHOU Jie’s position as the other authorised representative of the Company also remains unchanged.

The biography of Mr. Liu is set out as follows:

Mr. LIU Dawei, born in August 1980, obtained a Bachelor degree in Economics with a major in Taxation from the Shanghai University of Finance and Economics and a Master of Business Administration degree with a major in Finance and Financial Management from the W. P. Carey

School of Business at Arizona State University in the United States. Mr. Liu has obtained the qualification as an intermediate accountant in the People's Republic of China. He currently serves as the general manager of the strategic operations department of the Company and the chief financial officer of Shanghai Pharmaceutical Distribution Co., Ltd. and also concurrently serves directorships at the subsidiary level of the Company. He previously served as the deputy general manager of the investment development department of the Company, the general manager of the headquarters finance department of Shanghai Pharmaceutical Distribution Co., Ltd., and the general manager, assistant to the department head and financial management officer of the headquarters finance department of Shanghai Pharmaceutical Co., Ltd. (previously listed on the Shanghai Stock Exchange (stock code: 600849) and the predecessor of the Company). Mr. Liu is a holder of the Board Secretary Qualification Certificate, granted to him by the Shanghai Stock Exchange in September 2015.

WAIVER REGARDING THE QUALIFICATION AND EXPERIENCE OF JOINT COMPANY SECRETARY

Pursuant to Rule 8.17 of the Hong Kong Listing Rules, a listed issuer must appoint a company secretary who meets the requirements under Rule 3.28 of the Hong Kong Listing Rules. Rule 3.28 of the Hong Kong Listing Rules provides that a listed issuer must appoint as its company secretary an individual who, in the opinion of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), is capable of discharging the functions of company secretary of the listed issuer by virtue of his/her academic or professional qualifications or relevant experience.

Mr. Liu currently does not possess the qualifications of a company secretary as required under Rules 3.28 and 8.17 of the Hong Kong Listing Rules. The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Hong Kong Listing Rules with respect to the appointment of Mr. Liu as a joint company secretary of the Company for a period of three years from the date of his appointment as a joint company secretary of the Company (the “**Waiver Period**”). The waiver is granted on the condition that, (i) Mr. Liu will be assisted by Ms. Mok during the Waiver Period and the waiver will be revoked immediately if and when Ms. Mok ceases to be a joint company secretary of the Company; (ii) the Company will notify the Hong Kong Stock Exchange at the end of the Waiver Period for the Hong Kong Stock Exchange to revisit the situation. The Hong Kong Stock Exchange expects that, after the end of the Waiver Period, the Company will be able to demonstrate that Mr. Liu, having had the benefit of Ms. Mok's assistance, satisfies the requirements under Rule 3.28 of the Hong Kong Listing Rules such that a further waiver will not be necessary; and (iii) the Company announces the details of the waiver, including its reasons and conditions, by way of an announcement.

COMPOSITION OF THE COMMITTEES OF THE BOARD

With effect from the above appointments, the composition of each of the committees of the Board is as follows:

Strategy Committee:

Mr. CHO Man (convener)

Mr. TSE Cho Che, Edward

Mr. CAI Jiangnan

Nomination Committee:

Mr. Tse Cho Che, Edward (convener)

Mr. ZHOU Jie

Mr. HONG Liang

Audit Committee:

Mr. WAN Kam To (convener)

Mr. TSE Cho Che, Edward

Mr. HONG Liang

Remuneration and Assessment Committee:

Mr. HONG Liang (convener)

Mr. WAN Kam To

Mr. CAI Jiangnan

Details of the biographies of the relevant directors and supervisors were set out in the circular of the annual general meeting of the Company dated 13 May 2016. As at the date of this announcement, there has been no change to such information.

By Order of the Board
Shanghai Pharmaceuticals Holding Co., Ltd. *
ZHOU Jie
Chairman

Shanghai, the PRC, 29 June 2016

As of the date of this announcement, the executive Directors of the Company are Mr. ZHOU Jie, Mr. CHO Man, Mr. LI Yongzhong and Mr. SHEN Bo; the non-executive Director is Ms. LI An; and the Independent Non-executive Directors are Mr. WAN Kam To, Mr. TSE Cho Che, Edward, Mr. CAI Jiangnan and Mr. HONG Liang.

** For identification purpose only*