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上海醫藥集團股份有限公司
Shanghai Pharmaceuticals Holding Co., Ltd.*

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

(Stock code:02607)

GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

This announcement is made by Shanghai Pharmaceuticals Holding Co., Ltd. (the “**Company**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

We refer to (i) the announcement of the Company dated 30 September 2019 in relation to the proposed adoption of the Share Option Scheme and the grant thereunder, (ii) the circular of the Company dated 1 November 2019 (the “**Circular**”) in relation to the Share Option Scheme; and (iii) the poll results announcement of the Company dated 19 December 2019. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

The Board hereby announces that the conditions of the grant of the Share Options under the Share Option Scheme have been fulfilled. On 19 December 2019, the Board (including the Independent Non-executive Directors) has approved the grant of an aggregate of 25,680,000 Share Options to 211 Participants pursuant to the authorization by the Shareholders at the EGM. Directors who are proposed to be the Participants, i.e. Mr. CHO Man, Mr. LI Yongzhong and Mr. SHEN Bo, have abstained from voting when the Board reviews and approves the grant of the Share Options. Details of the Share Options granted are set out as follows.

Date of Grant:	19 December 2019
Exercise Price:	RMB18.41 per A Share
Number of Share Options granted:	25,680,000 Share Options to 211 Participants under the Share Option Scheme
Closing price of A Shares on the Date of	RMB18.08 per A Share

Grant:

Validity period of the Share Options: The Validity Period of the Share Options granted under the Share Option Scheme commences from the registration date of the grant, which shall not exceed 60 months.

The distribution details of the Share Options of the Participant are set out as follows.

Name	Position(s)	Number of the Share Options granted ('0,000 A Shares)	Percentage to total number of the Share Options granted (%)	Percentage to total issued share capital of the Company as of the date of the grant of the Share Options (%)
CHO Man	Executive Director, President	48.00	1.69%	0.017%
LI Yongzhong	Executive Director, Vice President	39.00	1.37%	0.014%
SHEN Bo	Executive Director, Vice president, chief financial officer	39.00	1.37%	0.014%
ZHAO Yong	Vice President	33.00	1.16%	0.012%
MAO Jianyi	Vice President	33.00	1.16%	0.012%
GU Haoliang	Vice President	33.00	1.16%	0.012%
LIU Dawei	Vice President	33.00	1.16%	0.012%
ZHANG Yaohua	Vice President	33.00	1.16%	0.012%
CHEN Jinzhu	Secretary to the Board, Joint Company Secretary	33.00	1.16%	0.012%
Middle level management and core employees of the Company (202 persons in total)		2,244.00	78.96%	0.790%
Reserved Shares		274.09	9.64%	0.096%
Total		2,84.09	100.00%	1.000%

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

Shanghai, the PRC, 20 December 2019

As at the date of this announcement, the executive Directors 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*