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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 國控股份有限公司)

(Stock Code: 01099)

CONTINUING CONNECTED TRANSACTIONS: ENTERING INTO THE 2020 FINANCIAL SERVICES FRAMEWORK AGREEMENT AND CLARIFICATION IN RELATION TO THE EGM POLL RESULTS ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS: ENTERING INTO THE 2020 FINANCIAL SERVICES FRAMEWORK AGREEMENT

I. The 2020 Financial Services framework Agreement

References are made to (i) the announcement of the Company dated 27 October 2017, in relation to, among others, the 2017 Financial Services Framework Agreement entered into between the Company and Sinopharm Group Finance Company; (ii) the announcement of the Company dated 22 October 2020 and the circular of the Company dated 27 November 2020, in relation to, among others, the Previous 2020 Financial Services Framework Agreement entered into between the Company and Sinopharm Group Finance Company; and (iii) the announcement of the Company dated 18 December 2020 in relation to the poll results of the extraordinary general meeting of the Company held at 18 December 2020.

The Board hereby announces that as the term of the 2017 Financial Services Framework Agreement will expire on 31 December 2020, and the Previous Financial Services Framework Agreement does not become effective due to the failure to obtain the approval of the Independent Shareholders, and that the Company expects to continue to utilise financial services from Sinopharm Group Finance Company after 31 December, 2020. The Company and Sinopharm Group Finance Company entered into the 2020 Financial Services Framework Agreement on 18 December 2020 for a term of three years from 1 January 2021 to 31 December 2023. The 2020 Financial Services Framework Agreement is not materially different from the 2017 Financial Services Framework Agreement.

1. The 2020 Financial Services Framework Agreement

Details of the 2020 Financial Services Framework Agreement are as follows:

Date: 18 December 2020

Parties: (i) the Company
(ii) Sinopharm Group Finance Company

Term of the Agreement: The 2020 Financial Services Framework Agreement shall be effective from 1 January 2021 to 31 December 2023.

Financial Services Provided by Sinopharm Group Finance Company to the Company and/or Its Subsidiaries: Pursuant to the 2020 Financial Services Framework Agreement, the Company and/or its subsidiaries will, from time to time, utilize the following financial services available from Sinopharm Group Finance Company as is deemed necessary. Such services include:

- deposit services;
- loan and entrustment loan services;
- bill discounting and acceptance services, finance lease services, and settlement services; and
- other services as approved by the CBIRC.

Principle of the Provision of Services: Under the 2020 Financial Services Framework Agreement, Sinopharm Group Finance Company has undertaken to the Company that whenever it provides financial services to the Company and/or its subsidiaries, the conditions thereof shall neither be less favorable than those offered to other members of the CNPGC Group, nor be less favorable than those available to the Company and/or its subsidiaries from commercial banks or other financial institutions for comparable services.

The Company and/or its subsidiaries will utilize the financial services of Sinopharm Group Finance Company on a voluntary and non-compulsory basis and is not obliged to engage Sinopharm Group Finance Company for any particular service.

Sinopharm Group Finance Company may, from time to time, enter into separate individual financial service agreements with the Company and/or its subsidiaries for the provision of specific financial services, provided that the principles as agreed in the 2020 Financial Services Framework Agreement must be followed.

Pricing Policy: Fees and charges payable by the Company and/or its subsidiaries to Sinopharm Group Finance Company under the 2020 Financial Services Framework Agreement are determined on the following basis:

- Deposit services: interest rates shall be in compliance with the

requirements on interest rates prescribed by the PBOC for such type of deposits, and shall not be lower than each of (i) the interest rates offered by Sinopharm Group Finance Company to other members of the CNPGC Group for the same category of deposits; and (ii) the interest rates offered to the Company and/or its subsidiaries by general commercial banks for the same category of deposits.

- Loan services: interest rates shall be in compliance with the requirements on interests prescribed by the PBOC for such type of loans, and shall not be higher than each of (i) the interest rates offered by Sinopharm Group Finance Company to other members of the CNPGC Group for the same category of loans; and (ii) the interest rates offered to the Company and/or its subsidiaries by general commercial banks for the same category of loans.
- Other Financial Services: the interests or service fees charged for Other Financial Services shall (i) comply with the standard rates as promulgated by the PBOC or the CBIRC for comparable financial services from time to time (if applicable); (ii) be not higher than the interests or service fees charged by general commercial banks from the Company and/or its subsidiaries for comparable financial services; and (iii) be not higher than the interests or service fees charged by Sinopharm Group Finance Company for comparable financial services from other members of the CNPGC Group.

Sinopharm Group Finance Company may provide other services to the Company and/or its subsidiaries as may be approved by the CBIRC in the future. The fees and charges for such services to be provided shall: (i) comply with the standard rates as promulgated by the PBOC or the CBIRC from time to time (if applicable) for comparable financial services; (ii) be not higher than the fees charged by commercial banks from the Company and/or its subsidiaries for comparable financial services; and (iii) be not higher than the fees charged by Sinopharm Group Finance Company for comparable financial services from other members of the CNPGC Group.

2. Annual Caps for the Three Years Ending 31 December 2023

Historical figures

Historical transaction amount between the Group and Sinopharm Group Finance Company under the 2017 Financial Services Framework Agreement is as follows:

Transactions	Year ended 31 December 2018 (RMB)	Year ended 31 December 2019 (RMB)	Six months ended 30 June 2020 (RMB)
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Maximum daily balance of the deposits (including accrued interests) of the Group placed with Sinopharm Group Finance Company	3,483 million	3,458 million	3,466 million
Interests/service fees paid by the Group for Other Financial Services provided by Sinopharm Group Finance Company	150 million	169 million	95 million

Annual caps for the three years ending 31 December 2023

The Directors expect the annual caps for the transactions contemplated under the 2020 Financial Services Framework Agreement for the three years ending 31 December 2023 to be as follows:

Transactions	Year ending 31 December 2021 (RMB)	Year ending 31 December 2022 (RMB)	Year ending 31 December 2023 (RMB)
Maximum daily balance of the deposits (including accrued interests) of the Group placed with Sinopharm Group Finance Company	2,420 million	2,420 million	2,420 million
Interests/service fees payable by the Group for Other Financial Services provided by Sinopharm Group Finance Company	500 million	500 million	500 million

Basis of determination of the annual caps

Under the above-mentioned 2020 Financial Services Framework Agreement, the maximum daily balance of the deposits of the Group placed with Sinopharm Group Finance Company from 2021 to 2023 is determined mainly with reference to the historical transaction data set out above and taking into account the following factors:

- (i) from 2018 to 2020, the maximum daily balance of the deposits of the Group placed with Sinopharm Group Finance Company was RMB3,483 million, RMB3,458 million and RMB3,466 million, respectively.
- (ii) at the end of 2018, the Company acquired 60% equity interest in CSIMC. After the completion of the acquisition, in order to ensure that the deposits of the Group (as enlarged by the acquisition) placed with Sinopharm Group Finance Company do not exceed the annual caps, CSIMC and its subsidiaries transferred part of their deposits placed with Sinopharm Group Finance Company to third-party commercial banks. CSIMC and its subsidiaries may choose to transfer part of the deposit back to Sinopharm Group Finance Company in the next three years.
- (iii) as referred to in the section headed “Reasons for and Benefit of Entering into the 2020

Financial Services Framework Agreement” below, continuing to utilise the financial services provided by the Sinopharm Group Finance Company allows the Group to enjoy more competitive terms, to manage and allocate funds among the Group more effectively, to acquire more favorable, diversified and flexible financial services, to acquire more convenient deposit services while the deposit interest rates will not be lower than those offered by commercial banks, to enjoy more favorable interest rates and more convenient procedures of loans, as well as a tailored financial service plan for the Group. Besides, the Group has received financial services from Sinopharm Group Finance Company within the annual caps approved by the Board since 2012. The Group expects to continue to carry out such transactions with Sinopharm Group Finance Company and determines the annual caps within the scope of authority of the Board.

Under the above-mentioned 2020 Financial Services Framework Agreement, the interest/service fees payable by the Group to Sinopharm Group Finance Company for its provision of Other Financial Services from 2021 to 2023 are determined mainly with reference to the historical transaction data set out above and taking into account the following factor:

- (i) in the next three years, the business of Sinopharm Group Finance Company will continue to grow. Sinopharm Group Finance Company will also continue to enlarge the scope of services to the Group, extend service levels, expand credit lines, diversify financial products, and provide the Group with more diverse financial services such as deposit products, convenient fund settlement, self-operated loans with relatively flexible terms, bill business, and accounts receivable factoring business and Other Financial Services. The interest/service fees payable by the Group to Sinopharm Group Finance Company for Other Financial Services will also increase accordingly

3. Continuing Connected Transactions Exempt from Reporting, Announcement, Annual Review and Independent Shareholders’ Approval Requirements

The loans and entrustment loans to be provided by or through Sinopharm Group Finance Company to the Company and/or its subsidiaries under the 2020 Financial Services Framework Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Group. Pursuant to the 2020 Financial Services Framework Agreement and the individual entrustment loan service agreement to be signed thereunder between CNPGC, the Company and Sinopharm Group Finance Company, such loans will be provided on normal commercial terms which are not less favorable than those offered by independent third parties for comparable loans in the PRC, and no security over the assets of the Group will be granted in respect of such financial assistance. Therefore, the transactions in respect of the loans and entrustment loans provided by or through Sinopharm Group Finance Company to the Company and/or its subsidiaries under the 2020 Financial Services Framework Agreement are exempt from reporting, announcement, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules. With regard to the service fees charged by Sinopharm Group Finance Company for the provision of entrustment loan agency services to the Company and/or its subsidiaries, the Company has included such fees into the total transaction amount of the Other Financial Services for the calculation of the relevant percentage ratios and the determination of the annual caps.

4. Reasons for and Benefit of Entering into the 2020 Financial Services Framework Agreement

The Directors are of the view that utilizing financial services from Sinopharm Group Finance Company continuously has the following benefits:

- (i) the 2020 Financial Services Framework Agreement is non-exclusive and does not limit the Group’s choice in engaging any banks or financial institutions to satisfy its need for

financial services. Accordingly, the entry into the 2020 Financial Services Framework Agreement will simply avail the Group to one more service provider and encourage all financial services providers to offer more competitive terms to the Group.

- (ii) the Group will be able to use Sinopharm Group Finance Company as a medium between the Company and its subsidiaries to more effectively allocate funds among the Group and manage its existing capital and cash flow.
- (iii) the Group expects to benefit from Sinopharm Group Finance Company's better understanding of the Group's operations. Such understanding will enable Sinopharm Group Finance Company to offer more favorable, diversified and flexible financial services than third-party commercial banks. Meanwhile, Sinopharm Group Finance Company will provide the Company and its subsidiaries with settlement service for free, which also enables the Group to save settlement expenses.
- (iv) in addition, in respect of the deposit services, the interest rates offered by Sinopharm Group Finance Company will not be lower than those offered by commercial banks. The procedures for withdrawal of the deposits are convenient and the categories and term of the deposits are flexible, which will improve the capital utilization efficiency of the Group.
- (v) in respect of the loan services, Sinopharm Group Finance Company offers the Group with favorable interest rates as well as efficient and convenient procedures, which will lower the financing cost of the Group.
- (vi) in respect of the Other Financial Services, by taking advantage of the familiarity with the Group, Sinopharm Group Finance Company can formulate a tailored, flexible and personalized financial service plan for the Group, which is characterized by rapid responses, favorable rates and strong pertinence.

Measures taken for protecting the interests of the Company and its shareholders as a whole in the deposit services transaction

As far as the Directors are aware, Sinopharm Group Finance Company has established stringent internal control measures to ensure effective risk management and compliance with relevant laws and regulations of the PRC. The internal control measures adopted by Sinopharm Finance Group Company include:

- (i) as a non-bank financial institution established with the approval of the CBIRC, Sinopharm Group Finance Company is subject to the routine supervision by the CBIRC. It is subject to the Measures for the Administration of Enterprise Group Finance Companies (《企業集團財務公司管理辦法》) and other regulatory requirements, including the requirements on capital adequacy ratio, guarantee ratio and long-term investment ratio. Since its establishment until the date of this announcement, Sinopharm Group Finance Company has complied with all the relevant requirements from the CBIRC in respect of the above ratios and applicable rules and regulations stipulated by the CBIRC;
- (ii) Sinopharm Group Finance Company is subject to the direct supervision of the PBOC to maintain deposit reserve in full and timely manner, and the deposit reserve ratio of Sinopharm Group Finance Company shall not be lower than the threshold permitted by the PBOC at all times. Since its establishment until the date of this announcement, Sinopharm Group Finance Company has complied with such regulatory requirements in respect of the

deposit reserves;

- (iii) Sinopharm Group Finance Company has formulated a comprehensive internal control management system and risk management system, implemented internal audit supervision system, established risk control committee responsible for its board of directors, established risk management department and audit department to supervise and audit its business activities. Each business department formulates corresponding standardized operation procedures, operation standards and risk prevention measures according to each business, and predicts, evaluates and controls all kinds of risks in business operations; and
- (iv) Sinopharm Group Finance Company has formulated a series of business systems and operating procedures such as the Measures for the Administration of Accounts (《賬戶管理辦法》), the Measures for the Administration of Settlement Business (《結算業務管理辦法》), the Measures for the Administration of Deposit Business (《存款業務管理辦法》) and the Measures for the Administration of Payment and Settlement Authority (《支付結算權限管理辦法》) in accordance with rules and regulations prescribed by the relevant national authorities and the PBOC. These measures provide the operating specifications and control standards for different settlement and deposit businesses, and effectively control business risks. Sinopharm Group Finance Company has also formulated a series of administration measures and operating procedures such as the Measures for the Administration of Customer Credit Rating (《客戶信用評級管理辦法》), the Measures for the Administration of General Credit (《綜合授信管理辦法》) and the Measures for the Administration of Self-operated Loan Business (《自營貸款業務管理辦法》) in accordance with the Lending General Provisions (《貸款通則》), the Measures for the Administration of Enterprise Group Finance Companies (《企業集團財務公司管理辦法》) and the relevant provisions promulgated by the CBIRC and the PBOC, so as to effectively control the risks of credit business.

In addition, at the establishment of Sinopharm Group Finance Company, the board of directors of its parent company CNPGC issued a letter of commitment to the CBIRC, in which CNPGC undertook that it would correspondingly increase its capital investment in Sinopharm Group Finance Company so as to meet its actual needs to solve such difficulties in case that Sinopharm Group Finance Company encounters operational difficulties.

Meanwhile, as described below in the section headed “Internal control in relation to the continuing connected transactions contemplated under the 2020 Financial Services Framework Agreement”, the Group also adopted reasonable internal control procedures and corporate governance measures in relation to its utilization of the financial services provided by Sinopharm Group Finance Company.

In conclusion, the Directors (including the independent non-executive Directors) are of the view that the 2020 Financial Services Framework Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms and conditions therein as well as the annual caps for the deposit service thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

II. Internal Control in relation to the Continuing Connected Transactions Contemplated under the 2020 Financial Services Framework Agreement

In respect of the continuing connected transactions contemplated under the 2020 Financial Services

Framework Agreement, the Company has adopted and would continue to take the following review procedures and approval process against the following assessment criteria when obtaining the finance services from Sinopharm Group Finance Company:

- (i) Where a need for the financial services arises, the designated staff of the Group would obtain the rates and terms offered by Sinopharm Group Finance Company and not less than three major and independent PRC commercial banks for comparison against the assessment criteria referred to in paragraph (iii) below;
- (ii) If after comparison, the designated staff confirmed that the rates and terms provided by Sinopharm Group Finance Company are no less favourable than those offered by other major and independent PRC commercial banks and are in compliance with the terms set out in the 2020 Financial Services Framework Agreement, they would submit the application to the head of the finance department or the head of the fund management department and chief financial officer of the Company and/or its subsidiaries for final approval.

(iii) Assessment Criteria:

- a) Deposit: the designated staff would compare the interest rate offered by Sinopharm Group Finance Company with those offered by the major commercial banks in the PRC, and compare the interest rates offered to the Group and the interest rates offered to other members of the CNPGC Group by Sinopharm Group Finance Company for the same category of deposits, and if the former is not lower than the latter, the Group would obtain deposit services from Sinopharm Group Finance Company.
 - b) Loan: the designated staff would compare the interest rate offered by Sinopharm Group Finance Company with those offered by the major commercial banks in the PRC, and compare the interest rates offered to the Group and the interest rates offered to other members of the CNPGC Group by Sinopharm Group Finance Company for the same category of loans, and if the former is not higher than the latter, the Group would obtain loan services from Sinopharm Group Finance Company.
 - c) Entrusted loan, bill acceptance, discount of bills, settlement, finance lease and other services: the designated staff would compare the interests/service fees charged by Sinopharm Group Finance Company with those charged by the major commercial banks in the PRC, and compare the interests/service fees charged from the Group and the interests/service fees charged from other members of the CNPGC Group by Sinopharm Group Finance Company for the same category of services, and if the former are not higher than the latter, the Group would obtain the above-mentioned services from Sinopharm Group Finance Company.
- (iv) Sinopharm Group Finance Company will monitor the balance of deposits on each business day. Daily reports on the balance of the Group's deposits placed with Sinopharm Group Finance Company at the end of each month and the maximum deposit balance for the month will be delivered to the Company by Sinopharm Group Finance Company on the first business day of the following month. Furthermore, once the Group's deposit balance placed with Sinopharm Group Finance Company reaches 80% of the annual cap of that year, Sinopharm Group Finance Company will start to report such situation to the finance department of the Company on the following day so that the Company can also carry out real-time monitoring until the daily deposit balance falls below 80% of the annual cap of that year, and then the monthly reporting mechanism will be resumed.
- (v) the independent non-executive Directors of the Company have reviewed and would continue to review the non-exempt continuing connected transactions contemplated under the 2020

Financial Services Framework Agreement to ensure they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the 2020 Financial Services Framework Agreement. The auditors of the Company would also conduct an annual review on the pricing terms and annual caps of the non-exempt continuing connected transactions contemplated under the 2020 Financial Services Framework Agreement.

The Directors consider that the above methods and procedures can ensure the continuing connected transactions contemplated under the 2020 Financial Services Framework Agreement will be conducted on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the 2020 Financial Services Framework Agreement.

III. Hong Kong Listing Rules Implications

CNPGC is the ultimate controlling shareholder of the Company, therefore, Sinopharm Group Finance Company, the subsidiary of CNPGC, is a connected person of the Company under the Hong Kong Listing Rules. The transactions contemplated under the 2020 Financial Services Framework Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As one or more of the respective applicable percentage ratios (as defined under Rule 14A.77 of the Hong Kong Listing Rules) in respect of the deposit service and other services contemplated under the 2020 Financial Services Framework Agreement exceed 0.1% but are less than 5%, such agreement and the transactions thereunder are only subject to the reporting, announcement and annual review requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

The following Directors, being Mr. Ma Ping, Mr. Hu Jianwei and Mr. Deng Jindong, are also directors or senior management of CNPGC. Therefore, they are deemed to have material interests in the transactions contemplated under the 2020 Financial Services Framework Agreement, and thus have abstained from voting on the relevant resolution at the Board meeting. Save as mentioned above, none of the other Directors has a material interest in such transactions and is required to abstain from voting on the relevant resolutions at the Board meeting.

IV. General Information of the Parties

The Company

The Company is principally engaged in the distribution of pharmaceutical, healthcare products and medical devices, operation of retail pharmacies and production and sale of chemical reagents.

CNPGC

CNPGC is a wholly state-owned enterprise established in the PRC and the ultimate controlling shareholder of the Company, which is principally engaged in the research and development of pharmaceutical products, manufacturing, logistics and distribution, retail chains, medical health, engineering technology, professional exhibition, international operation business, financial investment and other businesses.

Sinopharm Group Finance Company

Sinopharm Group Finance Company is a non-bank financial institution established on 23 February 2012 upon the approval of the CBIRC, and is regulated by the PBOC and the CBIRC. Sinopharm Group Finance Company is owned as to 58.1818%, 9.0909%, 10.9091%, 10.9091% and

10.9091% by CNPGC, the Company, CNBG, CNTCM and Shyndec Pharmaceutical respectively, with the registered capital of RMB1.1 billion. CNBG, CNTCM and Shyndec Pharmaceutical are all subsidiaries of CNPGC.

Sinopharm Group Finance Company is engaged in the provision of financial services to the members of the Group and the CNPGC Group which principally include deposit taking, provision of loans, bills acceptance and discounting, finance lease, entrustment loans, settlement services, guarantee, insurance agent business as well as Other Financial Services such as provision of credit certification, financial advisory and other advisory agency services, guarantee services and other services as may be approved by the CBIRC.

CLARIFICATION IN RELATION TO THE EGM POLL RESULTS ANNOUNCEMENT

Reference is made to the announcement of the Company dated 18 December 2020 in relation to the poll results of the extraordinary general meeting of the Company held at 18 December 2020 (the “**Announcement**”). The Company would like to clarify an inadvertent typographical error contained on page two of the Chinese version of the Announcement, and the correct wordings of the relevant disclosure in the Chinese version of the Announcement should read as follows (with the changes underlined for easy reference): “Shareholders and authorized proxies holding an aggregate of 750,108,454 shares, representing 24.04% of the total issued share of the Company, were present at the EGM”. Relevant disclosure in the English version of the Announcement is correct. Save for the above clarification, all other information and contents of the Chinese version of the Announcement remain unchanged.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“2017 Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and Sinopharm Group Finance Company on 27 October 2017 in relation to the provision of the financial services by Sinopharm Group Finance Company to the Company and/or its subsidiaries
“2020 Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and Sinopharm Group Finance Company on 18 December 2020 in relation to the provision of the financial services by Sinopharm Group Finance Company to the Company and/or its subsidiaries
“associates”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of directors of the Company
“CBIRC”	the China Banking and Insurance Regulatory Commission
“CNBG”	China National Biotech Group Company Limited (中國生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability

“CNPGC”	China National Pharmaceutical Group Corporation (中國醫藥集團有限公司), a state wholly-owned enterprise incorporated in the PRC and the ultimate controlling shareholder of the Company
“CNPGC Group”	CNPGC and its subsidiaries and associates (excluding the Group)
“CNTCM”	China National Traditional Chinese Medicine Co., Limited (中國中藥有限公司), a company incorporated in the PRC with limited liability
“Company”	Sinopharm Group Co. Ltd., (國藥控股股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the Hong Kong Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSIMC”	China National Scientific. Instruments and Materials Co., Ltd. (中國科學器材有限公司), a company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Shareholders”	Shareholders other than CNPGC and its associates
“Other Financial Services”	bill acceptance and discounting services, finance lease services, settlement services and entrustment loan agency services provided by Sinopharm Group Finance Company to the Company and/or its subsidiaries under the 2017 Financial Services Framework Agreement or the 2020 Financial Services Framework Agreement, as the case may be
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China, which for the purpose of this announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Previous 2020 Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and Sinopharm Group Finance Company on 22 October 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Shyndec Pharmaceutical”	Shanghai Shyndec Pharmaceutical Co., Ltd. (上海現代製藥股份有限公司), a joint stock company incorporated in the PRC with limited liability
“Sinopharm Group Finance Company”	Sinopharm Group Finance Co., Ltd. (國藥集團財務有限公司), a company incorporated under the laws of the PRC with limited liability, which is a non-bank financial institution

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

Shanghai, the PRC
18 December 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. Zhuo Fumin, Mr. Chen Fangruo, Mr. Li Peiyu, Mr. Wu Tak Lung and Mr. Yu Weifeng.

** 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.”.*