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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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 21 December 2023, Shanghai Pharmaceuticals Holding Co., Ltd.* (the “**Company**”) held the fifth meeting of the eighth session of the board of directors of the Company (the “**Board**”). The Board reviewed and approved the “Resolutions on the Proposed Amendments to the Articles of Association and Other Rules and Regulations and the Proposed Formulating of the Working Rules for Special Meeting of the Independent Directors of the Company”.

According to the relevant provisions and requirements of the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》), the Rules Governing the Listing of Stocks on The Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies — Standardized Operation (《上海證券交易所上市公司自律監管指引第1號——規範運作》) and the actual situation of the Company, the Board proposed the following amendments to the articles of association of the Company (the “**Articles of Association**”):

Original Text	Amended to
<p>Table of Contents (Note).....</p> <p>“Rules for the Independent Directors” means the Rules for Independent Directors of Listed Companies (China Securities Regulatory Commission Bulletin (2022) No.14).....</p>	<p>Table of Contents (Note).....</p> <p>“Rules for the Independent Directors” means the Rules for Measures for the Administration of Independent Directors of Listed Companies (Order No. 220 of the China Securities Regulatory Commission Bulletin (2022) No.14).....</p>
<p>Article 167.....</p> <p>In principle, independent directors can only hold concurrently the post of independent directors in four (4) listed companies at maximum except for the Company. They shall have enough time and energy to perform the duties of the independent directors effectively.</p>	<p>Article 167.....</p> <p>In principle, independent directors can only hold concurrently the post of independent directors in four (4) two (2) listed companies at maximum except for the Company. They shall have enough time and energy to perform the duties of the independent directors effectively.</p>
<p>Article 169.....</p>	<p>Article 169.....</p>

<p>(iv) with more than five (5) years' work experience in law, economics or other fields required by his or her performance of the duties of an independent director;</p> <p>(v) other requirements set forth in this AOA; and</p> <p>(vi) with qualifications required for an independent director as stipulated in the <i>Listing Rules</i>.</p>	<p>(iv) with more than five (5) years' work experience in law, <u>accounting or</u> economics or other fields required by his or her performance of the duties of an independent director;</p> <p>(v) other requirements set forth in this AOA; and</p> <p>(vi) with qualifications required for an independent director as stipulated in the <i>Listing Rules</i>.</p> <p><u>(v) have a strong personal integrity and an absence of major instances of dishonesty or other records of bad behavior; and;</u></p> <p><u>(vi) meet other requirements as stipulated by laws, administrative regulations, CSRC, rules of stock exchanges, the Hong Kong Listing Rules and this AOA.</u></p>
<p>Article 170.....</p> <p>(iii) by the supervisory board.</p>	<p>Article 170.....</p> <p>(iii) by the supervisory board.</p> <p><u>A legally established investor protection institution is authorized to publicly solicit the rights of shareholders for nominating independent directors by delegation.</u></p> <p><u>The nominators specified in the first paragraph of this article shall not nominate their interested persons or other closely related individuals who may affect their independent performance of duties as candidates for independent directors of the Company.</u></p>
<p>Article 171 The nominator of an independent director shall obtain the consent to the nomination from the nominee before the nomination. The nominator shall have the full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee's qualifications and the independence required as an independent director. The nominee shall make a public statement that he or she has no relationship with the Company that may affect his or her independent objective judgment.</p>	<p>Article 171 The nominator of an independent director shall obtain the consent to the nomination from the nominee before the nomination. The nominator shall have the full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience, and all other posts he or she concurrently holds <u>and whether there is any material breach of trust or other adverse records</u>, and give opinion on the nominee's qualifications and the independence required as an independent director. The nominee shall make a public statement that he or she has no relationship with the Company that may affect his or her independent objective judgment.</p>
<p>Article 173 If the independent director fails to attend the Board meeting in person for three (3)</p>	<p>Article 173 If the independent director fails to attend the Board meeting in person for three (3) two (2)</p>

<p>consecutive times, the Board may request the shareholders' general meeting to replace the director. The independent director shall not be dismissed from the Company without proper reason before the term of his or her office expires, except for the above-mentioned reason or in those circumstances that a person may not be qualified to hold the position of a director stipulated in the <i>Company Law</i>. If an independent director is dismissed before the term of his or her office expires, the Company shall disclose the dismissal as a special disclosure matter. If the dismissed independent director deems the reason for the dismissal improper, he or she shall be entitled to make a public statement.</p>	<p>consecutive times <u>and fails to entrust another independent director to attend the meetings on his/her behalf</u>, the Board may shall, <u>within thirty (30) days from the date of the occurrence of such fact</u>, request the shareholders' general meeting to replace the director. <u>The Company may dismiss an independent director before the expiration of his/her term of office in accordance with statutory procedures. In the event of early dismissal of an independent director, the Company shall promptly disclose the specific reasons and basis for such dismissal. If the independent director has any disagreements, the Company shall disclose them in a timely manner.</u> The independent director shall not be dismissed from the Company without proper reason before the term of his or her office expires, except for the above mentioned reason or in those circumstances that a person may not be qualified to hold the position of a director stipulated in the Company Law. If an independent director is dismissed before the term of his or her office expires, the Company shall disclose the dismissal as a special disclosure matter. If the dismissed independent director deems the reason for the dismissal improper, he or she shall be entitled to make a public statement.</p>
<p>Article 174 The independent director may resign before the term of his or her office expires. He or she shall submit the written resignation report to the Board and spell out the circumstances related to the resignation or those that need the attention of the shareholders and the creditors of the Company. If the resignation of the independent director causes the proportion of the independent directors to all directors in the Board to become less than the minimum required by the laws or this AOA, the resignation report of the independent director shall take effect after the subsequent appointed independent director fills the vacancy.</p>	<p>Article 174 The independent director may resign before the term of his or her office expires. He or she shall submit the written resignation report to the Board and spell out the circumstances related to the resignation or those that need the attention of the shareholders and the creditors of the Company. If the resignation of the independent director causes the proportion of the independent directors to all directors in the Board <u>or its special committees</u> to become less than the minimum required by the laws or this AOA, <u>or a lack of accounting professionals among the independent directors</u>, the resignation report of the independent director shall take effect after the subsequent appointed independent director fills the vacancy.</p>
<p>Article 175 In order to make the independent directors play an active role, the independent directors shall have the following special</p>	<p>Article 175 In order to make the independent directors play an active role, the independent directors shall have the following special powers</p>

powers other than those granted to directors by the *Company Law* and other relevant laws and regulations:

- (i) connected transactions that the Company intends to conclude with the connected party and whose total value exceeds RMB three (3) million and accounts for more than zero point five percent (0.5%) of the absolute value of the latest audited Company's net assets (other than the provision of external guarantees by the Company) shall be approved by the independent directors before being submitted to the Board for discussion. Before the independent directors make judgment, an intermediary agency can be employed to produce a report of independent financial advisor, which will serve as the basis for the independent directors' judgment;
- (ii) the independent directors can put forward the proposal to the Board relating to the appointment or removal of the accounting firm;
- (iii) the independent directors can propose to the Board to call an extraordinary shareholders' general meeting;
- (iv) the independent directors can propose to call a meeting of the Board;
- (v) the independent directors can openly solicit voting rights from shareholders before a general meeting;
- (vi) the independent directors can appoint the external auditing or consulting organization independently to provide auditing and consulting services on specific matters of the Company;

Consent from over 1/2 of all the independent directors shall be obtained if the independent directors desire to exercise the powers under the above items (i) to (v); The exercise of the power under item (vi) shall be subject to the consent from all the independent directors.

Matters related to items (i) and (ii) may not be submitted to the Board of Directors for

other than those granted to directors by the *Company Law* and other relevant laws and regulations:

- ~~(i) connected transactions that the Company intends to conclude with the connected party and whose total value exceeds RMB three (3) million and accounts for more than zero point five percent (0.5%) of the absolute value of the latest audited Company's net assets (other than the provision of external guarantees by the Company) shall be approved by the independent directors before being submitted to the Board for discussion. Before the independent directors make judgment, an intermediary agency can be employed to produce a report of independent financial advisor, which will serve as the basis for the independent directors' judgment;~~
- ~~(ii) the independent directors can put forward the proposal to the Board relating to the appointment or removal of the accounting firm;~~
- (i) the independent directors can independently appoint intermediaries to provide audit, consulting or inspection services on specific matters of the Company;
- ~~(iii)~~(ii) the independent directors can propose to the Board to call an extraordinary shareholders' general meeting;
- ~~(iv)~~(iii) the independent directors can propose to call a meeting of the Board;
- ~~(v)~~(iv) the independent directors can openly solicit voting rights from shareholders before a general meeting;
- ~~(vi) the independent directors can appoint the external auditing or consulting organization independently to provide auditing and consulting services on specific matters of the Company;~~
- (v) the independent directors can express independent opinions on matters that may harm the rights and interests of the Company or minority shareholders;
- (vi) other functions and powers prescribed by the laws, administrative regulations, the CSRC, and this AOA.

Consent from over 1/2 of all the independent directors shall be obtained if the independent

<p>discussion unless being consented by not less than one half of the independent director.</p> <p>If the proposals set out in the paragraph 1 of this article are refused or the functions and powers are unable to be exercised, the Company shall disclose the information concerned.</p>	<p>directors desire to exercise the powers under the above items (i) to (vi)(iii); The exercise of the power under item (vi) shall be subject to the consent from all the independent directors.</p> <p>Matters related to items (i) and (ii) may not be submitted to the Board of Directors for discussion unless being consented by not less than one half of the independent director.</p> <p><u>If the proposals set out in the paragraph 1 of this article are refused or the independent directors exercise the functions and powers set out in the above paragraph one, the Company shall make a disclosure in a timely manner. If</u> the functions and powers are unable to be exercised, the Company shall disclose the information concerned.</p>
	<p>Article 176 <u>The following matters shall be submitted to the Board for deliberation with the consent of a majority of all independent directors of the Company:</u></p> <p><u>(i) connected transactions that shall be disclosed;</u></p> <p><u>(ii) plans of the Company and the relevant parties for the modification or waiver of their undertakings;</u></p> <p><u>(iii) decisions made and measures taken by the board of directors of the target company regarding the acquisition;</u></p> <p><u>(iv) other matters prescribed by the laws, administrative regulations, the CSRC and this AOA.</u></p>
	<p>Article 177 <u>The Company shall, on a regular or <i>ad hoc</i> basis, hold meetings attended solely by independent directors (the “Special Meetings of Independent Directors”). The matters specified in the items (i) to (iii) of paragraph one of Article 175 and Article 176 of this AOA shall be deliberated at the Special Meetings of Independent Directors.</u></p> <p><u>The Special Meetings of Independent Directors may study and discuss other matters of the Company if necessary.</u></p>
<p>Article 176 Apart from carrying out the above-mentioned duties, the independent directors shall provide the independent opinion on the following matters to the Board or to the shareholders’ general meeting:</p>	<p>Article 1768 Apart from carrying out the above-mentioned duties, the The independent directors shall provide the independent opinion on the following matters to the Board or to the shareholders’ general meeting:</p>

<p>(i) nomination, appointment or replacement of directors;</p> <p>(ii) appointment or dismissal of senior management;</p> <p>(iii) remuneration for directors and senior management;</p> <p>(iv) any existing or new loan borrowed from the Company by or other funds transfer made by the Company's shareholders, <i>de facto</i> controllers or affiliated enterprises that exceeds RMB three (3) million and accounts for more than zero point five percent (0.5%) of the absolute value of the latest audited Company's net assets, and whether the Company has taken effective measures to recover the amount due;</p> <p>.....</p>	<p>(i) nomination, appointment or replacement of directors;</p> <p>(ii) appointment or dismissal of senior management;</p> <p>(iii) remuneration for directors and senior management;</p> <p>(iv) any existing or new loan borrowed from the Company by or other funds transfer made by the Company's shareholders, de facto controllers or affiliated enterprises that exceeds RMB three (3) million and accounts for more than zero point five percent (0.5%) of the absolute value of the latest audited Company's net assets, and whether the Company has taken effective measures to recover the amount due; <u>connected (related party) transactions that shall be disclosed;</u></p> <p>.....</p>
<p>Article 178 The Company shall ensure that the independent directors have the same right to be kept informed as the other directors in the Company. With respect to the important matters necessary to be submitted to the Board meeting for consideration, the Company shall notify the independent directors in advance within legally prescribed time and provide them with sufficient materials and documents. The independent directors may ask for supplementary materials if they consider the given documents incomplete. While two or more independent directors consider that the materials and documents provided to them are insufficient or unclear, they may jointly propose to postpone the meeting or to postpone the discussion of the related matter, which should be adopted by the Board.</p> <p>The materials provided by the Company shall be preserved by the Company and the independent directors themselves for at least five (5) years.</p>	<p>Article 17880 The Company shall ensure that the independent directors have the same right to be kept informed as the other directors in the Company. With respect to the important matters necessary to be submitted to the Board meeting for consideration, the Company shall notify the independent directors in advance within legally prescribed time and provide them with sufficient materials and documents. The independent directors may ask for supplementary materials if they consider the given documents incomplete. While two or more independent directors consider that the materials and documents provided to them are insufficient, or unclear <u>or not provided in a timely manner</u>, they may jointly propose to postpone the meeting or to postpone the discussion of the related matter, which should be adopted by the Board.</p> <p>The materials provided by the Company shall be preserved by the Company and the independent directors themselves for at least five (5) <u>ten (10)</u> years.</p>
<p>Article 225 A loan security provided by the Company in breach of the provisions of paragraph 1 of Article 223.....</p>	<p>Article 2257 A loan security provided by the Company in breach of the provisions of paragraph 1 of Article 2235.....</p>
<p>Article 286 Where the Company is to be dissolved pursuant to Item (1) or (2) of Article 284.....</p>	<p>Article 2868 Where the Company is to be dissolved pursuant to Item (1) or (2) of Article 2846.....</p>

The proposed amendments to the Articles of Association are subject to the consideration by the shareholders at the general meeting of the Company, and shall be adopted by a special resolution. Prior to the approval by the Shareholders, the current Articles of Association remains effective.

A circular containing, among other things, details of the proposed amendments to the Articles of Association, together with the notice of the general meeting will be despatched to the shareholders of the Company in due course.

By order of the Board
Shanghai Pharmaceuticals Holding Co., Ltd.*
ZHONG Tao
Joint Company Secretary

Shanghai, the PRC, 22 December 2023

As of the date of this announcement, the executive directors of the Company are Mr. SHEN Bo, Mr. LI Yongzhong and Mr. DONG Ming; the non-executive directors are Mr. YAO Jiayong and Mr. CHEN Fashu; and the independent non-executive directors are Mr. GU Zhaoyang, Mr. Manson FOK and Mr. WANG Zhong.

** For identification purpose only*