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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)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shanghai Pharmaceuticals Holding Co., Ltd. (the "**Company**") will be held at Zhouming Hall, 5th Floor, Good Hope Hotel, 500 Zhaojiabang Road, Shanghai on 30 June 2011 at 9:30 a.m., for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the report of Board of Directors of the Company for the year 2010.
2. To consider and approve the report of Board of Supervisors of the Company for the year 2010.
3. To consider and approve the final accounts report of the Company for the year 2010.
4. To consider and approve the audit expenses for the financial report of the Company for the year 2010.
5. To consider and approve the engagement of auditors of the Company for the year 2011.
6. To consider and approve the aggregate amount of external guarantee to be provided by the Company in the year 2011.
7. To consider and approve the continuing connected transactions between the Company and Shanghai Pharmaceutical (Group) Co., Ltd. for the year 2011 and to authorise the management of the Company to execute and implement specific transaction agreements and handle other matters in relation to such connected transactions within the limit of maximum amount thereof as approved by the Annual General Meeting.
8. To consider and approve the adjustment to the remuneration of the independent non-executive directors of the Company.

SPECIAL RESOLUTIONS

9. To consider and approve the profit distribution plan of the Company for the year 2010.
10. To grant a general mandate to the Board of Directors of the Company to allot, issue and deal with the A shares and H shares of the Company separately or concurrently, and to make or grant offers, agreements or options or conversion rights in respect thereof, subject to the conditions as set out in Appendix IX to the circular of the Company dated 9 June 2011, and to authorise the Board of Directors to increase the Company's registered capital, amend the Company's Articles of Association and take other actions in relation to the general mandate.

By Order of the Board
Shanghai Pharmaceuticals Holding Co., Ltd.
LU Mingfang
Chairman

Shanghai, the PRC, 9 June 2011

Notes:

1. Eligibility for attending the Annual General Meeting and date of registration of members for H shares

Purchasers of shares who have submitted their instruments of share transfer to the H Share Registrar of the Company and registered as shareholders on the H share register of members of the Company before 4:30 p.m. on 24 June 2011 are entitled to attend this Annual General Meeting.

In order to attend this Annual General Meeting, holders of H share should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, before 4:30 p.m. on 24 June 2011.

2. Proxy

(1) Each shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more proxies in writing to attend and vote on his behalf. A proxy need not be a shareholder of the Company.

(2) The instrument appointing a proxy must be in writing by the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.

To be valid, for holders of H shares, the form of proxy and notarised power of attorney or other document of authorisation must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time appointed for the Annual General Meeting.

(3) Any voting at the Annual General Meeting shall be taken by poll.

3. Registration procedures for attending the Annual General Meeting

(1) A shareholder or his proxy should produce proof of identity when attending the Annual General Meeting. If a shareholder is a legal person, its legal representative or other person authorised by the board of directors or other governing body of such shareholder may attend the Annual General Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

- (2) Shareholders of the Company intending to attend the Annual General Meeting in person or by their proxies should complete and return the reply slip for attending the Annual General Meeting to Computershare Hong Kong Investor Services Limited (for holders of H shares) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 19 June 2011.

4. Voting by poll

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Chairman of the Annual General Meeting will demand a poll in relation to all the proposed resolutions at the Annual General Meeting in accordance with Article 104 of Articles of Association of the Company.

5. Miscellaneous

- (1) The Annual General Meeting is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

- (2) The address of Computershare Hong Kong Investor Services Limited is:

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

- (3) The address of China Securities Depository and Clearing Corporation Limited Shanghai Branch is:

Level 36, China Insurance Building, 166 East Lujiazui Road, Pudong New District, Shanghai, the People's Republic of China.

- (4) The registered office of the Company:

No. 92 Zhangjiang Road
Pudong New District
Shanghai
The People's Republic of China

Contact office: Office of the Board
Telephone No.: 86 (21) 6373 0908
Facsimile No.: 86 (21) 6328 9333
Contact Person: HAN Min

- (5) Please refer to the circular of the Company dated 9 June 2011 for details of the resolutions to be proposed at the Annual General Meeting for consideration and approval.

As of the date of this notice, the executive Directors of the Company are Mr. LU Mingfang, Mr. ZHANG Jialin and Mr. XU Guoxiong; the non-executive Directors of the Company are Mr. LU Shen and Mr. JIANG Ming; and the independent non-executive Directors of the Company are Mr. ZENG Yixin, Mr. BAI Huiliang, Mr. CHEN Naiwei and Ms. Tommei TONG.

* For identification purposes only