
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular, you should obtain independent professional advice.

If you have sold or transferred all your H shares in **Sinopharm Group Co. Ltd.**, you should at once hand this circular together with the form of proxy and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SINOPHARM GROUP CO. LTD.* **國藥控股股份有限公司**

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as 國藥控股股份有限公司)

(Stock code: 01099)

- (1) PROPOSED CHANGE IN DIRECTORS;**
- (2) PROPOSED ISSUANCE OF DEBT FINANCING INSTRUMENTS;**
- (3) PROPOSED DELEGATION OF CERTAIN POWER OF THE GENERAL MEETING TO THE BOARD;**
- (4) GENERAL MANDATE TO ISSUE NEW SHARES; AND**
- (5) NOTICE OF AGM**

A letter from the Board is set out on pages 3 to 9 of this circular. A notice convening the AGM to be held at Meeting Room 1813, Sinopharm Plaza, No. 1001 Zhongshan West Road, Changning District, Shanghai, the PRC at 9:00 a.m. on Thursday, 16 June 2016, is being dispatched to the Shareholders together with this circular.

If you intend to attend the AGM, please complete and return the appropriate reply slip in accordance with the instructions printed thereon as soon as possible and in any event by no later than Thursday, 26 May 2016.

Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the appropriate form of proxy in accordance with the instructions printed thereon. The form of proxy must be signed by you or your attorney duly authorized in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorized to sign the same. If the form of proxy is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign, or other document of authorization, must be notarially certified.

In the case of joint holders of Shares, only the holder whose name stands first in the register of members of the Company shall alone be entitled to vote at the AGM, either in person or by proxy in respect of such Shares.

For holders of H Shares, please return the proxy form together with any documents of authority to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the AGM. For holders of Domestic Shares, please return the proxy form together with any documents of authority to the Board Office of the Company in the PRC at Room 1603, Sinopharm Plaza, No.1001 Zhongshan West Road, Changning District, Shanghai, the PRC as soon as possible, and in any event not later than 24 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM, or any adjournment thereof should you so wish.

29 April 2016

* *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."*

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
I. INTRODUCTION	4
II. PROPOSED CHANGE IN DIRECTORS	4
III. PROPOSED ISSUANCE OF DEBT FINANCING INSTRUMENTS	5
IV. PROPOSED DELEGATION OF CERTAIN POWER OF THE GENERAL MEETING TO THE BOARD	7
V. GENERAL MANDATE TO ISSUE NEW SHARES	7
VI. AGM	8
VII. RECOMMENDATION	9
NOTICE OF AGM	10

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened at Meeting Room 1813, Sinopharm Plaza, No. 1001 Zhongshan West Road, Changning District, Shanghai, the PRC at 9:00 a.m. on Thursday, 16 June 2016
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Company”	Sinopharm Group Co. Ltd. (國藥控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed and traded on the Hong Kong Stock Exchange
“Company Law”	the Company Law of the PRC
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and fully paid up in RMB by PRC nationals and/or PRC incorporated entities
“General Mandate”	the general mandate to issue new Shares to be granted to the Board at the AGM
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign invested ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is/are listed and traded on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	25 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan Region
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company in the nominal value of RMB1.00 each, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company

LETTER FROM THE BOARD



SINOPHARM GROUP CO. LTD.*
國藥控股股份有限公司

(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)

Executive Director:

Mr. Wei Yulin
Mr. Li Zhiming

Non-executive Directors:

Mr. Chen Qiyu
Mr. She Lulin
Mr. Wang Qunbin
Mr. Li Yuhua
Mr. Deng Jindong
Mr. Li Dongjiu
Mr. Liu Hailiang
Mr. Lian Wanyong

Independent non-executive Directors:

Ms. Li Ling
Mr. Yu Tze Shan Hailson
Mr. Tan Wee Seng
Mr. Liu Zhengdong
Mr. Zhuo Fumin

Registered office in the PRC:

6th Floor
No. 221 Fuzhou Road
Shanghai 200002
China

Principal place of business in Hong Kong:

27/F 01, 148 Electric Road,
North Point, Hong Kong

29 April 2016

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED CHANGE IN DIRECTORS;**
(2) PROPOSED ISSUANCE OF DEBT FINANCING INSTRUMENTS;
(3) PROPOSED DELEGATION OF CERTAIN POWER OF
THE GENERAL MEETING TO THE BOARD; AND
(4) GENERAL MANDATE TO ISSUE NEW SHARES

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LETTER FROM THE BOARD

I. INTRODUCTION

Reference is made to the announcement of the Company dated 25 March 2016 in relation to the proposed change in Directors.

The purpose of this circular is to provide you with the information regarding, among other things, (i) detailed information regarding the above-mentioned proposal; (ii) the proposed issuance of debt financing instruments; (iii) the proposed delegation of certain power of the general meeting to the Board; (iv) General Mandate to issue new Shares; and (v) a notice convening the AGM to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

II. PROPOSED CHANGE IN DIRECTORS

On 25 March 2016, Mr. Liu Hailiang has tendered his resignation from the position as a non-executive Director and a member of remuneration committee under the Board due to retirement. The resignation of Mr. Liu Hailiang will take effect from the date of conclusion of the AGM.

Mr. Liu Hailiang has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders. The Company would like to express its sincere gratitude to Mr. Liu Hailiang for his contributions to the development of the Company during his term of office.

On the same day, the Board resolved to nominate Mr. Wu Yijian as a non-executive Director and the appointment is subject to the approval by the Shareholders at a general meeting of the Company in accordance with the Articles of Association. Mr. Wu Yijian's term of office will take effect from the date of approval by the Shareholders at the AGM and until the expiration of the term of the current session of the Board.

Biographical details of Mr. Wu Yijian

Mr. Wu Yijian, aged 46, the president assistant and the director of the commercial pharmaceutical management committee of Shanghai Fosun Pharmaceutical Group Co., Ltd. Mr. Wu Yijian has been with San-jiu Group since July 1993 and successively served as sales director of San-jiu Pharmaceutical trade Co., Ltd, the chief operating officer of San-jiu Pharmaceutical Chain Co., Ltd. and the deputy general manager of Shanghai San-jiu Pharmaceutical Technology Development Co., Ltd. Mr. Wu Yijian has been with Fosun Pharmaceutical Group since June 2004 and successively served as the general manager of Shanghai Fosun Pharmaceutical investment Co., Ltd., Shanghai Fosun Pharmaceutical Co., Ltd. and Shanghai Fumei Pharmacy Co., Ltd. In 2014, Mr. Wu Yijian was appointed as the vice president of Shanghai Yuyuan Tourist Mart Co., Ltd. Mr. Wu Yijian graduated from Shanghai Medical University with a medical bachelor's degree in July 1993, successively obtained a master's degree in business administration from Tsinghua university in July 2003, a master's degree in accounting for senior accountant from The Chinese university of Hong Kong in November 2014, and completed the courses for the general manager in the China Europe International Business School of Management in July 2007.

LETTER FROM THE BOARD

Save as disclosed above and as at the Latest Practicable Date, Mr. Wu Yijian does not have any relationships with any Directors, senior management, substantial or controlling shareholder(s) of the Company, or holds any other positions in the Company or any of its subsidiaries, or any directorships in other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Wu Yijian does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Upon due appointment as a non-executive Director, Mr. Wu Yijian will enter into a service contract with the Company for a term commencing from the date of appointment and ending on the expiration of the term of the current session of the Board. Pursuant to the Articles of Association, Mr. Wu Yijian will be subject to retirement by rotation and re-election upon the expiry of his term of office.

Mr. Wu Yijian's remuneration package will be determined by the Board as authorized by the Shareholders at a general meeting of the Company by taking into account, among other matters, his terms of reference, his duties and responsibilities in the Company.

Save as disclosed above, the Board is not aware of any other matters in relation to Mr. Wu Yijian's appointment as a non-executive Director that need to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

III. PROPOSED ISSUANCE OF DEBT FINANCING INSTRUMENTS

In order to expand the financing channels and reduce the financing cost for the purpose of repaying bank loans and replenishing working capital, the Board resolved to propose the issue of the debt financing instruments.

In accordance with the applicable PRC laws and regulations and the Articles of Association, the proposed issue of the debt financing instruments is subject to the approval by the Shareholders at the general meeting of the Company and the approval from the National Association of Financial Market Institutional Investors. Relevant proposal will be put forward at the AGM for Shareholders' consideration and approval by way of a special resolution.

LETTER FROM THE BOARD

The major terms of the proposal in relation to the issue of the debt financing instruments are as follows, which are subject to the approval of the National Association of Financial Market Institutional Investors:

Issuer:	the Company
Size of the registered amount:	in a principal amount of not more than RMB20 billion, of which the registered amount of short-term financing instruments shall be no more than RMB15 billion, and the registered amount of medium-term and long-term financing instruments shall be no more than RMB5 billion.
Place of the issue:	the PRC
Maturity:	the term of short-term financing instruments shall be 270 days or 365 days, while the term of medium-term and long-term financing instruments shall be three years to five years.
Issue method:	to be issued in multiple tranches and underwritten by the eligible financial institution(s) to be engaged by the Company.
Use of proceeds:	to repay bank loans and to replenish the working capital of the Company.

It is submitted to the Shareholders to authorize the general manager of the Company to deal with all the matters in relation to the proposed issue of the debt financing instruments in his sole discretion, including but not limited to:

- (i) according to laws, regulations, and the specific conditions of the Company and debt market, to formulate, adjust and implement the specific plans, terms and conditions for the issue of the debt financing instruments, including, among others, determination of the category(ies) of issue, the size of issue, the method of issue (including the issue amount in each tranche), the terms of issue, interest rate, use of proceeds, guarantee and debt security arrangements;
- (ii) to formulate, approve, execute, modify and announce the legal documents relating to the issue, and make the appropriate adjustment or supplement to the filings pursuant to the requirements of the regulatory authorities;
- (iii) to select the bond trustee(s), execute bond trustee management agreement(s) and promulgate the rules for bondholders' general meeting;
- (iv) to make corresponding adjustments to the relevant matters or determine whether to continue the issue in accordance with the practical situation in the case of any changes in opinions from regulatory authorities, the policies and market conditions except where re-voting at a general meeting is required by any relevant laws and regulations and the Articles of Association;

LETTER FROM THE BOARD

- (v) to deal with all relevant matters in relation to the reporting and listing of the debt financing instruments;
- (vi) to determine the engagement of necessary intermediary agencies in relation to the issue of the debt financing instruments; and
- (vii) to deal with other specific matters in relation to the issue of debt financing instruments.

IV. PROPOSED DELEGATION OF CERTAIN POWER OF THE GENERAL MEETING TO THE BOARD

Pursuant to the Articles of Association, the Rules of Procedure of the General Meeting and the Rules of Procedure of the Board of Directors, the guarantees provided by the Company in favor of third parties with an aggregate total value of more than 30% of the latest audited total assets of the Company over a period of 12 months shall be subject to the approval by the Shareholders. However, when providing guarantees in favor of third parties in the daily operation, the Company is often required by the bank to provide the resolution of the general meeting which authorizes the Board to approve the guarantees.

In order to further clarify the authority of the Board in respect of the relevant guarantees and facilitate and improve the efficiency of the business operation of the Company and its subsidiaries, the Board proposed to seek the Shareholders' approval for delegation of the power to the Board to approve the guarantees in favor of third parties with an aggregate total value of not more than 30% of the latest audited total assets of the Company over a period of 12 months; and if the above delegation is not consistent with, collides with or conflicts with the requirements under the Hong Kong Listing Rules or other requirements of the Hong Kong Stock Exchange, the requirements under the Hong Kong Listing Rules or other requirements of the Hong Kong Stock Exchange should be followed. Relevant proposal will be put forward at the AGM for Shareholders' approval as an ordinary resolution.

V. GENERAL MANDATE TO ISSUE NEW SHARES

The Board resolved to seek the Shareholders' approval for obtaining the General Mandate, which is an unconditional general mandate to separately or concurrently allot, issue and/or deal with Domestic Shares and/or H Shares not exceeding 20% of the aggregate nominal amount of the existing issued Domestic Shares and/or H Shares as at the date on which such General Mandate is approved by the Shareholders. As at the Latest Practicable Date, there were 1,574,284,349 Domestic Shares and 1,192,810,740 H Shares in issue. Therefore, a maximum of 314,856,869 Domestic Shares and/or 238,562,148 H Shares, representing 20% of the number of each of the existing issued Domestic Shares and/or H Shares, can be separately or concurrently allotted, issued and/or dealt with by the Board pursuant to the General Mandate to be granted by the Shareholders.

The Board will only exercise its authority under the General Mandate in accordance with the Company Law, the Hong Kong Listing Rules and the requirements of the relevant PRC regulatory authorities. The Directors believe that it is in the best interests of the Company and the Shareholders to grant a general authority to the Board to issue new Shares, and the ability to do so would give the Board the flexibility to capture the right opportunity, if it arises. Relevant proposal will be put forward at the AGM for Shareholders' approval as a special resolution.

LETTER FROM THE BOARD

The General Mandate will end on the earliest of (i) the conclusion of the next annual general meeting following the passing of the relevant resolution; (ii) 12 months from the date of passing of the relevant resolution at the AGM; and (iii) the date upon which such authority is revoked or varied by a special resolution of the Shareholders in a general meeting.

VI. AGM

A notice convening the AGM to be held at 9:00 a.m. on Thursday, 16 June 2016 at Meeting Room 1813, Sinopharm Plaza, No. 1001 Zhongshan West Road, Changning District, Shanghai, the PRC is set out at the end of this circular.

A reply slip and a proxy form to be used at the AGM are also enclosed herein and published on the website of the Hong Kong Stock Exchange (www.hkex.com.hk). Shareholders who intend to appoint a proxy to attend the AGM shall complete, sign and return the appropriate proxy form in accordance with the instructions printed thereon.

For holders of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 24 hours before the time for holding the AGM in order for such documents to be valid. For holders of Domestic Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Board Office of the Company in the PRC at Room 1603, Sinopharm Plaza, No.1001 Zhongshan West Road, Changning District, Shanghai, the PRC not less than 24 hours before the time for holding the AGM in order for such documents to be valid.

Holders of H Shares and Domestic Shares, who intend to attend the AGM must complete the reply slip and return it to the Board Office of the Company not later than 20 days before the date of the AGM, i.e. no later than Thursday, 26 May 2016.

Pursuant to the Articles of Association, for the purpose of holding the AGM, the register of members of H Shares will be closed from Tuesday, 17 May 2016 to Thursday, 16 June 2016 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 17 May 2016 are entitled to attend and vote at the AGM.

In order to attend the AGM, holders of H Shares shall lodge all transfer documents together with the relevant Share certificates to Computershare Hong Kong Investor Services Limited, the Company's H Share registrar, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 16 May 2016.

LETTER FROM THE BOARD

VII. RECOMMENDATION

The Directors consider that all of the aforesaid resolutions are in the interests of the Company and the Shareholders as a whole, and accordingly, recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board of
Sinopharm Group Co. Ltd.
Wei Yulin
Chairman

NOTICE OF AGM



SINOPHARM GROUP CO. LTD.* **國藥控股股份有限公司**

(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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting for the year 2015 (the “**AGM**”) of Sinopharm Group Co. Ltd. (the “**Company**”) will be held at 9:00 a.m. on Thursday, 16 June 2016 at Meeting Room 1813, Sinopharm Plaza, No. 1001 Zhongshan West Road, Changning District, Shanghai, the People's Republic of China (the “**PRC**”), for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company (the “**Board**”) for the year ended 31 December 2015.
2. To consider and approve the report of the supervisory committee of the Company (the “**Supervisory Committee**”) for the year ended 31 December 2015.
3. To consider and approve the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2015 and the auditors' report.
4. To consider and approve the profit distribution plan and payment of the final dividend for the year ended 31 December 2015.
5. To consider and authorize the Board to determine the remuneration of the directors of the Company (the “**Directors**”) for the year ending 31 December 2016.
6. To consider and authorize the Supervisory Committee to determine the remuneration of the supervisors of the Company (the “**Supervisors**”) for the year ending 31 December 2016.
7. To consider and approve the delegation of the power to the Board to approve the guarantees in favor of third parties with an aggregate total value of not more than 30% of the latest audited total assets of the Company over a period of 12 months; and if the above delegation is not consistent with, collides with or conflicts with the requirements under the Rules Governing the

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NOTICE OF AGM

Listing of Securities (the “**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) or other requirements of the Hong Kong Stock Exchange, the requirements under the Hong Kong Listing Rules or other requirements of the Hong Kong Stock Exchange should be followed.

8. To consider and, if thought fit, to approve the appointment of Mr. Wu Yijian as a non-executive Director, to authorise the Board to determine his remuneration, and to authorise any executive Director to execute a service contract or such other documents or supplemental agreements or deeds on behalf of the Company.

SPECIAL RESOLUTIONS

9. To consider and, if thought fit, to approve:

“**THAT:**

- (a) the Company be and is hereby authorised to issue debt financing instruments (the “**Debt Financing Instruments**”) with the aggregate amount limit for all bonds for which registration is applied for being no more than RMB20 billion;
- (b) the general manager of the Company, be and is hereby authorized to deal with all the matters in relation to the proposed issue of Debt Financing Instruments in his sole discretion, including but not limited to:
- (i) according to laws, regulations, and the specific conditions of the Company and debt market, to formulate, adjust and implement the specific plans, terms and conditions for the issue of the Debt Financing Instruments, including, among others, determination of the category(ies) of issue, the size of issue, the method of issue (including the issue amount in each tranche), the terms of issue, interest rate, use of proceeds, guarantee and debt security arrangements;
 - (ii) to formulate, approve, execute, modify and announce the legal documents relating to the issue, and make the appropriate adjustment or supplement to the filings pursuant to the requirements of the regulatory authorities;
 - (iii) to select the bond trustee(s), execute bond trustee management agreement(s) and promulgate the rules for bondholders’ general meeting;
 - (iv) to make corresponding adjustments to the relevant matters or determine whether to continue the issue in accordance with the practical situation in the case of any changes in opinions from regulatory authorities, the policies and market conditions except where re-voting at a general meeting is required by any relevant laws and regulations and the articles of association of the Company;
 - (v) to deal with all relevant matters in relation to the reporting and listing of the Debt Financing Instruments;

NOTICE OF AGM

- (vi) to determine the engagement of necessary intermediary agencies in relation to the issue of the Debt Financing Instruments; and
 - (vii) to deal with other specific matters in relation to the issue of Debt Financing Instruments.
10. To consider and approve the grant of a general mandate to the Board to issue new shares:

“THAT:

- (a) subject to sub-paragraphs (i) to (iii) below, the Board be and is hereby granted an unconditional general mandate to separately or concurrently allot, issue and/or deal with ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and fully paid up in Renminbi by PRC nationals and/or PRC incorporated entities (the **“Domestic Shares”**) and/or overseas-listed foreign invested ordinary shares of par value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange (the **“H Shares”**), and to make or grant offers, agreements and options in respect thereof:
 - (i) such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
 - (ii) the aggregate nominal amount of Domestic Shares and/or H Shares to be allotted, issued and/or dealt with or agreed conditionally or unconditionally to be issued, allotted and/or dealt with (whether pursuant to an option or otherwise) by the Board shall not exceed 20% of the aggregate nominal amount of each of the existing issued Domestic Shares and H Shares as at the date on which this resolution is passed; and
 - (iii) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Hong Kong Listing Rules (as amended from time to time) and the requirements of the relevant PRC regulatory authorities;
- (b) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (ii) the expiration of the 12-month period following the passing of this resolution; or

NOTICE OF AGM

- (iii) the date on which the authority granted to the Board set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company (the “**Shareholders**”) in a general meeting; and
- (c) contingent on the Board’s resolving to issue shares pursuant to sub-paragraph (a) of this resolution, the Board be and is hereby authorised to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider relevant in connection with the issue of such new shares including, but not limited to, determining the time and place of issue, making all necessary applications to the relevant authorities and entering into an underwriting agreement (or any other agreement), to determine the use of proceeds and to make all necessary filings and registrations with the relevant PRC, Hong Kong and other authorities, and to make such amendments to the Articles of Association as it thinks fit so as to reflect the increase in the registered capital of the Company and to reflect the new share capital structure of the Company upon completion of the allotment and issue of the shares of the Company pursuant to the resolution under paragraph (a) of this resolution.”

By Order of the Board of
Sinopharm Group Co. Ltd.
Wei Yulin
Chairman

Shanghai, the PRC
29 April 2016

As at the date of this announcement, the executive directors of the Company are Mr. Wei Yulin and Mr. Li Zhiming; the non-executive directors of the Company are Mr. Chen Qi Yu, Mr. She Lulin, Mr. Wang Qunbin, Mr. Li Yuhua, Mr. Deng Jindong, Mr. Li Dongjiu, Mr. Liu Hailiang and Mr. Lian Wanyong; and the independent non-executive directors of the Company are Ms. Li Ling, Mr. Yu Tze Shan Hailson, Mr. Tan Wee Seng, Mr. Liu Zhengdong and Mr. Zhuo Fumin.

Notes:

1. For the purpose of holding the AGM, the register of members of H Shares (the “**Register of Members**”) will be closed from Tuesday, 17 May 2016 to Thursday, 16 June 2016 (both days inclusive), during which period no transfer of H Shares can be registered.

In order to be qualified to attend and vote at the AGM, for holders of H Shares, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 16 May 2016.

The Shareholders whose names appear on the register of members of the Company on Tuesday, 17 May 2016 are entitled to attend and vote at the AGM.

The Board has recommended a final dividend for the year ended 31 December 2015 of RMB0.41 per share (inclusive of tax) (the “**Final Dividend**”). If the resolution regarding the payment of the Final Dividend is approved by the Shareholders at the AGM, it is expected to be distributed on Friday, 29 July 2016 to the Shareholders whose names appear on the Register of Members at the close of business on Tuesday, 28 June 2016.

NOTICE OF AGM

For the purpose of the distribution of the Final Dividend, the Register of Members will be closed from Thursday, 23 June 2016 to Tuesday, 28 June 2016 (both days inclusive) during which period no transfer of H Shares will be registered.

In order to be qualified to receive the Final Dividend, for holders of H Shares, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 22 June 2016.

2. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
4. In order to be valid, the proxy form must be deposited, for the holders of H Shares, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or for the holders of Domestic Shares, to the Board Office of the Company in the PRC not less than 24 hours before the time for holding the AGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjourned meetings should you so wish.
5. Shareholders shall produce their identity documents and supporting documents in respect of the shares of the Company held when attending the AGM. If corporate Shareholders appoints authorised representative to attend the AGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the Board or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the AGM.
6. Shareholders who intend to attend the AGM should complete the reply slip and return it to the Board Office of the Company in the PRC by hand, by post or by fax on or before Thursday, 26 May 2016.
7. The AGM is expected to take for less than half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
8. Contact details of the Board Office of the Company in the PRC are as follows:

Address: Room 1603, Sinopharm Plaza, No.1001 Zhongshan West Road, Changning District, Shanghai, 200051, the PRC

Telephone No.: (86 21) 2305 2150

Fax No.: (86 21) 2305 2146