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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 國控股份有限公司)

(Stock Code: 01099)

ANNOUNCEMENT CHANGE IN DIRECTORS

The Board hereby announces that, on 23 September 2016, Mr. Li Yuhua has tendered his resignation from the position as a non-executive Director and a member of Strategy and Investment Committee under the Board due to adjustment of work arrangement. The resignation of Mr. Li will take effect from the conclusion of the EGM.

At the same date, Mr. Ma Ping was nominated as a non-executive Director. In accordance with the Articles of Association, the proposed appointment is subject to the approval by the Shareholders at a general meeting of the Company. Mr. Ma's term of office will take effect from the date of approval by the Shareholders at the EGM and until the expiration of the term of the current session of the Board.

A supplemental notice of EGM of the Company containing, among others, detailed information of the above-mentioned proposal will be despatched to the Shareholders in due course.

On 23 September 2016, the board of directors (the "**Board**") of Sinopharm Group Co. Ltd. (the "**Company**") received a resignation letter from Mr. Li Yuhua ("**Mr. Li**"), informing the Board of his resignation from his positions as a non-executive director of the Company (the "**Director**") and a member of Strategy and Investment Committee under the Board due to adjustment of work arrangement. The resignation of Mr. Li will take effect from the conclusion of the extraordinary general meeting of the Company to be held on Tuesday, 18 October 2016 (the "**EGM**").

Mr. Li 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 "**Shareholders**") and creditors of the Company.

The Company would like to express its sincere gratitude to Mr. Li for his contributions to the development of the Company during his term of office.

The Board further announces that, on 23 September 2016, Mr. Ma Ping (“**Mr. Ma**”) was nominated 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 of the Company (the “**Articles of Association**”). Mr. Ma’s term of office will take effect from the date of approval by the Shareholders at the EGM and until the expiration of the term of the current session of the Board.

Biographical details of Mr. Ma

Mr. Ma Ping, aged 60, has over 34 years of working experience and currently serves as an external director of China National Pharmaceutical Group Corporation. Mr. Ma served as principal clerk, engineer, vice director and director of Ministry of Labor and Personnel, National Pharmaceutical Administration, State Planning Commission, respectively from February 1982 to March 1992. He served as department manager, project manager, general manager of London Export Corporation, Hoechst (China), Lotus Healthcare, respectively from March 1992 to April 1994. He co-founded and served as managing director of BMP from April 1994 to October 1996. He served as investment director, business development director of Sinogen International Ltd. from October 1996 to May 1998. He served as vice president, COO, China general manager of United Medical Industrial Group from May 1998 to March 2000. He served as director, vice general manager of Tonghua Golden-horse Group (a Shenzhen Stock Exchange-listed company, stock code: 000766) from March 2000 to September 2001. He served as director, general manager of BMP (a Nasdaq-listed company, stock code: BJGP) from September 2001 to December 2005. He served as director, general manager of BioPro Pharmaceutical Inc. from December 2005 to December 2011. He has been serving as director of BioPro Pharmaceutical Inc. and project consultant of Principle Capital since December 2011, and has been serving as an external director of China National Pharmaceutical Group Corporation since May 2016. Mr. Ma received a bachelor degree from chemistry department of Fudan University in 1982.

Save as disclosed above and as at the date of this announcement, Mr. Ma 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 date of this announcement, Mr. Ma does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Upon due appointment as a non-executive Director, Mr. Ma 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. Ma will be subject to retirement by rotation and re-election upon the expiry of his term of office.

Mr. Ma’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. Ma'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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

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

Shanghai, the PRC
23 September 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 Qiyu, Mr. She Lulin, Mr. Wang Qunbin, Mr. Li Yuhua, Mr. Deng Jindong, Mr. Li Dongjiu, Mr. Lian Wanyong, and Mr. Wu Yijian; 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.

** 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."*