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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
PRELIMINARY RESULTS OF SINOPHARM ACCORD
FOR THE YEAR ENDED 31 DECEMBER 2016

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the overseas regulatory announcement of Sinopharm Group Co. Ltd. (the “**Company**”) dated 20 March 2017 in relation to the preliminary results for the year ended 31 December 2016 of China National Accord Medicines Corporation Ltd. (“**Sinopharm Accord**”), a subsidiary of the Company and whose A shares and B shares are listed on the Shenzhen Stock Exchange (stock code: 000028 for A shares; 200028 for B shares).

The board of directors of the Company would like to draw the attention of its shareholders and the public investors to the following preliminary results of Sinopharm Accord for the year ended 31 December 2016:

PRINCIPAL FINANCIAL DATA AND INDICATORS FOR THE YEAR 2016

Unit: ten thousand yuan

Currency: RMB

Items	This reporting period	Corresponding period of last year	Increase/Decrease (%)
Total operating revenue	4,124,842.93	3,781,927.80	9.07
Operating profit	154,815.85	123,483.11	25.37
Total profit	160,025.71	129,750.59	23.33
Net profit attributable to shareholders of the listed company	118,660.19	92,761.02	27.92
Basic earnings per share (yuan)	2.80	2.19	27.85
Weighted average ROE	15.08%	13.43%	1.65
	At the end of this reporting period	At the beginning of this reporting period	Increase/Decrease (%)
Total assets	2,131,275.45	2,031,333.57	4.92
Equity attributable to shareholders of the listed company	839,950.20	735,292.45	14.23
Share capital (ten thousand)	36,263.19	36,263.19	-
Net assets per share attributable to shareholders of the listed company (yuan)	19.82	17.38	14.04

Note 1: Sinopharm Accord has carried out the major asset restructuring in 2016, the financial statements have been retrospectively adjusted in accordance with the corporate consolidation under the same control and the financial information for the comparative period has been restated.

Note 2: Sinopharm Accord added the retail sector through its restructuring and reorganisation in 2016 and Sinopharm Guoda Drug Store Co., Ltd. has been injected thereto. In 2016, the operating income and operating profit of the retail sector was RMB9,109.4599 million and RMB290.3000 million, respectively.

Note 3: when calculating the “Basic earnings per share”, the Weighted average ROE”, and the “Net assets per share attributable to shareholders of the listed company”, the consideration shares to be issued for the acquisition of certain assets in the major asset restructuring has been included in the weighted average number of shares.

INFORMATION OF THE OPERATION RESULTS AND FINANCIAL SITUATION

In 2016, Sinopharm Accord recorded an operating income of RMB41.248 billion and an operating profit of RMB1,548 million, representing a year-on-year increase of 9.07% and 25.37%, respectively. The net profit attributable to shareholders of listed companies, being RMB1,187 million (represents a year-on year increase of 27.92%), was mainly attributable to the investment income of RMB122 million from Sinopharm Accord's disposal of 67% equity interest in one of its subsidiary, Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co., Ltd..

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

Shanghai, the PRC
20 March 2017

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. Ma Ping, 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."*