

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1093)

VOLUNTARY ANNOUNCEMENT

GRANT OF SHARE AWARDS TO SELECTED GRANTEES BY A SHAREHOLDER

CSPC Pharmaceutical Group Limited (the “**Company**”) has been informed by Key Honesty Limited (“**Key Honesty**”), a company indirectly wholly owned by Mr. Cai Dongchen (“**Mr. Cai**”), being the substantial shareholder of the Company (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)), that Key Honesty will make conditional share awards (the “**Share Awards**”) to approximately 345 employees and officers (including certain directors) of (i) the Company and/or its subsidiaries and/or its associated companies (for the purposes of this announcement, collectively, the “**CSPC Group**”); and (ii) CSPC Holdings Company Limited* (石藥控股集團有限公司) (a company controlled by Mr. Cai as to more than 30%) and/or its subsidiaries and/or its associated companies (for the purposes of this announcement, the “**CHL Group**”) (collectively, the “**Selected Grantees**”) in respect of a total of approximately 238,790,000 existing issued shares of the Company (the “**Shares**”) currently held by Key Honesty (the “**Awarded Shares**”), representing approximately 2% of the total issued Shares as at the date of this announcement, enabling the Selected Grantees to acquire their respective Awarded Shares from Key Honesty in batches upon vesting at a transfer price to be determined by Key Honesty at a discount to the market price of the Shares as at the date of the respective grant of Share Awards, as an additional incentive to the Selected Grantees. The grant of Share Awards is expected to be completed within 3 months from the date of this announcement (subject to the restrictions under Appendix 10 of the Listing Rules).

The total number of issued Shares is 11,933,219,732 Shares as at the date of this announcement and the grant of Share Awards by Key Honesty to the Selected Grantees has no impact on the total number of issued Shares.

SHARE AWARDS

Set out below are the intended material terms of the grant of Share Awards as informed by Key Honesty:

- Date of grant:** Within 3 months from the date of this announcement (subject to the restrictions under Appendix 10 of the Listing Rules)
- Parties:**
- (1) Key Honesty, as grantor
 - (2) the Selected Grantees, as grantees
- Purpose:** The Share Awards will be granted by Key Honesty to the Selected Grantees mainly to recognize their contributions and to retain and motivate them for the continual operation and development of the CSPC Group and the CHL Group (as the case may be).
- Vesting and transfer of Awarded Shares:** The Awarded Shares will be vested and transferred to each Selected Grantee in batches after the expiry of certain periods of up to a maximum of 5 years after the date of the relevant grant, at a transfer price to be determined by Key Honesty at a discount to the market price of the Shares as at the date of the respective grant of Share Awards, subject to the fulfilment of certain conditions (including but not limited to the Selected Grantee remaining as an employee/officer/director of the CSPC Group or the CHL Group (as the case may be) at a specified time and the payment of the relevant transfer price by the Selected Grantee within a specified period).

MARKET VALUE OF THE AWARDED SHARES

Based on the closing price of HK\$9.79 per Share as quoted on The Stock Exchange of Hong Kong Limited as at the date of this announcement, the aggregate market value of the Awarded Shares is HK\$2,337,754,100.

INFORMATION ON THE SUBSTANTIAL SHAREHOLDER

Key Honesty is a direct wholly-owned subsidiary of True Ally Holdings Limited, which is in turn wholly-owned by Mr. Cai, the Chairman and a substantial shareholder of the Company. As at the date of this announcement, Mr. Cai as beneficial owner and through various companies controlled by him, is deemed to be interested in a total of 2,825,841,670 Shares, representing approximately 23.68% of the total issued Shares. Key Honesty, which is indirectly wholly owned by Mr. Cai, owns 410,744,640 Shares, representing approximately 3.44% of the total issued Shares as at the date of this announcement (on the basis that none of the Awarded Shares have been vested).

By order of the Board
CSPC Pharmaceutical Group Limited
Cai Dongchen
Chairman

Hong Kong, 20 January 2022

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. ZHANG Cuilong, Mr. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Dr. LI Chunlei, Dr. WANG Qingxi, Mr. CHAK Kin Man and Dr. JIANG Hao as executive directors; and Mr. WANG Bo, Mr. CHEN Chuan, Professor WANG Hongguang, Mr. AU Chun Kwok Alan and Mr. LAW Cheuk Kin Stephen as independent non-executive directors.

** For identification purpose only*