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CSPC

石藥集團有限公司

CSPC PHARMACEUTICAL GROUP LIMITED

(“the Company”)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1093)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of CSPC Pharmaceutical Group Limited (the “Company”) will be held at Regus Business Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Monday, 15 June 2020 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements, the report of the directors and the independent auditor’s report for the year ended 31 December 2019;
2. To declare a final dividend of HK20 cents per share for the year ended 31 December 2019;
3. (a) To re-elect the following directors:
 - (i) Mr. WANG Zhenguo as an executive director;
 - (ii) Mr. WANG Huaiyu as an executive director;
 - (iii) Dr. LU Hua as an executive director;
 - (iv) Mr. LEE Ka Sze, Carmelo as a non-executive director; and
 - (v) Mr. CHEN Chuan as an independent non-executive director.
- (b) To authorize the board of directors to fix the remuneration of directors;

4. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor and to authorise the board of directors to fix the remuneration of auditor.
5. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the new shares of the Company to be issued pursuant to this resolution, and upon the recommendation of the directors of the Company, such number of shares of the Company (the “Bonus Share(s)”) which is equal to 20 per cent of the total number of issued shares of the Company on 23 June 2020 be allotted and issued without consideration to and among the shareholders of the Company whose names appear on the register of members of the Company on 23 June 2020 on the basis of one Bonus Share for every five issued shares in the Company held by such shareholders of the Company on such date, and that the Bonus Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued shares in the Company except that they will not be entitled to participate in any dividend or distribution declared or recommended by the Company in respect of the financial year ended 31 December 2019, and that the directors of the Company be and are hereby authorised to deal with any fractions arising from the distribution by the sale of the Bonus Shares representing such fractions and to retain the net proceeds for the benefit of the Company, and further that the directors of the Company be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy-back shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the total number of shares of the Company which the directors of the Company are authorised to buy-back pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this resolution) and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below and pursuant to Sections 140 and 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants, bonds and debentures of the Company or any securities which carry rights to subscribe for or are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this resolution) and the said approval shall be limited accordingly;
- (d) any shares of the Company of to be allotted and issued (whether for cash or otherwise) pursuant to the mandate in paragraph(a) of this resolution shall not be at a discount of more than 10% to the Benchmarked Price of issued shares of the Company; and
- (e) for the purpose of this resolution, “Benchmarked Price” means the price which is the higher of:
 - (i) the closing price of the shares of the Company as quoted on the Stock Exchange on the date of the agreement involving the relevant proposed issue of shares of the Company; or
 - (ii) the average closing price as quoted on the Stock Exchange of the shares Of the Company for the 5 trading days immediately preceding the earlier of the date: (A) of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company, (B) of the agreement involving the relevant proposed issue of shares of the Company and (C) on which the price of the shares of the Company that are proposed to be issued is fixed.
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and

- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares (including bonds, warrants and debentures convertible into shares of the Company) open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

8. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the terms and conditions of the share option scheme adopted by the shareholders of the Company effective on 9 December 2015 (the “Share Option Scheme”), a mandate be and is hereby unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined in paragraph (c) below) all the powers of the Company to grant options to subscribe for shares of the Company and/or to make or grant offers of options under the Share Option Scheme that would or might require shares of the Company to be allotted and/or options to be granted under the Share Option Scheme provided that the total number of shares of the Company allotted or to be allotted or agreed conditionally or unconditionally to be allotted upon the exercise of all options granted or to be granted under the Share Option Scheme shall not exceed 10% of the total number of shares of the Company in issue as at the date of adoption of the Share Option Scheme (such total number to be subject to adjustment in the case of any conversion of all or any of the shares in the Company into larger or smaller number of shares after the passing of this resolution);
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to grant options and/or make offers of options under the Share Option Scheme which would or might require shares of the Company to be allotted and/or options to be granted under the Share Option Scheme after the end of the Relevant Period;

(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

By Order of the Board
CSPC Pharmaceutical Group Limited
CAI Dongchen
Chairman

Hong Kong, 28 April 2020

Notes:

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company but must attend the meeting in person to represent you.
2. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited to the Company’s share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Tuesday, 9 June 2020 to Monday, 15 June 2020, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Monday, 15 June 2020, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 8 June 2020.
4. The register of members of the Company will be closed from Monday, 22 June 2020 to Tuesday, 23 June 2020, both days inclusive, during which period no transfer of shares Company will be effected. In order to qualify for the proposed final dividend and the issue of Bonus Shares, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 19 June 2020.

5. If item no. 2 in this notice is approved, the final dividend will be payable on Friday, 3 July 2020 to the shareholders of the Company entitled thereto. If item no. 5 in this notice is approved, the share certificates for the Bonus Shares will be despatched on the same day to the shareholders of the Company entitled thereto.
6. With regard to item no. 3 in this notice, the Board proposes that the retiring directors, namely Mr. WANG Zhenguo, Mr. WANG Huaiyu, Dr. LU Hua, Mr. LEE Ka Sze, Carmelo and Mr. Chen Chuan be re-elected as directors of the Company. Details of such retiring directors are set out in Appendix II to the circular to Shareholders dated 28 April 2020.
7. All votes of Shareholders at the general meeting will be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

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. LU Hua, Dr. LI Chunlei, Dr. WANG Qingxi and Mr. CHAK Kin Man as executive directors; Mr. LEE Ka Sze, Carmelo as non-executive director; and Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo, Prof. LO Yuk Lam, Dr. YU Jinming and Mr. CHEN Chuan as independent non-executive directors.