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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CSPC PHARMACEUTICAL GROUP LIMITED**, you should at once hand this circular with the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSALS FOR  
GENERAL MANDATES TO BUY-BACK SHARES  
AND TO ISSUE SHARES AND MANDATE TO GRANT OPTIONS,  
RE-ELECTION OF THE RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of CSPC Pharmaceutical Group Limited to be held at Regus Business Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Monday, 27 May 2019 at 10:00 a.m. is set out on pages 17 to 22 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of a proxy form will not prevent you from attending and voting in person at the meeting should you so desire.

Hong Kong, 18 April 2019

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
General mandate to buy-back Shares .....	3
General mandate to issue Shares .....	4
Mandate to grant options .....	4
Re-election of Retiring Directors .....	4
Annual General Meeting .....	5
Action to be taken .....	6
Voting by way of poll .....	6
Recommendation .....	6
<b>Appendix I — Explanatory Statement</b> .....	7
<b>Appendix II — Details of Retiring Directors Proposed to be Re-elected</b> .....	11
<b>Notice of Annual General Meeting</b> .....	17

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Regus Business Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Monday, 27 May 2019 at 10:00 a.m. , notice of which is set out on pages 17 to 22 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Buy-back Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to buy-back during the period as set out in the Buy-back Resolution
“Companies Ordinance”	the new Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution no. 5 of the notice of the Annual General Meeting
“Company”	CSPC Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	12 April 2019, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Share(s)”	share(s) of the Company with no par value
“Share Buy-back Rules”	the relevant rules set out in the Listing Rules to regulate the buy-back by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Share Option Scheme”	a share option scheme adopted by the Shareholders effective on 9 December 2015
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. CAI Dongchen (*Chairman and CEO*)  
Mr. WANG Zhenguo (*Vice-Chairman and Rotating CEO*)  
Mr. PAN Weidong (*Vice-Chairman*)  
Mr. WANG Huaiyu  
Dr. LU Hua  
Dr. LU Chunlei  
Mr. ZHANG Cuilong  
Dr. WANG Qingxi  
Mr. CHAK Kin Man

*Registered Office:*

Suite 3206  
32nd Floor  
Central Plaza  
18 Harbour Road  
Wan Chai  
Hong Kong

*Non-executive Director:*

Mr. LEE Ka Sze, Carmelo

*Independent Non-executive Directors:*

Mr. CHAN Siu Keung, Leonard  
Mr. WANG Bo  
Prof. LO Yuk Lam  
Dr. YU Jinming  
Mr. CHEN Chuan

Hong Kong, 18 April 2019

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO BUY-BACK SHARES  
AND TO ISSUE SHARES AND MANDATE TO GRANT OPTIONS,  
RE-ELECTION OF THE RETIRING DIRECTORS,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**GENERAL MANDATE TO BUY-BACK SHARES**

At the annual general meeting of the Company held on 25 May 2018, a general mandate was given to the Directors to exercise the powers of the Company to buy-back Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting.

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## LETTER FROM THE BOARD

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The Directors propose to seek your approval of the Buy-back Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Buyback Rules to provide the requisite information of the Buy-back Proposal is set out in Appendix I hereto.

### GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 10% of the issued Shares as at the date of passing the resolution (i.e. not exceeding 623,633,840 Shares based on the issued Shares of 6,236,338,403 as at the Latest Practicable date and assuming that such number of issued Shares remains the same as at the date of passing the resolution) and adding to such general mandate so granted to the Directors any Shares representing the total number of the Shares bought-back by the Company after the granting of the general mandate to buy-back up to 10% of the issued Shares of the Company as at the date of passing the Buy-back Resolution.

### MANDATE TO GRANT OPTIONS

Under section 141 of the Companies Ordinance, directors of a company shall not, without shareholders' prior approval in general meeting or such approval expires at the conclusion of the next annual general meeting after the approval was given, allot new shares or grant rights to subscribe for, or to convert any security into shares in the company. Therefore, the Directors propose to seek the approval of the Shareholders at the Annual General Meeting to grant to the Directors an unconditional mandate to grant options under the Share Option Scheme, details of which are set out in ordinary resolution No.8 in the Notice of Annual General Meeting.

### RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors are Mr. CAI Dongchen, Mr. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Dr. LU Hua, Dr. LI Chunlei, Mr. ZHANG Cuilong, Dr. WANG Qingxi and Mr. CHAK Kin Man, and; the non-executive Director is Mr. LEE Ka Sze, Carmelo and the independent non-executive Directors are Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo, Prof. LO Yuk Lam, Dr. YU Jinming and Mr. CHEN Chuan.

Pursuant to Article 92 of the Articles of Association, Mr. ZHANG Cuilong and Dr. WANG Qingxi shall retire from office at the Annual General Meeting and, being eligible, offer themselves for re-election.

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## LETTER FROM THE BOARD

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Pursuant to Article 101 of the Articles of Association, Mr. CAI Dongchen, Mr. PAN Weidong, Mr. CHAK Kin Man, Mr. CHAN Siu Keung, Leonard and Mr. WANG Bo shall retire by rotation from office at the Annual General Meeting and, being eligible, offer themselves for re-election.

Mr. CHAN Siu Keung, Leonard, was appointed as independent non-executive Director in 2004 and has served as independent non-executive Director for more than 9 years. He shall retire by rotation in accordance with the Articles of Association at the Annual General Meeting. During his tenure of office, Mr. CHAN had been able to fulfill all the requirements regarding independence of independent non-executive director and provide annual confirmation of independence to the Company under Rule 3.13 of the Listing Rules. The Board is not aware of any foreseeable events that may occur and affect the independence of Mr. CHAN and believes that he is and will continue to be independent of the Company. The Board will continue to review the independence of Mr. CHAN annually.

Beside, during his tenure of office, Mr. CHAN Siu Keung, Leonard had discharged his duties as independent non-executive director to the satisfaction of the Board. Through exercising the scrutinizing and monitoring function of independent non-executive director, he had contributed to an upright and efficient Board for the interest of Shareholders.

In view of the above, the Board considers that the re-election of Mr. CHAN Siu Keung, Leonard as independent non-executive Director is beneficial to the Board, the Company and the Shareholders as a whole. Separate resolution will be proposed at the Annual General Meeting to approve the re-election of Mr. CHAN as independent non-executive Director.

Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### **ANNUAL GENERAL MEETING**

Set out on pages 17 to 22 of this circular is the notice convening the Annual General Meeting.

At the Annual General Meeting, resolutions will be proposed to the Shareholders in respect of ordinary business to be considered at the Annual General Meeting, including re-election of Directors, and special business to be considered at the Annual General Meeting, being the ordinary resolutions proposed to approve the Buy-back Proposal, the general mandate for Directors to issue new Shares, the extension of the general mandate to issue new Shares and the mandate to grant options.

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## LETTER FROM THE BOARD

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### **ACTION TO BE TAKEN**

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of a proxy form will not prevent you from attending and voting in person at the meeting should you so desire.

### **VOTING BY WAY OF POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must 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. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **RECOMMENDATION**

The Directors believe that all the above-mentioned resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions set out in the notice of Annual General Meeting.

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



This appendix serves as an explanatory statement, as required by the Share Buy-back Rules, to provide requisite information to you for your consideration of the proposal to permit the buy-back of Shares up to a maximum of 10% of the issued Shares as at the date of the Buy-back Resolution.

This appendix also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.

## **1. ISSUED SHARES**

As at the Latest Practicable Date, the number of issued Shares is 6,236,338,403 Shares.

Subject to the passing of the Buy-back Resolution and on the basis that no further Shares are issued or bought-back prior to the Annual General Meeting, the Company would be allowed under the Buy-back Resolution to buy-back a maximum of 623,633,840 Shares representing not more than 10% of the issued Shares at the Latest Practicable Date (subject to adjustment in the case of subdivision or consolidation of Shares).

## **2. REASONS FOR BUY-BACK**

The Directors believe that the Buy-back Proposal is in the best interests of the Company and its shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders.

## **3. FUNDING OF REPURCHASES**

Any buy-backs will only be funded out of funds of the Company legally available for such purpose in accordance with its Articles of Association and the Companies Ordinance. The Companies Ordinance provides that payment in respect of a share buy-back may be made out of the Company's distributable profit and/or out of the proceeds of a new issue of Shares made for the purpose of the buy-back.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2018 in the event that the Buyback Proposal was to be carried out in full at any time during the

proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date and for the month of April 2019 up to the Latest Practicable Date were as follows:

	<b>Shares Price</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2018</b>		
April	23.45	19.20
May	26.75	19.74
June	26.55	22.00
July	23.50	20.30
August	21.25	17.22
September	20.05	15.30
October	17.58	14.70
November	19.26	15.44
December	16.52	10.48
<b>2019</b>		
January	13.50	9.90
February	14.32	12.50
March	15.30	12.80
April (Up to Latest Practicable Date)	16.48	14.70

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Buy-back Proposal if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Buy-back Proposal is approved by the Shareholders.

**6. TAKEOVERS CODE**

If on the exercise of the power to buy-back Shares pursuant to the Buy-back Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. CAI Dongchen was has personal interests in 87,538,000 Shares and is also deemed to be interested in 1,356,619,120 Shares through controlled corporations, representing approximately 23.16% of the issued Shares. Common Success International Limited ("CSIL"), a company ultimately beneficially owned as to 100% by over 150 management personnel of the Group and CSPC Holdings Company Limited ("CHL"), holds 375,206,414 Shares, representing approximately 6.02% of the issued Shares. Based on such shareholdings and in the event that the Directors exercised in full the power to buy-back Shares pursuant to the Buy-back Proposal, the interest of Mr. CAI Dong Chen would be increased to approximately 25.73% of the issued Shares, and the interest of CSIL would be increased to approximately 6.68% of the issued Shares.

If Mr. CAI Dongchen and CSIL are treated by the Securities and Future Commission (“SFC”) to be acting in concert, and in the event that the Buy-back Proposal is exercised in full, an obligation to make a general offer to the Shareholders under Rules 26 and 32 of the Takeovers Code may arise. If they are not treated by the SFC to be acting in concert, the Directors are not aware of any general offer obligation under Rule 26 and 32 of the Takeovers Code may arise. The Directors have no present intention to exercise the power to buy back Shares pursuant to the Buy-back Proposal to such an extent as to result in takeover obligations. The Company will not buy-back Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

#### 7. SHARES BUY-BACK MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company had bought back a total of 6,680,000 Shares on the Stock Exchange as follows:

Date of repurchase	Number of Shares	Price per Share	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
8 October 2018	1,220,000	15.26	15.10
9 October 2018	840,000	15.40	15.30
11 October 2018	2,120,000	15.30	14.72
15 October 2018	500,000	15.66	15.58
6 December 2018	<u>2,000,000</u>	14.06	13.68
	<u><u>6,680,000</u></u>		

Save as disclosed above, the Company had not purchased any Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

*The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting in accordance with the Articles of Association:*

**Mr. CAI Dongchen**, aged 65, Chairman and Chief Executive Officer of the Company, was appointed as an executive director of the Company in 1998. Mr. CAI is also the chairman of the Nomination Committee of the Company and a director of certain subsidiaries of the Group. Mr. CAI holds a MBA degree from Nankai University and has extensive technical and management experience in the pharmaceutical industry.

Mr. CAI is also a director of True Ally Holdings Limited and Massive Giant Group Limited, both are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”).

Mr. CAI has entered into a service contract with the Company for a period of three years commencing from 1 April 2018 and his appointment is subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. His director’s fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. CAI received remuneration of HK\$13,805,000 for the year ended 31 December 2018 in respect of his services as an executive director of the Company.

As at the Latest Practicable Date, Mr. CAI has personal interests in 87,538,000 Shares and is also deemed to be interested in 1,356,619,120 Shares through controlled corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. CAI (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. CAI has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. PAN Weidong**, aged 49, Vice-Chairman of the Company, was appointed as an executive director of the Company in 2006. Mr. PAN is also a director of certain subsidiaries of the Group. Mr. PAN holds an EMBA degree from Tsinghua University and has extensive finance, accounting and investment experience in the pharmaceutical industry.

Mr. PAN is also a director of Common Success International Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”).

Mr. PAN has entered into a service contract with the Company for a period of three years commencing from 1 April 2018 and his appointment is subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. His director’s fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. PAN received remuneration of HK\$4,387,000 for the year ended 31 December 2018 in respect of his services as an executive director of the Company.

Save as disclosed above, Mr. PAN (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. PAN has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. CHAK Kin Man**, aged 53, was appointed as an executive director of the Company in 2005. Mr. CHAK is also a director of certain subsidiaries of the Group. Mr. CHAK is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. CHAK holds a bachelor of social sciences degree from The University of Hong Kong and has extensive experience in finance, accounting and investor relations.

Mr. CHAK is also a director of Common Success International Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”).

Mr. CHAK has entered into a service contract with the Company for a period of three years commencing from 1 April 2018 and his appointment is subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. His director's fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. CHAK received remuneration of HK\$5,269,000 for the year ended 31 December 2018 in respect of his services as an executive director of the Company.

Save as disclosed above, Mr. CHAK (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. CHAK has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. CHAN Siu Keung, Leonard**, aged 61, was appointed as an independent non-executive director of the Company in 2004. Mr. CHAN is also the chairman of the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. Mr. CHAN is a qualified accountant and a member of the Institute of Chartered Accountants of Ontario. Mr. CHAN holds a master of business administration degree from York University, Ontario, Canada and has extensive experience in finance and investment.

Mr. CHAN has entered into an appointment letter as an independent non-executive director with the Company for a term of three years commencing from 1 January 2017. He is also subject to retirement by rotation at annual general meeting of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. CHAN received a director's fee of HK\$250,000 for the year ended 31 December 2018.

Save as disclosed above, Mr. CHAN (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. CHAN has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. WANG Bo**, aged 58, was appointed as an independent non-executive director of the Company in 2012. He is also a member of the Audit Committee and Remuneration Committee of the Company. Mr. WANG is currently the CEO of Beijing CHNMED Pharmaceutical Technology Development Co., Ltd and managing director of Beijing CHNMED Pharmaceutical Consulting Co., Ltd.. Mr. WANG graduated from Beijing Institute of Iron and Steel and has extensive experience in pharmaceutical policy research and consulting. Mr. WANG is currently the distinguished researcher of the Research Center of National Drug Policy & Ecosystem.

Mr. WANG is also an independent director of Henan Taloph Pharmaceutical Stock Co., Ltd. (listed on Shanghai Stock Exchange) and Jiuzhitang Co., Ltd. (listed on Shenzhen Stock Exchange).

Mr. WANG has entered into an appointment letter as an independent non-executive director with the Company for a term of three years commencing from 21 December 2017. He is also subject to retirement by rotation at annual general meeting of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. WANG received a director's fee of HK\$100,000 for the year ended 31 December 2018.

Save as disclosed above, Mr. WANG (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. WANG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.



**Mr. ZHANG Cuilong**, aged 50, was appointed as an executive director of the Company in 2018. He joined the Group in 1996. Mr. ZHANG is also a director of certain subsidiaries of the Group. Mr. ZHANG holds a bachelor's degree in pharmacology from Hebei Medical College (now known as Hebei Medical University) and has extensive technical, marketing and management experience in the pharmaceutical industry.

Mr. ZHANG has entered into a service contract with the Company for a period of three years commencing from 9 July 2018 and his appointment is subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. His director's fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. ZHANG received remuneration of HK\$4,326,000 for the year ended 31 December 2018 in respect of his services as an executive director of the Company.

Save as disclosed above, Mr. ZHANG (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. ZHANG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

**Dr. WANG Qingxi**, aged 53, was appointed as an executive director of the Company in 2018. He joined the Group in 2013 and currently a vice president of the R&D division and head of the Group's R&D centres and business operation in the U.S.. Dr. WANG is also a director of certain subsidiaries of the Group. Prior to joining the Group, Dr. WANG worked at Merck Co., Inc. in the U.S. for 20 years where he held senior positions including director of pharmaceutical R&D and director of business development and operation. Dr. WANG holds a bachelor's degree in science (chemistry) and a master's degree in science (chemistry) from Nankai University in China, a master's degree in science (polymer science) and a doctorate in chemistry from University of Connecticut in the U.S. and a MBA degree from Temple University in the U.S..

Dr. WANG has entered into a service contract with the Company for a period of three years commencing from 20 August 2018. He is also subject to retirement and re-election at the annual general meeting in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Dr. WANG received remuneration of HK\$1,692,000 for the year ended 31 December 2018 in respect of his services as an executive director of the Company.

Save as disclosed above, Dr. WANG (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Dr. WANG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

The Nomination Committee and the Board have reviewed the annual written confirmation of independence of Mr. CHAN Siu Keung, Leonard and Mr. WANG Bo and assessed their independence based on the independence criteria as set out in rule 3.13 of the Listing Rules. Both of them do not have any other relationships with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company. The Nomination Committee and the Board are also not aware of any circumstance that might influence Mr. CHAN and Mr. WANG in exercising independent judgment and are satisfied that they have the required character, integrity, independence and experience to fulfill the role of an independent non-executive director. On this basis, both Mr. CHAN and Mr. WANG are considered independent. The Nomination Committee nominated Mr. CHAN and Mr. WANG to the Board for it to propose to the Shareholders for re-election at the Annual General Meeting. Accordingly, the Board proposed that they stand for re-election as independent non-executive directors at the Annual General Meeting.

Mr. CHAN Siu Keung, Leonard is a professional accountant with extensive experience in finance and investment. In addition, he has been an executive director in a listed company engaged in property development in Hong Kong. Mr. WANG has extensive experience in pharmaceutical policy research and consulting. The Board believes that the skills and experiences they acquired from a different background will be able to bring valuable contribution to the Group.

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## NOTICE OF ANNUAL GENERAL MEETING

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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 the Company will be held at Regus Business Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Monday, 27 May 2019 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 2018;
2. To declare a final dividend of HK18 cents per share for the year ended 31 December 2018;
3. (a) To re-elect the following directors:
  - (i) Mr. CAI Dongchen as an executive director;
  - (ii) Mr. PAN Weidong as an executive director;
  - (iii) Mr. CHAK Kin Man as an executive director;
  - (iv) Mr. CHAN Siu Keung, Leonard as an independent non-executive director;
  - (v) Mr. WANG Bo as an independent non-executive director;
  - (vi) Mr. ZHANG Cuilong as an executive director; and
  - (vii) Dr. WANG Qingxi as an executive director.
- (b) To authorize the board of directors to fix the remuneration of directors;

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## NOTICE OF ANNUAL GENERAL MEETING

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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:**

- (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 (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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. 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 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 (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

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## NOTICE OF ANNUAL GENERAL MEETING

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(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).”

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

“**THAT** subject to the passing of the resolution nos. 5 and 6 set out in the notice convening the meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to resolution no.6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the total number of Shares of the Company bought-back by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, provided that such amount of shares so bought-back shall not exceed 10% of the total number of issued shares of the Company (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) as at the date of the said resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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, 18 April 2019

*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 22, 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, 21 May 2019 to Monday, 27 May 2019 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, 27 May 2019, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 May 2019.
4. The register of members of the Company will be closed from Monday, 3 June 2019 to Thursday, 6 June 2019 both days inclusive, during which period no transfer of shares Company will be effected. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 31 May 2019.
5. With regard to item no. 3 in this notice, the Board proposes that the retiring directors, namely Mr. CAI Dongchen, Mr. PAN Weidong, Mr. CHAK Kin Man, Mr. CHAN Siu Keung, Leonard, Mr. WANG BO, Mr. ZHANG Cuilong and Dr. WANG Qingxi 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 18 April 2019.
6. All votes of shareholders at the general meeting will be taking 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. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Dr. LU Hua, Dr. LI Chunlei, Mr. ZHANG Cuilong, 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.*