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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 PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(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

A notice convening an annual general meeting of CSPC Pharmaceutical Group Limited to be held at Suite 3206, 32nd Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Thursday, 26 May 2022 at 10:00 a.m. is set out on pages 16 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 54, 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.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page ii of this document for measures being taken to try to prevent and control the spread of the novel coronavirus at the Annual General Meeting, including:

- compulsory temperature checks
- compulsory wearing of face masks
- no distribution of corporate gifts and refreshments

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. The Company reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.

Hong Kong, 22 April 2022

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing novel coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the Annual General Meeting to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (ii) Each attendee is required to wear face masks inside the Annual General Meeting venue at all times, and to maintain a safe distance between seats.
- (iii) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue in order to ensure the safety of the attendees at the Annual General Meeting.

As the COVID-19 situation continues to evolve, in order to minimise the risks to the Shareholders and other participants attending the AGM, the Company will closely monitor the situation and may adopt other precautionary measures as appropriate, according to the latest regulations published by the Hong Kong government from time to time. The Company may be required to change the AGM arrangements at short notice. Shareholders are advised to check the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.cspc.com.hk) for further announcement(s) and update(s) on the AGM arrangements.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

The proxy form is attached to the Annual General Meeting Circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the "Investor Relations" section of the Company's website at www.cspc.com.hk. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the HKSCC), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

If Shareholders choosing not to attend the Annual General Meeting in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company via the Company's investor relations department as follows:

Investor Relations
Email: ir@cspc.hk
Tel: (852) 2802 3011
Fax: (852) 2802 4552

If Shareholders have any questions relating to the Annual General Meeting, please contact Tricor Secretaries Limited, the Company's share registrar as follows:

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East,
Hong Kong
E-mail: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185

DEFINITIONS

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 Suite 3206, 32nd Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Thursday, 26 May 2022 at 10:00 a.m., notice of which is set out on pages 16 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
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution no. 5 of the notice of the Annual General Meeting
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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”	13 April 2022, 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)
“Share(s)”	share(s) of the Company with no par value

DEFINITIONS

“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

LETTER FROM THE BOARD



CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(“the Company”)

(Incorporated in Hong Kong with limited liability)

(Stock code: 1093)

Executive Directors:

CAI Dongchen (*Chairman and CEO*)
ZHANG Cuilong (*Vice-Chairman and Rotating CEO*)
PAN Weidong
WANG Zhenguo
WANG Huaiyu
LI Chunlei
WANG Qingxi
CHAK Kin Man
JIANG Hao

Registered Office:

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

Independent Non-executive Directors:

WANG Bo
CHEN Chuan
WANG Hongguang
AU Chun Kwok Alan
LAW Cheuk Kin Stephen

Hong Kong, 22 April 2022

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**

LETTER FROM THE BOARD

INTRODUCTION

The purposes of this circular are to provide you with information regarding the proposals for the generate mandates to buy-back Shares and to issue Shares, the mandate to grant options and the re-election of the retiring Directors, and to seek your approval at the Annual General Meeting in connection with, inter alia, such matters.

GENERAL MANDATE TO BUY-BACK SHARES

At the annual general meeting of the Company held on 18 May 2021, 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. 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.

As at the Latest Practicable Date, the number of issued Shares is 11,933,219,732 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 1,193,321,973 Shares representing not more than 10% of the total number of issued Shares as at the date of passing the Buy-back Resolution.

GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting an ordinary resolution granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 10% (rather than 20% as allowed under the Listing Rules) of the issued Shares as at the date of passing the resolution.

The Company acknowledges the concern of minority Shareholders with respect to possible dilution of their shareholding interests resulting from the exercise of the general mandate to issue Shares. Accordingly, the Board has proposed to limit the general mandate to 10% of the issued Shares (rather than 20% as allowed under the Listing Rules) as at the date of passing the resolution, and that any Shares to be allotted and issued pursuant to the general mandate shall not be at a discount of more than 10% (rather than 20% as allowed under the Listing Rules) of the Benchmarked Price (as referred to in resolution no. 6(e) of the notice of the Annual General Meeting) of such Shares. The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to issue Shares for flexibility in raising capital as and when needed.

LETTER FROM THE BOARD

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.7 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. ZHANG Cuilong, Mr. PAN Weidong, Mr. WANG Zhenguo, Mr. WANG Huaiyu, Dr. LI Chunlei, Dr. WANG Qingxi, Mr. CHAK Kin Man and Dr. JIANG Hao and the independent non-executive Directors are Mr. WANG Bo, Mr. CHEN Chuan, Prof. WANG Hongguang, Mr. AU Chun Kwok Alan and Mr. LAW Cheuk Kin Stephen.

Pursuant to Article 101 of the Articles of Association, Mr. WANG Zhenguo, Mr. WANG Huaiyu, Mr. CHAK Kin Man, Mr. WANG Bo and Mr. CHEN Chuan shall retire by rotation from office at the Annual General Meeting and, being eligible, offer themselves for re- election.

Mr. WANG Bo and Mr. CHEN Chuan were appointed as independent non-executive Directors on 21 December 2012 and 6 June 2016 respectively. They shall retire in accordance with the Articles of Association at the Annual General Meeting. During their tenure of office, each of Mr. WANG Bo and Mr. CHEN Chuan had been able to fulfill all the requirements regarding independence of independent non-executive director and provide confirmation of independence to the Company under Rule 3.13 of the Listing Rules. The nomination committee of the Company is of the view that Mr. WANG Bo and Mr. CHEN Chuan will continue to contribute to the Board with their comprehensive experience and knowledge in the healthcare industry. The nomination committee of the Company is not aware of any foreseeable events that may occur and affect the independence of Mr. WANG Bo and Mr. CHEN Chuan and believes that they and will continue to be independent of the Company. The nomination committee of the Company will continue to review the independence of Mr. WANG Bo and Mr. CHEN Chuan annually.

Notwithstanding that Mr. WANG Bo has served on the Board for more than nine years, he continues to demonstrate his ability to exercise independence of judgement and provide a balanced and objective view in relation to the Company's affairs, as well as contribute to the Board with his comprehensive experience and knowledge in the healthcare industry and deep understanding of the Group's operations and businesses gained throughout the years, diversity of skills set and perspectives as well as devotion to the Group.

Based upon the review undertaken, the nomination committee of the Company is satisfied that Mr. WANG Bo is able to commit sufficient time to his role and continue to act in an independent capacity and contribute to the diversity on the Board with his experience and knowledge.

LETTER FROM THE BOARD

Having regard to the experience, skill and expertise of the retiring Directors as well as the overall board diversity of the Company, the nomination committee of the Company recommended re-election of the aforesaid retiring Directors to the Board. Accordingly, the Board has proposed that each of the above retiring Directors, namely Mr. WANG Zhenguo, Mr. WANG Huaiyu, Mr. CHAK Kin Man, Mr. WANG Bo and Mr. CHEN Chuan, stands for re-election as Director by way of separate resolution at the Annual General Meeting.

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 16 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 Buy-back Proposal, the general mandate for Directors to issue new Shares and the mandate to grant options.

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 54, 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.

LETTER FROM THE BOARD

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 11,933,219,732 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 1,193,321,973 Shares representing not more than 10% of the issued Shares at the date of passing the Buy-back Resolution (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 2021 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 2022 up to the Latest Practicable Date were as follows:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
April	10.020	9.150
May	12.340	9.350
June	12.680	11.40
July	11.440	9.360
August	11.900	9.360
September	10.180	9.020
October	9.480	8.060
November	8.560	7.730
December	8.800	7.960
2022		
January	10.100	8.320
February	9.900	8.830
March	9.620	7.280
April (Up to Latest Practicable Date)	9.790	8.150

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 has personal interests in 221,132,960 Shares and is also deemed to be interested in 2,604,708,710 Shares through controlled corporations, representing approximately 23.68% of the issued Shares. Common Success International Limited ("CSIL"), a company ultimately beneficially owned as to 100% by around 120 management personnel of the Group and CSPC Holdings Company Limited ("CHL"), holds 728,796,313 Shares, representing approximately 6.11% 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 Dongchen would be increased to approximately 26.31% of the issued Shares, and the interest of CSIL would be increased to approximately 6.79% 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 has bought back a total of 40,550,000 Shares on the Stock Exchange as follows:

Date	Number of Shares	Price per Share	
		Highest HK\$	Lowest HK\$
30 November 2021	3,100,000	8.10	8.02
1 December 2021	1,502,000	8.12	8.06
2 December 2021	2,202,000	8.18	8.05
3 December 2021	2,010,000	8.40	8.32
6 December 2021	4,460,000	8.27	8.07
7 December 2021	3,216,000	8.12	8.03
8 December 2021	2,930,000	8.20	8.13
10 December 2021	1,202,000	8.60	8.53
13 December 2021	2,808,000	8.54	8.42
14 December 2021	360,000	8.38	8.37
24 December 2021	752,000	8.18	8.15
28 December 2021	1,594,000	8.24	8.14
29 December 2021	5,356,000	8.22	8.13
30 December 2021	5,704,000	8.29	8.15
31 December 2021	1,300,000	8.50	8.46
3 January 2022	2,054,000	8.49	8.44
Total:	<u>40,550,000</u>		

Save as disclosed above, the Company has 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. WANG Zhenguo, aged 52, was appointed as an executive director of the Company in 2012. Mr. WANG is also a director of certain subsidiaries of the Group. Mr. WANG holds a bachelor's degree in chemistry from Nankai University and has extensive technical, marketing and management experience in the pharmaceutical industry.

Mr. WANG has entered into a service contract with the Company for a term of three years commencing from 1 April 2021 and his appointment is subject to retirement by rotation and re-election at annual general meetings 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 remuneration of RMB4,958,000 for the year ended 31 December 2021.

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 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. WANG Huaiyu, aged 58, was appointed as an executive director of the Company in 2010. Mr. WANG is also a director of certain subsidiaries of the Group. Mr. WANG holds a bachelor's degree in microbiology and biochemistry from Hebei University and has extensive technical and management experience in the pharmaceutical industry.

Mr. WANG has entered into a service contract with the Company for a term of three years commencing from 1 April 2021 and his appointment is subject to retirement by rotation and re-election at annual general meetings 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 remuneration of RMB4,958,000 for the year ended 31 December 2021.

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 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. CHAK Kin Man, aged 56, 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 an associate member 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's degree in social sciences from The University of Hong Kong and has extensive experience in finance, accounting and investor relations.

Mr. CHAK is a director of Common Success International Limited, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. CHAK has entered into a service contract with the Company for a period of three years commencing from 1 April 2021 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 RMB4,995,000 for the year ended 31 December 2021.

As at the Latest Practicable Date, Mr. CHAK has personal interests in 3,847,680 Shares within the meaning of Part XV of the SFO.

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. WANG Bo, aged 61, was appointed as an independent non-executive director of the Company in 2012. He is also a member of the Audit Committee, Nomination 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 Jiuzhitang Co., Ltd. (listed on Shenzhen Stock Exchange) and Youcare Pharmaceutical Group Co., Ltd. (listed on Shanghai 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 2020. 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 RMB125,000 for the year ended 31 December 2021.

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. CHEN Chuan, aged 58, was appointed as an independent non-executive director of the Company in 2016. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Mr. CHEN holds a bachelor's degree in Medicine from Norman Bethune University of Medical Science and a Master's degree in Science from Albert Einstein College of Medicine at Yeshiva University.

Mr. CHEN is also a director of Shanghai Benemae Pharmaceutical Corporation (quoted on the National Equities Exchange and Quotations System), an independent director of Guangxi Liuzhou Pharmaceutical Co., Ltd. (listed on Shanghai Stock Exchange) and an independent director of Shanghai Kehua Bio-Engineering Co., Ltd. (listed on Shanghai Stock Exchange).

Mr. CHEN has entered into a service contract with the Company for a term of three years commencing from 6 June 2019 and his appointment is subject to retirement by rotation and re-election at annual general meetings 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. CHEN received a director's fee of RMB125,000 for the year ended 31 December 2021.

Save as disclosed above, Mr. CHEN (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. CHEN 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.

NOTICE OF ANNUAL GENERAL MEETING



CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(“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 Suite 3206, 32nd Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Thursday, 26 May 2022 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 2021.
2. To declare a final dividend of HK10 cents per share for the year ended 31 December 2021.
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) Mr. CHAK Kin Man as an executive director.
 - (iv) Mr. WANG Bo as an independent non-executive director.
 - (v) Mr. CHEN Chuan as an independent non-executive director.
- (b) To authorize the board of directors to fix the remuneration of directors.

NOTICE OF ANNUAL GENERAL MEETING

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 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.”

NOTICE OF ANNUAL GENERAL MEETING

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 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

NOTICE OF ANNUAL GENERAL MEETING

(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.

(f) 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).”

NOTICE OF ANNUAL 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 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;

NOTICE OF ANNUAL GENERAL MEETING

(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, 22 April 2022

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 Friday, 20 May 2022 to Thursday, 26 May 2022 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 Thursday, 26 May 2022, 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 Thursday, 19 May 2022.
4. The register of members of the Company will be closed from Thursday, 2 June 2022 to Tuesday, 7 June 2022 both days inclusive, during which period no transfer of shares of the 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 1 June 2022.

NOTICE OF ANNUAL GENERAL MEETING

5. With regard to item no. 3 in this notice, the Board proposes that the retiring directors, namely Mr. WANG Zhenguo, Mr. WANG Huaiyu, Mr. CHAK Kin Man, Mr. WANG Bo 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 22 April 2022.
6. 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.
7. Subject to the development of COVID-19 pandemic, in order to minimise the risks to the shareholders of the Company and other participants attending the AGM, the Company may be required to change the AGM arrangements at short notice. Shareholders of the Company are advised to check the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.cspc.com) for further announcement(s) and update(s) on the AGM arrangements.

As at the date of this notice, 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, Prof. WANG Hongguang, Mr. AU Chun Kwok Alan and Mr. LAW Cheuk Kin Stephen as independent non-executive directors.