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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, MANDATE TO GRANT OPTIONS AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of CSPC Pharmaceutical Group Limited to be held at Board Room 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on 28 May 2024 at 10:00 a.m. is set out on pages AGM-1 to AGM-6 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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, 26 April 2024

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Board Room 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on 28 May 2024 at 10:00 a.m., notice of which is set out on pages AGM-1 to AGM-6 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”	19 April 2024, 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
“Share Award Scheme”	the restricted share award scheme of the Company adopted on 20 August 2018 and as amended from time to time
“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

DEFINITIONS

“Share Option Scheme”	a share option scheme adopted by the Shareholders 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

(Incorporated in Hong Kong with limited liability)

(Stock code: 1093)

Executive Directors:

CAI Dongchen (*Chairman*)
ZHANG Cuilong (*Vice-Chairman and 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
LI Quan

Hong Kong, 26 April 2024

To the Shareholders,

Dear Sir or Madam,

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

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with information and to seek your approval for the proposals for the generate mandates to buy back Shares and to issue Shares, the mandate to grant options and the re-election of retiring Directors at the AGM.

GENERAL MANDATE TO BUY BACK SHARES

At the annual general meeting of the Company held on 31 May 2023, a general mandate was granted to the Directors to buy back Shares. Such mandate will lapse at the conclusion of the AGM. The Directors propose to seek your approval of the Buy-back Resolution to be proposed at the AGM. An explanatory statement as required under the Share Buy-back Rules to provide the requisite information of the Buy-back Proposal is set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

The Company is committed to balancing the potential capital raising need while ensuring that Shareholders are not subject to excessive dilution. Accordingly, the Board has decided to propose at the AGM an ordinary resolution granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 10% (instead of 20% as permitted under the Listing Rules) of the issued Shares as at the date of passing the resolution at a discount of not more than 10% (instead of 20% as permitted under the Listing Rules) to the Benchmarked Price (as referred to in resolution no. 6(e) of the notice of the AGM). The Board also decided not to propose the extension of the mandate to issue Shares by addition thereto the Shares bought back under the Buy-back Proposal at the AGM. While the above mandate provides the Company the requisite flexibility to raise additional capital if needed, the decision to reduce the number and the discount of issue price of Shares under the general mandate and not extend the mandate will significantly reduce potential for dilution for existing Shareholders.

MANDATE TO GRANT OPTIONS

The Company has a Share Option Scheme which was approved by the Shareholders on 9 December 2015 under which the Directors may grant to any participants of the Share Option Scheme options to subscribe for Shares, subject to terms and conditions stipulated therein. As at the Latest Practicable Date, the total number of options available for grant under the Share Option Scheme was 541,101,840, representing rights to subscribe for 541,101,840 Shares, amounting to approximately 4.54% of the total number of issued Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

Pursuant to the terms of the Share Option Scheme, grant of share options to Directors, chief executive or substantial shareholder of the Company or their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the grantee). Furthermore, according to the terms of reference of the Remuneration Committee of the Company, the Remuneration Committee (currently comprising three independent non-executive Directors) shall, among other things, review and/or approve matters relating to the Share Option Scheme and Share Award Scheme, and shall ensure that no Director or any of his associates is involved in deciding his own remuneration. Moreover, the Board has resolved that i) there is no intention to grant any share options or share awards to the independent non-executive Directors under the Share Option Scheme and Share Award Scheme respectively in the future; and ii) the aggregate maximum number of Shares that may be granted under the Share Option Scheme and Share Award Scheme shall not exceed an annual limit of 0.5% of the total number of Shares in issue from time to time in respect of the relevant financial year of the Company at the time of grant.

Under section 141 of the Companies Ordinance, directors of a company shall not, without shareholders' prior approval in general meeting, allot new Shares or grant rights to subscribe for, or to convert any security into shares in the company. At the annual general meeting of the Company held on 31 May 2023, an unconditional mandate was granted to the Directors to grant share options under the Share Option Scheme. As such mandate will lapse at the conclusion of the AGM, the Directors propose to seek the approval of the Shareholders at the AGM 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 AGM.

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, Mr. LAW Cheuk Kin Stephen and Ms. LI Quan.

Pursuant to Article 101 of the Articles of Association, Mr. CAI Dongchen, Dr. LI Chunlei, Dr. WANG Qingxi, Mr. CHAK Kin Man and Mr. LAW Cheuk Kin Stephen shall retire by rotation from office at the AGM. Mr. CAI Dongchen, Dr. LI Chunlei and Mr. LAW Cheuk Kin Stephen, being eligible, have offered themselves for re-election at the AGM.

Dr. WANG Qingxi will not be seeking re-election at the AGM due to work reassignment. After his retirement, Dr. WANG will act as an executive president of the Company. Mr. CHAK Kin Man will not be seeking re-election at the AGM due to his desire to devote more time to his personal engagements. After his retirement, Mr. CHAK will act as an advisor of the Company. Accordingly, Dr. WANG Qingxi and Mr. CHAK Kin Man will cease to be executive Directors with effect from the conclusion of the AGM.

The Board would like to express its gratitude to Dr. WANG and Mr. CHAK for their invaluable contributions over the past years.

LETTER FROM THE BOARD

The nomination committee, having considered the nomination policy and board diversity policy of the Company, is of the view that all retiring Directors who offer themselves for re-election at the AGM are of sufficient calibre and experience and have devoted sufficient time and efforts to the Company's affairs.

Mr. LAW Cheuk Kin Stephen was appointed as independent non-executive Director on 8 March 2021. During his tenure of office, Mr. LAW 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 Board is not aware of any foreseeable events that may occur and affect the independence of Mr. LAW and believes that he is and will continue to be independent of the Company. The Board will continue to review the independence of Mr. LAW annually. Beside, during his tenure of office, Mr. LAW had discharged his duties to the satisfaction of the Board. The Board is of the view that Mr. LAW will continue to contribute to the Board with his comprehensive experience and knowledge in finance and accounting.

The Board, having considered the recommendation of the nomination committee, is of the view that the experience, skill and expertise of the retiring Directors would continue to generate significant contribution to the Company and the Shareholders as a whole. Accordingly, the Board has proposed that Mr. CAI Dongchen, Dr. LI Chunlei and Mr. LAW Cheuk Kin Stephen stand for re-election as Director by way of separate resolution at the AGM.

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

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages AGM-1 to AGM-6 of this circular.

At the AGM, resolutions will be proposed to the Shareholders in respect of ordinary business to be considered at the AGM, including re-election of retiring Directors, and special business to be considered at the AGM, being the ordinary resolutions proposed to approve the general mandates to buy back Shares and to issue Shares, and the mandate to grant options under the Share Option Scheme.

ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular. The proxy form can also be downloaded from the websites of the Company at www.cspc.com.hk and the Stock Exchange at www.hkexnews.hk. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company's share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM. Completion and return of a proxy form will not prevent Shareholders from attending and voting in person at the AGM if they so wish.

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 Board considers that all the above-mentioned resolutions to be proposed at the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of all the resolutions set out in the notice of AGM.

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 11,922,719,732 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 AGM, the Company would be allowed under the Buy-back Resolution to buy back a maximum of 1,192,271,973 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 Board believes 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 2023 in the event that the Buy-back 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 2024 up to the Latest Practicable Date were as follows:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	8.260	7.420
May	8.250	6.680
June	7.190	6.550
July	7.020	6.130
August	6.720	5.500
September	6.110	5.540
October	6.940	5.200
November	7.410	6.670
December	7.360	6.440
2024		
January	7.370	5.560
February	6.420	5.640
March	6.800	5.740
April (Up to Latest Practicable Date)	6.400	5.650

5. UNDERTAKING

The Directors 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.

The Directors confirmed that neither this explanatory statement nor the proposed share repurchase has any unusual features.

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, the controlling shareholder of the Company, Mr. Cai Dongchen, together with parties acting in concert with him (the "**Management Group**"), own approximately 30.01% of the total number of Shares in issue. Please refer the Company's announcement dated 15 April 2024 for details. In the event that the Directors exercise in full the power to buy back Shares pursuant to the Buy-back Proposal, assuming that the number of Shares held by the Management Group and the number of Shares in issue remain unchanged, the aggregate percentage shareholding of the Management Group would be increased to approximately 33.35%, and such increase would give rise to an obligation to make a mandatory general offer pursuant to Rules 26 and 32 of the Takeovers Code.

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 give rise to an obligation to make a mandatory general offer pursuant to Rules 26 and 32 of the Takeovers Code. The Company will not buy back Shares which would result in the number 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 22,000,000 Shares on the Stock Exchange as follows:

Date	Number of Shares	Price per Share	
		Highest HK\$	Lowest HK\$
16 April 2024	5,000,000	5.85	5.77
17 April 2024	6,000,000	5.87	5.77
18 April 2024	5,000,000	5.92	5.80
19 April 2024	6,000,000	5.82	5.66
	<u>22,000,000</u>		

Save as disclosed above, the Company had not bought-back any Shares (whether on the Stock Exchange or otherwise) in 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 70, Chairman of the Company, has been an executive director of the Company since April 1997. He ceased to be the Chief Executive Officer of the Company on 27 May 2022. Mr. Cai is also the chairman of the Nomination Committee and a director of certain subsidiaries of the Company. Mr. Cai holds a MBA degree from Nankai University and has extensive technical and management experience in the pharmaceutical industry.

Mr. CAI is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”). 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 SFO.

Mr. CAI has entered into an appointment contract with the Company for a term of three years commencing from 1 April 2024 and his appointment is subject to retirement by rotation 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. Mr. CAI received remuneration of RMB26,679,000 for the year ended 31 December 2023.

As at the Latest Practicable Date, Mr. CAI has personal interests in 234,386,960 Shares and 9,000,000 share options of the Company, and is also deemed to be interested in 2,600,868,710 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.

Dr. LI Chunlei, aged 47, has been an executive director of the Company since December 2017. Dr. Li is currently the Chief Scientist of the Group in charge of research and development. Dr. Li is also the general manager of a subsidiary of the Company, deputy director of the Novel Pharmaceutical Preparations and Excipients State Key Laboratory and director of the Hebei Pharmaceutical Engineering Technology Centre. Dr. Li holds a Bachelor's degree in Engineering (Biological Pharmaceutics) from Jilin University and Shenyang Pharmaceutical University, a Master's degree in Science (Microbial and Biochemical Pharmaceutics) from Jilin University and a Doctorate in Science (Pharmaceutical Science) from Shenyang Pharmaceutical University.

Dr. LI has entered into an appointment contract with the Company for a term of three years commencing from 12 December 2023 and his appointment is subject to retirement by rotation and re-election at the 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. Dr. LI received remuneration of RMB9,420,000 for the year ended 31 December 2023.

As at the Latest Practicable Date, Dr. LI has personal interests in 1,500,000 Shares and 4,500,000 share options of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. LI (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, Dr. LI 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. Law Cheuk Kin Stephen, aged 61, has been an independent non-executive director of the Company since March 2021. Mr. Law is currently the Managing Director of ANS Capital Limited. He previously served as the Finance Director and a member of the Executive Directorate of MTR Corporation Limited, CFO of Guoco Group Limited, Hong Kong and Managing Director of TPG Growth Capital (Asia) Limited, and held various senior positions in the Morningside Group and Wheelock Group. He is also a member of the board of directors of SOW (Asia) Foundation, Vice-President of the Hong Kong Institute of Certified Public Accountants, a council member of Hong Kong Business Accountants Association and a member of the Institute of Chartered Accountants in England and Wales. Mr. Law holds a Bachelor's degree in Science (Civil Engineering) from the University of Birmingham, the United Kingdom and a Master's degree in Business Administration from the University of Hull, the United Kingdom.

Mr. Law was appointed as a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China in January 2023. He has also been appointed by the Ministry of Finance of the People's Republic of China as an expert consultant to provide advice on finance and management accounting.

Mr. Law is also an independent non-executive director of China Everbright Limited, Somerley Capital Holdings Limited, China Galaxy Securities Co., Ltd., and Keymed Biosciences Inc., all of which are listed on The Stock Exchange of Hong Kong Limited. Mr. Law resigned as an independent non-executive director of Bank of Guizhou Co., Ltd. (listed on The Stock Exchange of Hong Kong) on 25 August 2022.

Mr. Law has entered into an appointment contract with the Company pursuant to which he has been appointed as an independent non-executive director without a specific term but subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Law is entitled to receive an annual director's fee of HK\$315,000. 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.

Save as disclosed above, Mr. Law (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. Law 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

(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 Board Room 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on 28 May 2024 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 2023.
2. To declare a final dividend of HK14 cents per share for the year ended 31 December 2023.
3. (a) To re-elect the following directors:
 - (i) Mr. CAI Dongchen as an executive director.
 - (ii) Dr. LI Chunlei as an executive director.
 - (iii) Mr. LAW Cheuk Kin Stephen as an independent non-executive director.
- (b) To authorize the board of directors to fix the remuneration of directors.
4. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor and to authorise the board of directors to fix the remuneration of auditor.

NOTICE OF ANNUAL GENERAL MEETING

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.”

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,

NOTICE OF ANNUAL GENERAL MEETING

agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

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

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- (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:**

- (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;
- (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;

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- (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, 26 April 2024

Notes:

1. The annual general meeting will be held in form of a physical meeting. Any member of the Company entitled to attend, speak and vote at the meeting shall be entitled to appoint one or more proxies to attend, speak 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 Wednesday, 22 May 2024 to Tuesday, 28 May 2024 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 Tuesday, 28 May 2024, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 21 May 2024.
4. The register of members of the Company will be closed from Tuesday, 4 June 2024 to Wednesday, 5 June 2024 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 3 June 2024.
5. With regard to item no. 3 in this notice, the Board proposes that the retiring directors, namely Mr. CAI Dongchen, Dr. LI Chunlei and Mr. LAW Cheuk Kin Stephen, 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 26 April 2024.
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.

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7. In case of AGM (or any adjournment thereof) is anticipated to be affected by black rainstorms or tropical cyclone with warning signal no. 8 or above, Shareholders are suggested to visit the Company's website for arrangements of the AGM (or any adjournment thereof).

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, Mr. LAW Cheuk Kin Stephen and Ms. LI Quan as independent non-executive directors.