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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 31 May 2023 at 10:00 a.m. is set out on pages 16 to 21 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, 27 April 2023

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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 31 May 2023 at 10:00 a.m., notice of which is set out on pages 16 to 21 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”	20 April 2023, 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 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

(“the Company”)

(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, 27 April 2023

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 26 May 2022, 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. No share options have been granted under the Share Option Scheme since its adoption. As at the Latest Practicable Date, the total number of options available for grant under the Share Option Scheme was 591,101,840, representing rights to subscribe for 591,101,840 Shares, amounting to approximately 4.95% of the total number of issued Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

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. At the annual general meeting of the Company held on 26 May 2022, 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 92 of the Articles of Association, Ms. LI Quan, who was appointed as an additional Director on 8 November 2022, shall retire from office at the AGM and, being eligible, offer herself for re-election.

Pursuant to Article 101 of the Articles of Association, Mr. ZHANG Cuilong, Mr. PAN Weidong, Dr. JIANG Hao, Prof. WANG Hongguang and Mr. AU Chun Kwok Alan shall retire by rotation from office at the AGM and, being eligible, offer themselves for re-election.

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.

Prof. WANG Hongguang, Mr. AU Chun Kwok Alan and Ms. LI Quan, being independent non-executive Directors, have confirmed their independence pursuant to Rule 3.13 of the Listing Rules.

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 each of the above retiring Directors, namely Mr. ZHANG Cuilong, Mr. PAN Weidong, Dr. JIANG Hao, Prof. WANG Hongguang, Mr. AU Chun Kwok Alan and Ms. LI Quan stands 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 16 to 21 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 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 11,933,219,732 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 AGM, 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 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 2022 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 2023 up to the Latest Practicable Date were as follows:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	9.790	7.780
May	8.410	7.200
June	8.380	6.950
July	8.780	7.680
August	8.860	7.570
September	8.190	6.960
October	8.790	7.360
November	10.360	8.180
December	10.060	7.910
2023		
January	9.560	8.100
February	9.350	8.430
March	8.890	7.400
April (Up to Latest Practicable Date)	8.210	7.420

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 225,386,960 Shares and is also deemed to be interested in 2,600,868,710 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 over 100 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 26.32% 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 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 30,000,000 Shares on the Stock Exchange as follows:

Date	Number of Shares	Price per Share	
		Highest HK\$	Lowest HK\$
30 March 2023	10,110,000	7.54	7.41
31 March 2023	14,450,000	7.80	7.62
3 April 2023	5,440,000	7.75	7.61
Total	<u>30,000,000</u>		

Save as disclosed above, the Company had not bought back 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. ZHANG Cuilong

Mr. Zhang Cuilong, aged 54, Vice-Chairman of the Company, has been an executive director of the Company since July 2018. He was appointed as the Chief Executive Officer of the Company on 27 May 2022. Before this appointment, Mr. Zhang was the Rotating Chief Executive Officer of the Company. 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 term of three years commencing from 9 July 2021 and his appointment is 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. Mr. Zhang received remuneration of RMB10,684,000 for the year ended 31 December 2022.

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 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. 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.

Mr. PAN Weidong

Mr. Pan Weidong, aged 53, has been an executive director of the Company since October 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 SFO.

Mr. Pan 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 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. Pan received remuneration of RMB5,564,000 for the year ended 31 December 2022.

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 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. 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.

Dr. JIANG Hao

Dr. Jiang, aged 39, has been an executive director of the Company since 24 November 2020. Prior to joining the Group in August 2020, Dr. Jiang has worked at Fastenal Company as general manager (north and central China) in the U.S., Tianjin Kesun Technology Company (marketing and sales centre of Baidu in Tianjin) as general manager and 3H Health Investment Management Ltd. as assistant to chairman and chief operation officer. Dr. Jiang holds a Bachelor's degree in Management from Hebei University of Technology, a Master's degree in Management, Economics and Industrial Engineering from Politecnico di Milano and a Doctorate in Management (Technology Economics and Management) from Hebei University of Technology.

Dr. Jiang has entered into a service contract with the Company for a period of three years commencing from 24 November 2020 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. Dr. Jiang received remuneration of RMB5,070,000 for the year ended 31 December 2022.

Save as disclosed above, Dr. Jiang (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. Jiang 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.

Prof. WANG Hongguang

Prof. Wang, aged 60, has been an independent non-executive director of the Company since January 2021. Prof. Wang is a director and professor of International Center for Bioeconomy, Institute of Multidisciplinary Biomedical Research of Tsinghua University (National Institute of Biological Sciences, Beijing), executive director and adjunct professor of Peking University's China Center for Strategic Studies, adjunct professor of Tianjin University and China Pharmaceutical University. Prof. Wang has previously served as a director of Center of Biotechnology Development of China of the Ministry of Science and Technology. Prof. Wang has long been engaged in the research on technology and economic strategy, and has conducted in-depth research on domestic and foreign biotechnology development and industry policies. Prof. Wang was the founder of "Disparity Economics" and has published 21 books including "Bio-economic of China" and more than 110 theses. Prof. Wang holds a Bachelor's degree in Agriculture from Gansu Agricultural University, a Master's degree in Agriculture and a Doctorate in Agriculture from China Agricultural University.

Prof. Wang is also an independent non-executive director of Beijing Tiantan Biological Products Corporation Limited (listed on Shanghai Stock Exchange).

Prof. Wang has entered into a service agreement with the Company for a period of three years commencing from 27 January 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 of the Company at the annual general meeting with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Prof. Wang received remuneration of HK\$157,500 for the year ended 31 December 2022.

Save as disclosed above, Prof. 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, Prof. 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. AU Chun Kwok Alan

Mr. Au, aged 50, has been an independent non-executive director of the Company, the chairman of the Audit Committee and Remuneration Committee of the Company since January 2021. Mr. Au is the founder and managing director of GT Healthcare Group, a private equity platform focusing on cross border healthcare investments. Prior to that, Mr. Au served as the head of the Asia Healthcare Investment Banking of Deutsche Bank Group, advising healthcare IPO and M&A in the region, an executive director at JAFCO Asia Investment Group, responsible for healthcare investments in China, and an investment director of Morningside Group in charge of healthcare investments in Asia. Mr. Au received a Bachelor's degree in Psychology from Chinese University of Hong Kong and a Master's degree in Management from Columbia Business School in New York. Mr. Au is a certified public accountant (CPA) in the U.S. and a chartered financial analyst (CFA), and an associate member of the Hong Kong Institute of Financial Analysts and member of the American Institute of Certified Public Accountants.

Mr. Au is also an independent director of I-Mab Biopharma Co., Ltd. (listed on Nasdaq). He was an independent director of Cellular Biomedicine Group (previously listed on Nasdaq, privatised in 2021) and a panel member for biotechnology of the Innovation and Technology Fund of the Hong Kong SAR Government from 2015 to 2022.

Mr. Au has entered into a service agreement with the Company for a period of three years commencing from 27 January 2021 and his appointment is subject to retirement and re-election at the next following general meeting in accordance with the articles of association of the Company. Mr. Au is entitled to receive an annual director's fee of HK\$378,000. His director's fee is to be determined by the Board and to be authorised by the shareholders of the Company 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. Au (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. Au 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.

Ms. LI Quan

Ms. Li Quan, aged 42, was appointed as an independent non-executive director of the Company on 8 November 2022. She has over ten years of experience in investment management. She is currently the Managing Director of CDH Investments Management (Hong Kong) Limited, responsible for investment in the healthcare sector in the private equity department. Ms. Li holds a Bachelor of Cell Biology & Genetics and Economics double degree from Peking University, and a Master of Science degree from National University of Singapore School of Computing.

Ms. Li was a non-executive director of SciClone Pharmaceuticals (Holdings) Limited (listed on the Stock Exchange) (resigned on 19 December 2022).

Ms. Li has entered into an appointment letter with the Company pursuant to which she has been appointed as an independent non-executive director without a specific term but subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. Ms. Li is entitled to receive a director's fee of HK\$157,500 per annum. Her 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, Ms. 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 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, Ms. Li has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with her 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 Board Room 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on 31 May 2023 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 2022.
2. To declare a final dividend of HK11 cents per share for the year ended 31 December 2022.
3. (a) To re-elect the following directors:
 - (i) Mr. ZHANG Cuilong as an executive director.
 - (ii) Mr. PAN Weidong as an executive director.
 - (iii) Dr. JIANG Hao as an executive director.
 - (iv) Prof. WANG Hongguang as an independent non-executive director.
 - (v) Mr. AU Chun Kwok Alan as an independent non-executive director.
 - (vi) Ms. LI Quan 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.”

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
- (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

NOTICE OF ANNUAL GENERAL MEETING

- (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).”

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;

NOTICE OF ANNUAL GENERAL MEETING

(b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to grant options and/or make offers of options under the Share Option Scheme which would or might require shares of the Company to be allotted and/or options to be granted under the Share Option Scheme after the end of the Relevant Period;

(c) for the purpose of this resolution:

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

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

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

Hong Kong, 27 April 2023

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 Thursday, 25 May 2023 to Wednesday, 31 May 2023 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 Wednesday, 31 May 2023, 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 Wednesday, 24 May 2023.

NOTICE OF ANNUAL GENERAL MEETING

4. The register of members of the Company will be closed from Wednesday, 7 June 2023 to Friday, 9 June 2023 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 Tuesday, 6 June 2023.
5. With regard to item no. 3 in this notice, the Board proposes that the retiring directors, namely Mr. ZHANG Cuilong, Mr. PAN Weidong, Dr. JIANG Hao, Prof. WANG Hongguang, Mr. AU Chun Kwok Alan and Ms. LI Quan, 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 27 April 2023.
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. 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.