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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)

EXERCISE OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

References are made to (i) the circular (the “**Circular**”) of CSPC Pharmaceutical Group Limited (the “**Company**”) dated 9 October 2023 in relation to, among other things, Mr. Cai’s Share Options, the Underlying Transaction and the Whitewash Waiver; and (ii) the poll results announcement of the Company dated 29 November 2023 in relation to, among other things, the approval of the relevant resolutions concerning Mr. Cai’s Share Options, the Underlying Transaction and the grant of the Whitewash Waiver. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Circular.

FULFILLMENT OF THE VESTING CONDITION OF THE FIRST TRANCHE OF THE SHARE OPTIONS

As disclosed in the Circular, Share Options entitling the Management Grantees to subscribe for a total of 50,000,000 Shares at the exercise price of HK\$5.98 per Share have been granted, and vesting of the Share Options is subject to the following conditions:

First tranche:

Conditional upon the Group having achieved a single-digit percentage growth on the amount of the underlying profit attributable to shareholders (i.e. the profit attributable to shareholders after excluding certain non-operating items as determined by the Board) for the year ended 31 December 2023 as compared to that for the year ended 31 December 2022, then 50% of the Share Options will be vested on 1 April 2024.

Second tranche: Conditional upon the Group having achieved a double-digit percentage growth on the amount of the underlying profit attributable to shareholders (i.e. the profit attributable to shareholders after excluding certain non-operating items as determined by the Board) for the year ended 31 December 2024 as compared to that for the year ended 31 December 2023, then 50% of the Share Options will be vested on 1 April 2025.

As at the date of this announcement, the vesting condition of the first tranche of the Share Options has been fulfilled. On 11 April 2024, a total number of 19,500,000 Share Options (being part of the first tranche of the Share Options) have been exercised by certain Management Grantees as listed below at the exercise price of HK\$5.98 per Share (the “**Exercise of First Tranche Share Options**”):

Name of Management Grantee	No. of Share Options exercised
Mr. CAI Dongchen	9,000,000
Mr. ZHANG Cuilong	4,000,000
Dr. LI Chunlei	1,500,000
Mr. WANG Huaiyu	1,500,000
Mr. WANG Zhenguo	1,500,000
Mr. PAN Weidong	1,500,000
Mr. CHAK Kin Man	300,000
Dr. JIANG Hao	200,000
Total:	<u><u>19,500,000</u></u>

Upon the Exercise of First Tranche Share Options, a total of 19,500,000 new Shares were allotted and issued to the Management Grantees listed above (the “**Issuance**”) on 15 April 2024. Accordingly, immediately after the Issuance, the Company has a total of 11,922,719,732 Shares in issue.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before the Issuance; and (ii) immediately after the Issuance:

	Immediately before the Issuance		Immediately after the Issuance	
	No. of Shares	%	No. of Shares	%
		(Approximate)		(Approximate)
I. Management Group				
Mr. Cai and Mr. Cai's Controlled Corporations	2,826,255,670	23.74	2,835,255,670 ^(Note 1)	23.78
Common Success	728,796,313	6.12	728,796,313	6.11
Mr. ZHANG Cui long	-	-	4,000,000	0.03
Dr. LI Chunlei	-	-	1,500,000	0.01
Mr. WANG Huaiyu	-	-	1,500,000	0.01
Mr. WANG Zhenguo	-	-	1,500,000	0.01
Mr. PAN Weidong	-	-	1,500,000	0.01
Mr. CHAK Kin Man	3,847,680	0.03	4,147,680	0.03
Dr. JIANG Hao	-	-	200,000	0.00
Dr. WANG Qingxi	-	-	-	-
Sub-total of the Management Group:	<u>3,558,899,663</u>	<u>29.90</u>	<u>3,578,399,663</u>	<u>30.01</u>
II. Other Shareholders				
Other Shareholders (including the Trustee)	<u>8,344,320,069</u>	<u>70.10</u>	<u>8,344,320,069</u>	<u>69.99</u>
Total:	<u><u>11,903,219,732</u></u>	<u><u>100</u></u>	<u><u>11,922,719,732</u></u>	<u><u>100</u></u>

Notes:

1. *Immediately after the Issuance, Mr. Cai is beneficially interested in 234,386,960 Shares and is deemed to be interested in 2,600,868,710 Shares through various companies, comprising (i) 406,904,640 Shares (representing approximately 3.41% of the total number of issued Shares) directly held by Key Honesty, a direct wholly-owned subsidiary of True Ally, (ii) 1,218,834,470 Shares (representing approximately 10.22% of the total number of issued Shares) directly held by Massive Giant, a direct wholly-owned subsidiary of True Ally, (iii) 948,249,600 Shares (representing approximately 7.95% of the total number of issued Shares) directly held by True Ally, which is directly wholly-owned by Mr. Cai and (iv) 26,880,000 Shares (representing approximately 0.23% of the total number of issued Shares) directly held by Harmonic Choice by virtue of his interests in a chain of corporations holding Harmonic Choice, namely Massive Top, of which March Rise, Beijing Zhongyihe and True Ally own 75%, 15% and 10%, respectively. March Rise in turn is owned as to 40% by True Ally and 60% by Beijing Zhongyihe, the general partner of which is Mr. Cai.*
2. *Certain figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals or sub-totals may not represent precise arithmetic aggregations.*

Pursuant to Note 15 to Rule 26.1 of the Takeovers Code, the Management Group shall be deemed to have a lowest percentage holding equal to its percentage holding immediately after the Issuance (the “**New Lowest Percentage Holding**”). Any acquisition of additional voting rights by the Management Group subsequent to the Issuance shall be subject to the 2% creeper under Rule 26.1 of the Takeovers Code by reference to the New Lowest Percentage Holding in the 12-month period ending on the date of the Issuance, unless any subsequent disposition of voting rights by the Management Group causes the lowest percentage holding of the Management Group to fall below the New Lowest Percentage Holding.

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

Hong Kong, 15 April 2024

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. ZHANG Cuilong, Mr. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Dr. 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.