CSPC PHARMACEUTICAL GROUP LIMITED
石藥集團有限公司
(Incorporated in Hong Kong under the Companies Ordinance)
(Stock code: 1093)

VOLUNTARY ANNOUNCEMENT

THE GROUP'S GASTRIC CANCER DRUG "DP303c" WAS GRANTED ORPHAN-DRUG DESIGNATION BY THE U.S. FDA

The Board of Directors (the "**Board**") of CSPC Pharmaceutical Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that the antibody-drug conjugate drug "DP303c" (the "**Product**") developed by the Group was granted orphan-drug designation by the U.S. Food and Drug Administration (the "**U.S. FDA**") for the treatment of gastric cancer including cancer of gastroesophageal junction.

Approximately 15%-20% patients with gastric cancer are HER2 (Human Epidermal Growth Factor Receptor 2) positive. The incidence of HER2 positive is even higher in patients with cancer of gastroesophageal junction. In the U.S., there are fewer than 200,000 patients with gastric cancer, thus can be classified as a rare disease. However, the prevalence rate of gastric cancer is relatively high in Asian countries including China, Japan and South Korea.

DP303c consists of an antibody that selectively binds to HER2 and a cytotoxic agent, representing a new type of targeted drug for the treatment of HER2 positive gastric cancer. DP303c has shown potent anti-tumor effects in a mouse NCI-N87 model for HER2 positive human gastric cancer and in an in-vitro assay with HER2 positive SK-BR-3 cell line. Therefore, we believe that DP303c can achieve better efficacy for the treatment of gastric cancer with less side effects and prolonged survival.

DP303c is developed by the Group with independent intellectual property rights. Multiple patent applications have been filed in various counties including U.S. and China. The orphan-drug designation implies that more guidance will be given by the U.S. FDA and there will be more opportunity to communicate with the U.S. FDA. Under certain circumstances, part of the clinical trials can be waived to speed up the product launch. In addition, orphan drugs in the U.S. are entitled to 7 years of exclusive marketing rights and tax credits of up to 50% of the research and development cost. The Group is now pushing forward with the clinical development of the Product in both U.S. and China.

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

Hong Kong, 6 February 2018

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. PAN Weidong, Mr. WANG Huaiyu, Mr. WANG Zhenguo, Mr. WANG Jinxu, Mr. LU Hua, Mr. LI Chunlei and Mr. CHAK Kin Man as executive directors; Mr. LEE Ka Sze, Carmelo as non-executive director; and Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo, Mr. LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Chuan as independent non-executive director