

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1093)

VOLUNTARY ANNOUNCEMENT PRODUCT TECHNOLOGY LICENSING AGREEMENT

The board of directors (the “**Board**”) of CSPC Pharmaceutical Group Limited (the “**Company**”) is pleased to announce that on 20 April 2016, CSPC Zhongqi Pharmaceutical Technology (Shijiazhuang) Co., Ltd* (石藥集團中奇製藥技術(石家莊)有限公司) (“**CSPC Zhongqi**”), a wholly-owned subsidiary of the Company, entered into an agreement (the “**Agreement**”) with Watson Laboratories, Inc. (“**Watson**”), a subsidiary of Allergan plc (“**Allergan**”), in relation to the product technology licensing and commercialization of a complex generic oncology drug (the “**Product**”) in the global market except China (the “**Territory**”). The Product is under development by CSPC Zhongqi utilizing its proprietary technology.

Pursuant to the Agreement, CSPC Zhongqi is responsible for the pre-clinical development of the Product and know-how in relation to the manufacturing of the Product and ensuring that the Product is in compliance with the principles and guidelines on good manufacturing practice for medicinal products issued by the relevant authorities in the United States and countries in the European Union.

CSPC Zhongqi agrees to grant an exclusive right to Watson to perform the necessary non-clinical and clinical development and apply for the relevant approvals required for the manufacturing, distribution and sale of the Product in the Territory and to exclusively distribute and sell the Product in the Territory. Watson will make milestone payments to CSPC Zhongqi of up to an aggregate amount of US\$106,000,000 subject to the drug development and registration progress and amount of future sales in the Territory achieved.

Upon successful launch of the Product in the Territory, CSPC Zhongqi shall supply the Product exclusively to Watson, and Watson shall purchase exclusively from CSPC Zhongqi such quantities of the Product that Watson requires for distribution and sale in the Territory. CSPC Zhongqi will also be entitled to receive a prescribed percentage of the net profits with respect to the sale of the Product in the Territory by Watson.

* *For identification purpose only*

Allergan is headquartered in Dublin, Ireland. It is a leading global pharmaceutical company with commercial operations in approximately 100 countries. Allergan is focused on developing, manufacturing and commercializing innovative branded pharmaceuticals, high-quality generic and over-the-counter medicines and biologic products for patients around the world.

By order of the Board

Cai Dongchen

Chairman

Hong Kong, 25 April 2016

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. CHAK Kin Man, Mr. PAN Weidong, Mr. WANG Shunlong, Mr. WANG Huaiyu, Mr. LU Jianmin, Mr. WANG Zhenguo, Mr. WANG Jinxu and Mr. LU Hua 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 and Mr. YU Jinming as independent non-executive directors.