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 DRUG "BUTYLPHTHALIDE" 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 drug "DL-3-n-Butylphthalide" ("**Butylphthalide**") 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 Amyotrophic Lateral Sclerosis ("**ALS**").

ALS is also known as motor neurons disease. It is a disease of progressive degeneration of the motor neurons that leads to gradual weakening and wasting away of muscles in the limbs, trunk, chest and abdomen and degeneration of speaking, swallowing and breathing functions, eventually causing death from respiratory failure. The disease is more common in males between the ages of 40 and 50. The cause of the disease is not known, some cases may be related to heredity and genetic defects. Despite a very low prevalence, ALS poses a significant threat to the quality of living and life of the patients. The existing available drugs have shown limited clinical benefits.

The Group's "Butylphthalide Soft Capsules" (Commercial name: "NBP") was approved by the China Food and Drug Administration in 2005 for the treatment of mild to moderate acute ischemic stroke. In the animal model for ALS of the pre-clinical study, NBP has shown beneficial effects. Based on this finding, the U.S. FDA has granted the orphan-drug designation to "Butylphthalide" for the treatment of ALS. The Group has also been conducting a clinical study on the use of "Butylphthalide" for the treatment of ALS in China since 2015.

The significance of the orphan-drug designation lies in the increased guidance from the U.S. FDA and the opportunity of extensive communication with the U.S. FDA. Under certain circumstances, part of the clinical trials can be waived to speed up the product launch. Moreover, orphan drugs in the U.S. are entitled to 7 years of exclusive market rights and tax credits up to 50% of the research and development costs. The Group is now pushing forward with the clinical studies in China and the U.S. to strive for launch approval at the earliest possible time.

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

Hong Kong, 9 March 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 directors.