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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 PRODUCT LICENSE AND COLLABORATION AGREEMENT

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 Company, as the licensee, has entered into an exclusive product license and collaboration agreement with Verastem, Inc. (“**Verastem**”) in relation to the development and commercialization of the oncology drug COPIKTRATM (duvelisib) (the “**Agreement**”).

COPIKTRA is a first-in-class oral dual inhibitor of phosphoinositide 3-kinase (PI3K)-delta and PI3K-gamma, two enzymes known to help support the growth and survival of malignant B-cells and T-cells. PI3K signaling may lead to the proliferation of malignant B-cells and T-cells and is thought to play a role in the formation and maintenance of the supportive tumor microenvironment. COPIKTRA received approval from the U.S. Food and Drug Administration (“**USFDA**”) for the treatment of adult patients with relapsed or refractory chronic lymphocytic leukemia/small lymphocytic lymphoma (CLL/SLL) after at least two prior therapies and relapsed or refractory follicular lymphoma (FL) after at least two prior systemic therapies on 24 September 2018. COPIKTRA is also being developed for the treatment of peripheral T-cell lymphoma (PTCL), which has Fast Track status granted by the USFDA, and is being investigated in combination with other agents through investigator-sponsored studies.

Pursuant to the Agreement, the Company will receive exclusive license rights to develop and commercialize COPIKTRATM (duvelisib) for the treatment of any oncology indications and hold marketing authorization and product license for COPIKTRA in China (including Hong Kong, Macau and Taiwan) (the “**Territory**”). In consideration for the exclusive license, the Company agrees to pay to Verastem an upfront payment of US\$15,000,000 and development milestone payments of up to a maximum amount of US\$30,000,000 (subject to obtaining product regulatory approvals within the Territory). The Company also agrees to pay Verastem sales milestone payments and double-digit percentage royalties based on future net sales of COPIKTRA in the Territory.

The Agreement brings to the Group's pipeline an overseas approved innovative oncology drug with the potential to help Chinese patients battling cancer, including some high unmet need in hematologic malignancies. The Group will endeavor to ensure the timely and efficient development of this therapy.

Verastem, Inc. (Nasdaq: VSTM) is a biopharmaceutical company in the U.S. focused on developing and commercializing medicines to improve the survival and quality of life of cancer patients.

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

Hong Kong, 25 September 2018

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Mr. LU Hua, Dr. LI Chunlei, Mr. ZHANG Cuilong, Dr. WANG Qingxi 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, Professor LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Chuan as independent non-executive directors.