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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 COMMERCIALIZATION AGREEMENT

The board of directors (the “**Board**”) of CSPC Pharmaceutical Group Limited (the “**Company**”) is pleased to announce that the Company has entered into an agreement (the “**Agreement**”) with Sinocelltech Limited (“**Sinocelltech**”) in relation to the licensing and commercialization of an anti-CD20 monoclonal antibody for injection (SCT400) (the “**Product**”) developed by Sinocelltech. The Product is currently undergoing phase III clinical trials in China for the indication of non-Hodgkin’s lymphoma and biologics license application is expected to be filed in the first quarter of 2019.

Pursuant to the Agreement, the Company will be granted an exclusive right for the Product by Sinocelltech to apply for product approval in China (including Hong Kong, Macau and Taiwan) (the “**Territory**”) and own the product license, and commercialize the Product in the Territory for a term of 15 years from the receipt of the first product approval.

The Company shall be responsible for the commercialization of the Product in the Territory, while Sinocelltech shall be responsible for manufacturing and supplying the Product to the Company required for commercial use. The Company shall purchase the Product exclusively from Sinocelltech for sales in the Territory.

In consideration for the exclusive license, the Company agrees to pay to Sinocelltech upfront and development milestone payments of up to a maximum amount of RMB650,000,000 subject to the approval progress of the Product in the Territory. The Company also agrees to pay to Sinocelltech sales milestone payments subject to the amount of sales achieved in the Territory.

Sinocelltech is a biotech company in China focusing on the development of state-of-the-art platform technologies for the development and manufacture of recombinant proteins, monoclonal antibodies and vaccines.

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

Hong Kong, 8 October 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.