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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 CO-DEVELOPMENT AND STRATEGIC COLLABORATION AGREEMENT

The board of directors (the “**Board**”) of CSPC Pharmaceutical Group Limited (the “**Company**”) is pleased to announce that CSPC Ouyi Pharmaceutical Co., Ltd.* (石藥集團歐意藥業有限公司) (“**CSPC Ouyi**”), a wholly-owned subsidiary of the Company, has entered into an agreement (the “**Agreement**”) with Hangzhou Innogate Pharma Co., Ltd.* (杭州英創醫藥科技有限公司) (“**Hangzhou Innogate**”) in relation to the co-development of 5 small-molecule compounds developed by Hangzhou Innogate (the “**Products**”) and strategic collaboration.

Pursuant to the Agreement, CSPC Ouyi shall be granted an exclusive right of development and commercialization of the Products in China (including Hong Kong, Macau and Taiwan) and the United States (the “**Region**”) by Hangzhou Innogate. CSPC Ouyi shall be responsible for the pre-clinical and clinical trials, application for product approval, production and commercialization of the Products in the Region, and Hangzhou Innogate shall provide necessary technical support.

In consideration for the exclusive license, CSPC Ouyi agreed to pay to Hangzhou Innogate an upfront payment of RMB25,000,000 and development milestone payments of up to RMB200,000,000 based on the development progress of the Products in the Region. CSPC Ouyi also agreed to pay to Hangzhou Innogate sales royalties based on the sales amount of the Products achieved in the Region.

* *For identification purpose only*

The Agreement brings to the Group's pipeline 5 innovative oncology small-molecule drug candidates and the Group will endeavor to ensure their timely development. Meanwhile, the Group intends to establish a long-term strategic collaboration with Hangzhou Innogate. For the future innovative products independently developed and wholly owned by Hangzhou Innogate, CSPC Ouyi shall have the first right of refusal in China (including Hong Kong, Macau and Taiwan), if Hangzhou Innogate decides not to pursue but considers licensing or external transfer.

Hangzhou Innogate is an innovative pharmaceutical company in China focusing on the research and development of innovative small-molecule drugs in the areas of targeted therapies in oncology, immuno-oncology and autoimmune diseases.

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

Hong Kong, 4 January 2019

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Dr. 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, Dr. YU Jinming and Mr. CHEN Chuan as independent non-executive directors.