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CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1093)

VOLUNTARY ANNOUNCEMENT

STRATEGIC PARTNERSHIP AND LICENSE AGREEMENT WITH FLAME BIOSCIENCES

The board of directors (the “**Board**”) of CSPC Pharmaceutical Group Limited (the “**Company**,” together with its subsidiaries, the “**Group**”) is pleased to announce that NovaRock Biotherapeutics Limited (“**NovaRock**”), a subsidiary of the Company, has entered into a strategic partnership and license agreement (the “**Agreement**”) with Flame Biosciences, Inc. (“**Flame Biosciences**”).

Under the terms of the Agreement, NovaRock shall grant Flame Biosciences the exclusive rights to develop, manufacture and commercialize its fully human anti-Claudin 18.2 monoclonal antibody (NBL-015) outside of Greater China (including mainland China, Hong Kong, Macau and Taiwan) (the “**Territory**”). NovaRock will also, at Flame Biosciences’ expense, collaborate with Flame Biosciences on the discovery and preclinical development of two new bispecific antibodies based on NovaRock’s NovaTE bispecific antibody technology platform (together with NBL-015, the “**Licensed Products**”) and subsequently grant Flame Biosciences the exclusive rights to develop, manufacture and commercialize the two new bispecific antibodies in the Territory.

NovaRock will receive an upfront payment of US\$7.5 million and is eligible to receive development milestone payments of up to US\$172.5 million subject to achievement of the development milestone events. NovaRock is also eligible to receive sales milestone payments of up to US\$460 million subject to achievement of the sales milestone events and royalties based on a certain percent of the net sales of the Licensed Products in the Territory.

NBL-015 is a fully human anti-Claudin 18.2 monoclonal antibody optimized through protein engineering to achieve enhanced ADCC, CDC and ADCP effects. Preclinical studies of in vitro tumor cell killing and tumor mouse model have demonstrated that NBL-015 has significant advantages over similar drugs in terms of low immunogenicity, good safety, high affinity and high anti-tumor activity, providing a promising prospect of becoming the best-in-class target therapy to treat pancreatic and gastric cancer.

NBL-015 has been granted the orphan-drug designation for the treatment of pancreatic cancer and gastric cancer, including cancer of gastroesophageal junction by the U.S. Food and Drug Administration (FDA). Its Investigational New Drug Application (IND) has also been approved by the U.S. FDA in May 2021.

NovaTE is a novel tumor antigen and CD-137 engaged platform that is designed to selectively activate the antigen-experienced T cells in the tumor microenvironment. Its proprietary scaffold can maximize the tumor cell engaging and T cell activation while minimizing the systematic adverse events. Antibodies developed using NovaTE have demonstrated superior efficacy and safety in preclinical studies. Moreover, the unique bispecific antibody structure offers exceptional stability and manufacturability.

Flame Biosciences is an innovative pharmaceutical company based in the United States which focuses on the research, development and commercialization of transformative therapies for cancer and other inflammatory conditions. The strategic cooperation with Flame Biosciences will not only enable the Group to accelerate the clinical development of the its innovative drug portfolio in the global market, but also represents a significant progress of the Group's commitment to advance its internationalization strategy.

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

Hong Kong, 17 August 2021

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. ZHANG Cuilong, Mr. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Dr. LI Chunlei, Dr. WANG Qingxi, Mr. CHAK Kin Man and Dr. JIANG Hao as executive directors; and Mr. WANG Bo, Mr. CHEN Chuan, Prof. WANG Hongguang, Mr. AU Chun Kwok Alan and Mr. LAW Cheuk Kin Stephen as independent non-executive directors.