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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 AGREEMENT

The board of directors (the “**Board**”) of CSPC Pharmaceutical Group Limited (the “**Company**”) is pleased to announce that on 8 May 2014, CSPC Zhongqi Pharmaceutical Technology (Shijiazhuang) Co., Ltd\* (石藥集團中奇製藥技術(石家莊)有限公司) (“**CSPC Zhongqi**”), a wholly-owned subsidiary of the Company, entered into an agreement (the “**Agreement**”) with Dexcel Pharma Technologies Ltd (“**Dexcel**”) in relation to the co-development and commercialization of a complex generic oncology drug (the “**Product**”) in the United States of America (the “**United States**”), Europe and certain other markets (the “**Markets**”). The Product was developed by CSPC Zhongqi and already marketed in China.

Pursuant to the Agreement, CSPC Zhongqi is responsible for the pre-clinical development of the Product and knowhow in relation to the manufacturing of the Product and ensuring that the Product is in compliance with the principles and guidelines on good manufacturing practice for medicinal products issued by the relevant authorities in the United States and Europe. Dexcel agrees to contribute to the CSPC Zhongqi’s aforesaid development expenses in the aggregate amount of up to US\$2,000,000.

Further, CSPC Zhongqi agrees to grant an exclusive right to Dexcel to perform the necessary clinical development and apply for the relevant approvals required for the manufacturing, distribution and sale of the Product in the Markets and to exclusively distribute and sell the Product in the Markets. Dexcel will make milestone payments to CSPC Zhongqi of up to an aggregate amount of US\$5,000,000.

Upon successful launch of the Product in the Markets, it is expected that CSPC Ouyi Pharmaceutical Co., Ltd.\* (石藥集團歐意藥業有限公司) (a wholly-owned subsidiary of the Company) (“**CSPC Ouyi**”) will supply the Product exclusively to Dexcel, and Dexcel shall purchase exclusively from CSPC Ouyi such amounts of the Products that Dexcel requires for distribution and sale in such markets. CSPC Ouyi will also be entitled to a prescribed percentage of the aggregate revenue received by Dexcel group of companies with respect to the sale of the Product in any of such markets.

Dexcel Pharma is a private international specialty pharmaceutical group dedicated to the development, manufacture and commercialization of complex generics and specialty drug products. Dexcel Pharma is the second largest pharmaceutical manufacturer in the State of Israel with a broad portfolio of products sold in more than 30 countries worldwide. Dexcel Pharma was established in 1968 and is headquartered in Israel.

By order of the Board  
**CAI Dongchen**  
*Chairman*

Hong Kong, 8 May 2014

*As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. FENG Zhenying, Mr. CHAK Kin Man, Mr. PAN Weidong, Mr. ZHAO John Huan, Mr. WANG Shunlong, Mr. WANG Huaiyu, Mr. LU Jianmin, Mr. WANG Zhenguo and Mr. WANG Jinxu as executive directors; Mr. LEE Ka Sze, Carmelo as non-executive director; and Mr. HUO Zhenxing, Mr. QI Moujia, Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo and Mr. ZHANG Fawang as independent non-executive directors.*

\* *for identification purpose only*