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

TECHNOLOGY TRANSFER AGREEMENT WITH ACADEMY OF MILITARY MEDICAL SCIENCES FOR AN INNOVATIVE ANTIDEPRESSANT

The board of directors (the "**Board**") of CSPC Pharmaceutical Group Limited (the "**Company**", together with its subsidiaries (the "**Group**")) announces that on 10 December 2014, CSPC Zhongqi Pharmaceutical Technology (Shijiazhuang) Co., Ltd. ("**CSPC Zhongqi**", a wholly-owned subsidiary of the Company) entered into a technology transfer agreement with the Institute of Pharmacology and Toxicology of the Academy of Military Medical Sciences ("**AMMS**") for an innovative antidepressant "Ammuxetine" (the "**Drug**") (the "**Agreement**"). Pursuant to the Agreement, CSPC Zhongqi agreed to pay RMB42,000,000 (in seven instalments by milestone) to AMMS as consideration for obtaining the patent right, development right and operation right for the Drug in the People's Republic of China (the "**PRC**") and the first refusal right for patents outside the PRC. AMMS is also entitled to receive a stipulated percentage of the sale revenue of the Drug on a yearly basis from the third year of launch of the Drug to the expiry of the compound patent.

To date, AMMS has completed most of the pre-clinical study for the Drug. Upon entering into the Agreement, the Group will conduct further development and proceed with the registration application and clinical study for the Drug. It is expected that the application for clinical study will be submitted to the China Food and Drug Administration of the PRC in the first half of 2015.

Ammuxetine is a chiral compound with novel structure and specific target (5-HT/NE dual reuptake inhibitor). In comparison to duloxetine (the best-selling antidepressant in the world with global sales of approximately US$6.743 billion in 2013), ammuxetine has the advantages of high antidepressant activity, fast onset, low liver toxicity and less gastrointestinal adverse effects. In multiple pre-

clinical animal efficacy tests, the efficacy of ammuxetine is better than that of duloxetine. For example, the efficacy of 10mg/kg ammuxetine is significantly better than that of 40mg/kg duloxetine in the mouse forced swimming test. Whilst long onset is a common issue for antidepressants, animal tests have shown that the onset of ammuxetine is more than 1 week earlier than duloxetine. In addition, ammuxetine features sound anti-anxiety efficacy and analgesic activity, and can be used for the treatment of anxiety disorder, neurogenic pain, pain arising from diabetes and fibromyalgia, suggesting huge future market value.

As the pace of life quickens and social competition intensifies, psychiatric issues such as anxiety and depression caused by psychological factors are becoming increasing prominent and the demand for related drugs also progressively increases. According to a report issued by the World Federation for Mental Health in 2012, the lifetime prevalence rate of depression in most countries was approximately 8-12%, and there were approximately 350 million patients with depression in the world.

Neurology and psychiatry is one of the Group's focus area of development with key products such as NBP (butylphthalide) and Oulaining (oxiracetam) being the important profit drivers for the Group. Ammuxetine will hopefully become another key product of the Group in this area upon successful research and development.

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

Hong Kong, 10 December 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. CHAN Siu Keung, Leonard, Mr. WANG Bo, Mr. LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Shilin as independent non-executive directors.