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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

PRODUCT LICENSING AND COMMERCIALIZATION AGREEMENT

The board of directors (the “**Board**”) of CSPC Pharmaceutical Group Limited (the “**Company**”) is pleased to announce that CSPC Baike (Shandong) Biopharmaceutical Co, Ltd. (“**CSPC Baike**”), a wholly-owned subsidiary of the Company, has entered into an agreement (the “**Agreement**”) with Synermore Biologics (Suzhou) Co., Ltd.* (興盟生物醫藥(蘇州)有限公司) (“**Synermore Biologics**”) in relation to the licensing and commercialization of omalizumab biosimilar (SYN008) (the “**Product**”) developed by Synermore Biologics. The Product has completed the bioequivalence study in Australia and application for phase III clinical trial in China is expected to be submitted in the near term.

Pursuant to the Agreement, CSPC Baike shall be granted the exclusive rights to the Product by Synermore Biologics for the development and commercialization of the Product for all indications in China (excluding Hong Kong, Macau and Taiwan) (the “**Region**”), and Synermore Biologics shall provide the necessary technical support.

In consideration for the exclusive rights, CSPC Baike agreed to pay upfront payment of RMB10,000,000 and development milestone payments of up to RMB50,000,000 to Synermore Biologics based on the development progress of the Product in the Region. CSPC Baike also agreed to pay sales royalty to Synermore Biologics based on the sales amount of the Product achieved in the Region.

* *For identification purpose only*

SYN008 is an omalizumab biosimilar. Omalizumab is the first targeted therapy for asthma in the world, which was approved for marketing in the United States in 2003 and approved in China for the treatment of adults and young patients (aged 12 or above) suffering from moderate to severe persistent allergic asthma with symptoms not being able to be effectively controlled with hormone and β -agonist treatment in 2017.

Synermore Biologics is a global innovative biopharmaceutical research and development company based in China with an experienced R&D team of international standard. Synermore Biologics focuses on developing innovative biopharmaceutical products in the areas of immuno-oncology and autoimmune diseases with first-in-class and best-in-class potential.

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

Hong Kong, 19 August 2019

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. LU Hua, Dr. LI Chunlei, 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, Prof. LO Yuk Lam, Dr. YU Jinming and Mr. CHEN Chuan as independent non-executive directors.