CSPC PHARMACEUTICAL GROUP LIMITED
石藥集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1093)

VOLUNTARY ANNOUNCEMENT

"RECOMBINANT ANTI-EpCAM AND ANTI-CD3 HUMAN-MOUSE CHIMERIC BISPECIFIC ANTIBODY FOR INJECTION" WAS GRANTED CLINICAL TRIAL APPROVAL BY U.S. FDA

The board of directors (the "**Board**") of CSPC Pharmaceutical Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that "Recombinant Anti-EpCAM and Anti-CD3 Human-mouse Chimeric Bispecific Antibody for Injection" (M701), a class 1 new drug independently developed by Wuhan YZY Biopharma Co., Ltd.*(武漢友芝友生物製藥有限公司)("**YZY Biopharma**"), a subsidiary of the Company, was granted approval by the U.S. Food and Drug Administration (FDA) for conducting clinical trials in the U.S.. This is the second product candidate of YZY Biopharma granted clinical trial approval by the U.S. FDA this year.

Malignant ascites is a common complication in patients with advanced cancers, which can seriously affect the quality of life and increase mortality rate. Malignant ascites occurs in approximately 400,000 cancer patients in China each year. However, there is a lack of highly safe and effective drug in the market for treating ascites through anti-tumor mechanism.

M701 is a product candidate developed on the YBODY® bispecific antibody technology platform built by YZY Biopharma. It is the first drug having multiple immune and targeting mechanisms for the treatment of malignant ascites in China. It can redirect the patient's immune T cells through CD3, then guide the immune cells to target tumor cells through EpCAM and finally activate the T cells to kill tumor cells, thus achieving therapeutic effects for malignant ascites.

* *For identification purposes only*

M701 has previously been granted invention patents in China and the U.S.. It has also been granted clinical trial approval by the National Medical Products Administration (NMPA) in 2018, with encouraging preliminary results achieved in the ongoing clinical trials in China. This clinical trial approval in the U.S. will provide strong support for YZY Biopharma to initiate international cooperation in innovative drugs and enter the international market.

YZY Biopharma is a high-tech enterprise focused on the research and development of innovative biopharmaceutical drugs. Since its establishment, it has undertaken the "Major New Drug Development" projects during the national "Twelfth Five-Year Plan" and "Thirteenth Five-Year Plan" periods, the national strategic emerging industry cluster development projects, the national post-doctoral workstations and the establishment of bispecific antibody technology platform in Hubei. Its YBODY® bispecific antibody technology platform has 43 patent applications, 21 of which (including 5 in the U.S.) have already been granted. The current research and development pipeline covers major disease areas such as oncology, immunology and metabolic diseases.

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

Hong Kong, 31 October 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.