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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 TRANSFER AGREEMENT

The board of directors (the “**Board**”) of CSPC Pharmaceutical Group Limited (the “**Company**”) is pleased to announce that CSPC Ouyi Pharmaceutical Co., Ltd.* (石藥集團歐意藥業有限公司) (“**CSPC Ouyi**”), a subsidiary of the Company, has entered into an agreement (the “**Agreement**”) with Shanghai Acebright Pharmaceuticals Group Co., Ltd. (上海創諾製藥有限公司) (“**Shanghai Acebright**”) in relation to the product transfer of Erlotinib Hydrochloride Active Pharmaceutical Ingredients and Tablets (the “**Product**”) developed by Shanghai Acebright. The Product has been granted drug registration approval by the National Medical Products Administration of the People’s Republic of China, being the first generic drug of this type approved in China. The Product has been included in the List of Marketed Drugs of China and is deemed to have passed the consistency evaluation.

Pursuant to the Agreement, CSPC Ouyi shall be granted the exclusive rights (including the entire ownership and intellectual property) to the Product by Shanghai Acebright for the commercialization and subsequent development of the Product in China (excluding Hong Kong, Macau and Taiwan) (the “**Region**”) and become the license holder of the Product. In consideration for the transfer, CSPC Ouyi agreed to pay technology transfer milestone payments of up to RMB120,000,000 to Shanghai Acebright. CSPC Ouyi also agreed to pay sales royalty to Shanghai Acebright based on the sales of the Product achieved in the Region for a term of ten years.

Erlotinib Hydrochloride Tablets is an oral formulation which inhibits the proliferation of tumor cells by inhibiting the activity of tumor cell ligand-dependent HER-1/epidermal growth factor receptor (EGFR). Indications approved include the treatment of patients with locally advanced or metastatic non-small cell lung cancer (NSCLC) whose tumors have EGFR sensitive mutant genes, including first-line treatment, maintenance therapy, or second or greater line treatment after progression following at least one prior chemotherapy regimen. Erlotinib Hydrochloride Tablets is a product of the medical insurance category B of the “National Drug Catalog for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance”.

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

Hong Kong, 7 November 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.

* *for identification purpose only*