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

"RECOMBINANT ANTI-EpCAM AND ANTI-CD3 HUMAN-MOUSE CHIMERIC BISPECIFIC ANTIBODY FOR INJECTION" WAS GRANTED DRUG CLINICAL TRIAL APPROVAL

The board of directors (the "**Board**") of CSPC Pharmaceutical Group Limited (the "**Company**") is pleased to announce that "Recombinant Anti-EpCAM and Anti-CD3 Human-mouse Chimeric Bispecific Antibody For Injection" (Project No. "**M701**") developed by Wuhan YZY Biopharma Co., Ltd.* ("**YZY Biopharma**", an associate of the Company) was granted drug clinical trial approval by China Food and Drug Administration of the People's Republic of China.

Malignant ascites occurs in approximately 15% to 20% of patients of gastrointestinal tumors (such as gastric cancer, liver cancer and pancreatic cancer), approximately 40% of ovarian cancer patients, as well as some breast cancer and lung cancer patients. For more than half of cancer patients, the formation of ascites is detected upon initial consultation. Up to date, there is no effective drug for targeted therapy of malignant ascites in the world.

"M701" binds both the tumor marker EpCAM and the immune marker CD3 simultaneously, mediating specific tumor cytotoxicity by the immune cells. EpCAM, a tumor-associated antigen, is highly expressed in many epithelial tumors such as gastric cancer, colorectal cancer, lung adenocarcinoma, breast cancer, liver cancer, ovarian cancer and prostate cancer. As seen from in vitro study and mouse xenograft models, "M701" was able to almost completely suppress or eliminate the growth of human colon cancer cell HCT116, ovarian cancer cell OVCAR3 and gastric cancer cell KATOIII and the associated occurrence of ascites, demonstrating sound anti-tumor effects. We believe that "M701" will be able to further enhance the therapeutic effects for malignant ascites to alleviate the suffering and extend the life expectancy of the patients.

"M701" is self-developed by YZY Biopharma and has been granted a patent in the United States. It is the second clinical approval granted to YZY Biopharma after the one granted for "Recombinant Ant-HER2 and Anti-CD3 Humanized Bispecific Antibody for Injection" (treatment of gastric cancer and breast cancer). The clinical studies for the two products are being carried out in full speed in the PRC.

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

Hong Kong, 16 March 2018

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. PAN Weidong, Mr. WANG Huaiyu, Mr. WANG Zhenguo, Mr. WANG Jinxu, Mr. LU Hua, Mr. LI Chunlei 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, Mr. LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Chuan as independent non-executive directors.