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CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 1093)

INSIDE INFORMATION

PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF CSPC INNOVATION PHARMACEUTICAL CO., LTD.* FOR THE THREE MONTHS ENDED 31 MARCH 2019

This announcement is made by CSPC Pharmaceutical Group Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

CSPC Innovation Pharmaceutical Co., Ltd.* (石藥集團新諾威製藥股份有限公司) (“**CSPC XNW**”) is a subsidiary of the Company and its shares are listed on the ChiNext of Shenzhen Stock Exchange (Stock Code: 300765). In compliance with the relevant requirements of Shenzhen Stock Exchange, CSPC XNW published its 2019 First Quarterly Report for the three months ended 31 March 2019 on the information disclosure webpage of Shenzhen Stock Exchange’s website at <http://www.szse.cn/disclosure/listed/notice/index.html>.

The board of directors of the Company would like to draw the attention of its shareholders and the public investors to the appendices of this announcement (the “**Appendices**”) which set out the principal accounting data and financial indicators of CSPC XNW prepared in accordance with the PRC Accounting Standard for Business Enterprises for the three months ended 31 March 2019.

Please note that the information in the Appendices is an extract of the unaudited financial statements prepared by CSPC XNW in Chinese language. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

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

Hong Kong, 29 April 2019

As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. WANG Zhenguo, Mr. PAN Weidong, Mr. WANG Huaiyu, Dr. LU Hua, Dr. LI Chunlei, Mr. ZHANG Cuilong, 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 purposes only

APPENDIX I

**PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF
CSPC INNOVATION PHARMACEUTICAL CO., LTD.***

Unit: RMB (Yuan)

	Current reporting period	Corresponding reporting period of last year	Increase/decrease compared with the corresponding reporting period of last year
Total operating revenue	342,142,371.00	301,385,490.52	13.52%
Net profit attributable to listed company's shareholders	56,448,565.23	50,171,272.75	12.51%
Net profit attributable to listed company's shareholders less the non-recurring items	55,501,242.14	49,855,678.23	11.32%
Net cash flows arising from operating activities	54,142,711.42	23,277,520.26	130.60%
Basic earnings per share (RMB/share)	0.3763	0.3345	12.50%
Diluted earnings per share (RMB/share)	0.3763	0.3345	12.50%
Weighted average return on net assets	5.54%	6.33%	-0.79%
	End of the current reporting period	End of last year	Increase/ decrease compared with the end of last year
Total assets	2,584,446,969.39	1,390,799,205.46	85.82%
Net assets attributable to listed company's shareholders	2,189,624,979.86	990,767,205.16	121.00%

Non-recurring gain/loss items and amount

Unit: RMB (Yuan)

Items	Amount from the beginning of the year to end of current reporting period	Notes
Government grants recognized in profit and loss of current period (excluding those closely related to the company's business and granted under the State's policies according to certain quota of amount or volume)	1,176,067.72	
Non-operating income and expenses other than the above item	59,055.35	
Less: Income tax impact	286,600.46	
Minority interests impact (after tax)	1,199.52	
Total	947,323.09	—

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APPENDIX II

DETAILS AND REASONS FOR CHANGES IN MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS DURING THE REPORTING PERIOD OF CSPC INNOVATION PHARMACEUTICAL CO., LTD.*

1. Consolidated Balance Sheet Items

Unit: RMB (Yuan)

Items	End of the reporting period	Beginning of the reporting period	Percentage change	Analysis on the reasons for changes
Cash at bank and on hand	1,340,102,197.79	156,392,543.65	756.88%	Mainly due to proceeds from the issue of shares by the company
Prepayments	13,845,930.63	26,367,001.81	-47.49%	Mainly due to decrease in prepayment for materials
Other receivables	2,084,891.90	5,747,943.22	-63.73%	Mainly due to recognition by the company of the offering cost prepaid for the IPO
Receipts in advance	7,859,106.03	15,916,200.73	-50.62%	Mainly due to decrease in receipts in advance caused by the recognition of income upon delivery of major products to customers in respect of the receipts in advance for the reporting period
Salaries payable	6,192,834.05	9,212,720.75	-32.78%	Mainly due to provision of year-end bonus for 2018 which was paid at the beginning of 2019
Share capital	200,000,000.00	150,000,000.00	33.33%	Mainly due to increase in share capital upon issue of shares by the company
Capital reserve	1,102,275,975.39	9,866,765.92	11,071.60%	Mainly due to premium upon issue of shares by the company

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APPENDIX II

DETAILS AND REASONS FOR CHANGES IN MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS DURING THE REPORTING PERIOD OF CSPC INNOVATION PHARMACEUTICAL CO., LTD.* (CONTINUED)

2. Consolidated Income Statement Items

Unit: RMB (Yuan)

Items	Current reporting period	Corresponding reporting period of last year	Percentage change	Analysis on the reasons for changes
Tax and surcharges	5,944,660.98	3,554,523.88	67.24%	Mainly due to increase in the corresponding VAT additional tax with increased value-added tax payable for the reporting period as compared to the corresponding period last year
Administrative expenses	12,683,910.34	8,438,781.29	50.31%	Mainly due to payments for the listing ceremony expenses and inclusion of new subsidiary for consolidation in 2019 by the company
Finance expenses	4,217,438.23	3,069,645.52	37.39%	Mainly due to exchange gains and losses arising from fluctuations in exchange rates
Asset impairment loss	0.00	1,568,521.25	-100.00%	Mainly due to adjustment of bad debt allowance provided for by the company to credit impairment loss for the current reporting period
Credit impairment loss	172,665.25	0.00	100.00%	Mainly due to implementation by the company of new standards for financial instruments
Other income	1,176,067.72	606,067.72	94.05%	Mainly due to increase in government subsidies received by the company for the current reporting period
Non-operating income	59,055.35	750.00	7,774.05%	Mainly due to income from disposal of scrap by the company
Non-operating expenses	0.00	184,074.17	-100.00%	Mainly due to loss from disposal of fixed assets of the company in the first quarter of 2018

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DETAILS AND REASONS FOR CHANGES IN MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS DURING THE REPORTING PERIOD OF CSPC INNOVATION PHARMACEUTICAL CO., LTD.* (CONTINUED)

3. Consolidated Cash Flow Statement Items

Unit: RMB (Yuan)

Items	Current reporting period	Corresponding reporting period of last year	Percentage change	Analysis on the reasons for changes
Net cash generated from operating activities	54,142,711.42	23,277,520.26	132.60%	Mainly due to increase in income and increase in sales receipts as a result of increase in business volume
Net cash generated from investment activities	-12,694,348.70	-8,411,703.77	50.91%	Mainly due to increase in project investment of the company for the reporting period
Net cash generated from financing activities	1,141,653,207.82	-834,011.40	1,369.87%	Mainly due to proceeds from the issue of shares by the company

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