

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 NINE MONTHS ENDED 30 SEPTEMBER 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).

Reference is made to an announcement published by the Company on 14 October 2019 in respect of the indicative results of CSPC Innovation Pharmaceutical Co., Ltd. (石藥集團新諾威製藥股份有限公司) (“**CSPC XNW**”) for the nine months ended 30 September 2019.

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 Third Quarterly Report for the nine months ended 30 September 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 for the nine months ended 30 September 2019 prepared in accordance with the PRC Accounting Standard for Business Enterprises.

Please note that the information in the Appendices is an extract of the unaudited financial statements prepared by CSPC XNW in Chinese. 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, 28 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.

APPENDIX I

PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB (Yuan)

	End of the current reporting period	End of last year	Increase/decrease compared with the end of last year	
Total assets (Yuan)	2,669,651,698.98	1,390,799,205.46	91.95%	
Net assets attributable to listed company's shareholders (Yuan)	2,346,407,324.35	990,767,205.16	136.83%	
	Current reporting period	Increase/decrease compared with the corresponding period of last year	From the beginning of the year to the end of the reporting period	Increase/decrease compared with the corresponding period of last year
Operating revenue (Yuan)	306,636,080.35	7.62%	960,153,572.14	6.49%
Net profit attributable to listed company's shareholders (Yuan)	76,333,198.72	26.03%	213,321,314.88	24.94%
Net profit attributable to listed company's shareholders less the non-recurring gain/loss (Yuan)	76,057,025.13	46.59%	198,803,967.41	23.61%
Net cash flows arising from operating activities (Yuan)	—	—	188,518,630.24	50.51%
Basic earnings per share (Yuan/share)	0.382	-5.45%	1.164	2.28%
Diluted earnings per share (Yuan/share)	0.382	-5.45%	1.164	2.28%
Weighted average return on net assets	3.31%	-3.37%	11.48%	-8.55%

Non-recurring gain/loss items and amounts*Unit: RMB (Yuan)*

Items	Amount from the beginning of the year to the end of the reporting period	Description
Gain/loss from disposal of non-current assets (including the part offset with the provision for impairment of assets)	-1,657,938.84	
Government grants recognised in profit or 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)	21,022,015.90	
Other non-operating income and expenses other than the above items	85,150.35	
Less: Income tax impact	4,700,981.56	
Minority interests impact (after tax)	230,898.38	
Total	14,517,347.47	—

APPENDIX II

DETAILS OF AND REASONS FOR SIGNIFICANT CHANGES IN PRINCIPAL FINANCIAL DATA AND FINANCIAL INDICATORS DURING THE REPORTING PERIOD

1. Consolidated balance sheet items

Unit: RMB (Yuan)

Items	Balance at the end of the period	Balance at the beginning of the period	Increase/ decrease	Reasons for changes
Bank balances and cash	381,137,434.98	156,392,543.65	143.71%	Mainly due to increase in sales receipts as a result of increase in business volume of the company and proceeds from the issue of shares by the company.
Held-for- trading financial asset	1,008,335,978.45	0.00	Not applicable	Mainly due to use the idle proceeds to purchase wealth management products by the company.
Other receivables	2,622,831.92	5,747,943.22	-54.37%	Mainly due to recognition by the company of the offering cost prepaid for the IPO.
Other current assets	21,427,125.34	14,972,694.94	43.11%	Mainly due to increase in prepaid deductible valued-added tax credit.
Short-term borrowings	0.00	20,589,600.00	-100.00%	Mainly due to repayment of bank loans of the company.
Receipts in advance	22,195,895.34	15,916,200.73	39.45%	Mainly due to increase in receipts in advance of the company.
Non-current liabilities due within one year	0.00	50,000,000.00	-100.00%	Mainly due to repayment of bank loans of the company.
Share capital	200,000,000.00	150,000,000.00	33.33%	Mainly due to 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.

2. Consolidated income statement items from the beginning of the year to the end of the reporting period

Unit: RMB (Yuan)

Items	Amount generated during the current period	Amount generated during the prior period	Increase/decrease	Reasons for changes
Other income	20,868,203.16	13,684,203.16	52.50%	Mainly due to increase in government grants received during the current period.
Investment income	3,561,642.22	0.00	Not applicable	Mainly due to use of unutilized proceeds to purchase wealth management products.
Gain on fair value changes	10,335,978.45	42,027.40	24,493.43%	Mainly due to use of unutilized proceeds to purchase wealth management products.

3. Consolidated cash flow statement items from the beginning of the year to the end of the reporting period

Unit: RMB (Yuan)

Items	Amount generated during the current period	Amount generated during the prior period	Increase/decrease	Reasons for changes
Net cash flows arising from operating activities	188,518,630.24	125,254,680.26	50.51%	Mainly due to increase in income and increase in sales receipts as a result of increase in business volume of the company and increase in government grants received.
Net cash flows arising from investment activities	-1,038,456,810.61	-40,613,375.96	-2,456.93%	Mainly due to company's cash management with temporary idle proceeds.
Net cash flows arising from financing activities	1,070,322,017.71	-27,060,969.83	4,055.22%	Mainly due to proceeds received from the initial offering of shares of the company.
Effect of changes in exchange rates on cash and cash equivalents	3,662,053.99	1,858,058.61	97.09%	Mainly due to increase in exchange gains following the depreciation of RMB.
Net increase in cash and cash equivalents	224,045,891.33	59,438,393.08	276.94%	Mainly due to increase in sales receipts as a result of increase in business volume of the company and proceeds from the issue of shares by the company.