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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)

INSIDE INFORMATION

PRELIMINARY RESULTS OF CSPC INNOVATION PHARMACEUTICAL CO., LTD. FOR THE YEAR ENDED 31 DECEMBER 2019

This announcement is made by CSPC Pharmaceutical Group Limited (the “**Company**”) pursuant to Rules 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 has published an announcement on its preliminary results for the year ended 31 December 2019 (“**Preliminary Results Announcement**”) 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 Appendix of this announcement (the “**Appendix**”) which set out the Preliminary Results Announcement prepared by CSPC XNW in accordance with the PRC Accounting Standard for Business Enterprises.

Please note that the Preliminary Results Announcement in the Appendix was originally prepared by CSPC XNW in Chinese language. In case of any inconsistency between the Chinese version and the English versions, the Chinese version shall prevail.

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

Hong Kong, 24 February 2020

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

Stock Code: 300765

Stock Name: XNW

Ref. No.: 2020-005

CSPC INNOVATION PHARMACEUTICAL CO., LTD. PRELIMINARY RESULTS OF THE YEAR OF 2019

The company and all members of its board warrant that the information disclosed is true, accurate and complete, and does not contain any false statements, misleading representations or material omissions.

Special reminder: The financial data for the year of 2019 set forth in this announcement is only preliminary data and has not been audited by the accounting firm. There may be discrepancies between the data contained herein and the final data to be disclosed in the annual report. Investors are advised to pay attention to the investment risks involved.

I. PRINCIPAL FINANCIAL DATA AND INDICATORS FOR 2019

Unit: RMB (in Ten Thousand Yuan)

| Item | Current reporting period | Same period last year | Increase/decrease (%) |
|--|--------------------------|-----------------------|-----------------------|
| Total operating revenue | 125,634.96 | 124,009.87 | 1.31% |
| Operating profit | 33,296.67 | 27,685.93 | 20.27% |
| Total profit | 33,530.47 | 27,770.52 | 20.74% |
| Net profit attributable to listed company's shareholders | 27,271.85 | 22,384.01 | 21.84% |
| Basic earnings per share (Yuan) | 1.45 | 1.49 | -2.68% |
| Weighted average return on net assets | 13.75% | 25.47% | -11.72% |

| | End of the current reporting period | Beginning of the current reporting period | Increase/decrease (%) |
|---|--|--|------------------------------|
| Total assets | 285,512.78 | 139,079.92 | 105.29% |
| Owner's equity attributable to listed company's shareholders | 240,592.12 | 99,076.72 | 142.83% |
| Share capital | 20,000.00 | 15,000.00 | 33.33% |
| Net assets per share attributable to listed company's shareholders (Yuan) | 12.03 | 6.61 | 82.00% |

II. DETAILS OF THE OPERATING RESULTS AND FINANCIAL POSITION

During the reporting period, the company achieved a total operating revenue of RMB1,256,349,600, representing an increase of 1.31% over the same period last year; achieved a net profit attributable to listed company's shareholders of RMB272,718,500, representing an increase of 21.84% over the same period last year. The company carried out all the work in an orderly manner in accordance with the established operational plan, continued to strengthen its principal business and leverage the technology and market competitiveness of its products, all of the business segments have maintained a continued stable growth. With cost reduction, efficiency improvement and higher gross profit margin, the operating results increased over the same period last year.

At the end of the reporting period, the company had total assets of RMB2,855,127,800, representing an increase of 105.29% as compared to the beginning of the period; owner's equity attributable to listed company's shareholders of RMB2,405,921,200, representing an increase of 142.83% as compared to the beginning of the period; share capital of RMB200,000,000, representing an increase of 33.33% as compared to the beginning of the period; net assets per share attributable to listed company's shareholders of RMB12.03, representing an increase of 82.00% as compared to the beginning of the period. The main reason for the above changes is: proceeds received from the initial public offering and listing of the company's shares on ChiNext.

III. EXPLANATION OF THE DIFFERENCE WITH THE PREVIOUS INDICATIVE RESULTS

There is no difference in the operating results disclosed in this preliminary results announcement of the company with the indicative results of 2019 disclosed on 22 January 2020.

IV. OTHER EXPLANATION

This preliminary results announcement is based on the preliminary estimation by the finance department of the company and has not been audited by the accounting firm. The specific financial data shall be disclosed in detail in the company's annual report of 2019. Investors are advised to make cautious decision and pay attention to the investment risks involved.

V. DOCUMENTS AVAILABLE FOR INSPECTION

1. The comparative balance sheet statement and income statement signed and stamped by the legal representative, the responsible person in charge of accounting and the responsible person of the accounting institution of the company.

Announcement is hereby made.

The board of directors of
CSPC Innovation Pharmaceutical Co., Ltd.

24 February 2020