

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 with limited liability)

(Stock Code: 1093)

INSIDE INFORMATION

PRINCIPAL FINANCIAL INFORMATION OF CSPC INNOVATION PHARMACEUTICAL CO., LTD. FOR THE THIRD QUARTER OF 2020

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 2020 Third Quarterly Report 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 financial information of CSPC XNW prepared in accordance with the PRC Accounting Standard for Business Enterprises for the third quarter of 2020.

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, 23 October 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. 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

Currency: RMB

	End of current reporting period	End of last year	Increase/decrease compared with the end of last year	
Total assets (Yuan)	2,948,519,484.07	2,852,373,126.14	3.37%	
Net assets attributable to listed company's shareholders (Yuan)	2,635,188,500.28	2,406,399,708.49	9.51%	
	Current reporting period	Increase/decrease compared with corresponding period of last year	From beginning of the year to end of current reporting period	Increase/decrease compared with corresponding period of last year
Revenue (Yuan)	345,661,569.33	12.73%	1,032,894,694.22	7.58%
Net profit attributable to listed company's shareholders (Yuan)	77,699,277.66	1.79%	257,185,689.95	20.56%
Net profit attributable to listed company's shareholders after deduction of non-recurring items (Yuan)	70,951,207.69	3.40%	223,851,620.45	19.20%
Net cash flows from operating activities (Yuan)	105,978,560.92	95.86%	269,027,400.04	42.71%
Basic earnings per share (Yuan/share)	0.185	1.65%	0.612	20.47%
Diluted earnings per share (Yuan/share)	0.185	1.65%	0.612	20.47%
Weighted average return on net assets	2.99%	-0.32%	10.21%	-1.26%

APPENDIX II
NON-RECURRING GAIN/LOSS ITEMS AND AMOUNTS

Unit: RMB (Yuan)

Items	Amount from beginning of the year to end of current reporting period	Notes
Gain/loss from disposal of non-current assets (including the part offset with the provision for impairment of assets)	23,838.17	
Government subsidies recognised in profit or loss of current period (excluding those closely related to the company's business and granted under the national policies according to certain quota of amount or volume)	19,560,059.63	
Gain/loss from entrusted investments or assets management	11,616,279.17	
Profit/loss from change in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investment except for those relating to hedging transactions under the company's normal operating business	10,116,913.52	
Non-operating income and expenses other than the above items	-389,485.98	
<i>Less:</i> Impact of income tax	7,571,565.77	
Impact of minority interests (after tax)	21,969.24	
Total	33,334,069.50	—

APPENDIX III
SIGNIFICANT CHANGES IN PRINCIPAL FINANCIAL DATA AND FINANCIAL
INDICATORS DURING THE REPORTING PERIOD AND REASONS

1. Consolidated Balance Sheet Items

Unit: RMB (Yuan)

Items	30 September 2020	31 December 2019	Percentage change	Analysis on the reasons for changes
Prepayments	17,846,610.11	11,440,920.36	55.99%	Mainly due to increase in the company's prepayments for materials and others.
Other receivables	3,637,908.77	1,466,103.62	148.13%	Mainly due to social security expenses paid by the company with invoice not yet received at end of the period.
Other current assets	20,787,910.63	14,881,297.50	39.69%	Mainly due to increase in the company's input tax pending deduction as compared with beginning of the year.
Long-term equity investments	235,401,884.56	156,285,100.38	50.62%	Mainly due to the acquisition of 9.77% equity interest in Beijing Guoxinhuijin Co., Ltd. by the company.
Construction in progress	164,575,111.24	108,134,496.09	52.19%	Mainly due to increase in construction works undertaken by the company.
Other non-current assets	17,792,019.98	6,986,665.51	154.66%	Mainly due to increase in prepayments for construction projects as a result of increase in construction works undertaken by the company.
Bill payables	0.00	12,488,451.38	-100.00%	Mainly due to settlement of bill payables upon maturity.

Items	30 September 2020	31 December 2019	Percentage change	Analysis on the reasons for changes
Other payables	148,590,236.74	254,234,738.99	-41.55%	Mainly due to settlement of capital payable to Beijing Guoxinhuijin Co., Ltd. by the company.
Deferred income tax liabilities	1,570,056.47	646,331.73	142.92%	Mainly due to increase in temporary difference of tax payable caused by change in cash management return from the proceeds.
Share capital	420,000,000.00	200,000,000.00	110.00%	Mainly due to capitalization of capital reserves by the company during the reporting period.
Other comprehensive income	-370,730.91	26,167.25	-1516.77%	Mainly due to differences arising from translation of financial statements in foreign currencies.

2. Consolidated Income Statement Items for the Period from Beginning of the Year to End of the Reporting Period

Unit: RMB (Yuan)

Items	January-September 2020	January-September 2019	Percentage change	Analysis on the reasons for changes
Finance expenses	4,014,258.25	-8,183,301.67	N/A	Mainly due to exchange loss arising from the appreciation of RMB.
Other income	13,560,059.63	20,868,203.16	-35.02%	Mainly due to decrease in government subsidies recognized in other income.
Investment income	15,533,063.35	3,561,642.22	336.12%	Mainly due to cash management return from the proceeds and income from long-term equity investments.
Non-operating income	6,473,665.09	117,667.55	5,401.66%	Mainly due to increase in government subsidies recognized in non-operating income.
Non-operating expenses	839,312.90	1,690,456.04	-50.35%	Mainly due to decrease in loss on disposal of fixed assets by the company.

3. Consolidated Cash Flow Statement Items for the Period from Beginning of the Year to End of the Reporting Period

Unit: RMB (Yuan)

Items	January-September 2020	January-September 2019	Percentage change	Analysis on the reasons for changes
Net cash flows from operating activities	269,027,400.04	188,518,630.24	42.71%	Mainly due to growth in the company's business scale and increase in revenues and sales receipts.
Net cash flows from investment activities	-135,084,912.96	-1,038,456,810.61	86.99%	Mainly due to redemption of structured deposits purchased by the company using idle proceeds upon maturity.
Net cash flows from financing activities	-28,000,000.00	1,070,322,017.71	-102.62%	Mainly due to proceeds received from the issue of shares by the company in March 2019 and completion of equity distribution of the company for the year 2019 in May 2020.