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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 FINANCIAL INFORMATION OF CSPC INNOVATION PHARMACEUTICAL CO., LTD. FOR THE THREE MONTHS ENDED 31 MARCH 2021

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. (“**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 2021 First Quarterly Report for the three months ended 31 March 2021 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 three months ended 31 March 2021.

Please note that the information in the Appendices is an extract of the unaudited financial statements prepared 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, 27 April 2021

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, Mr. CHAK Kin Man and Dr. JIANG Hao as executive directors; and Mr. WANG Bo, Mr. CHEN Chuan, Prof. WANG Hongguang, Mr. AU Chun Kwok Alan and Mr. LAW Cheuk Kin Stephen as independent non-executive directors.

APPENDIX I

PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB (Yuan)

	Current reporting period	Corresponding reporting period of last year	Increase/decrease compared with the corresponding reporting period of last year
Revenue	357,139,832.90	355,609,758.11	0.43%
Net profit attributable to listed company's shareholders	83,862,300.22	73,080,413.05	14.75%
Net profit attributable to listed company's shareholders less the non-recurring gain/loss	77,725,407.02	63,653,543.42	22.11%
Net cash flows arising from operating activities	48,579,724.40	95,461,023.85	-49.11%
Basic earnings per share (RMB/share)	0.1997	0.1740	14.77%
Diluted earnings per share (RMB/share)	0.1997	0.1740	14.77%
Weighted average return on net assets	3.08%	2.99%	0.09%
	End of the current reporting period	End of last year	Increase/decrease compared with the end of last year
Total assets	3,057,641,726.32	2,954,902,756.59	3.48%
Net assets attributable to listed company's shareholders	2,761,508,832.45	2,678,111,938.23	3.11%

APPENDIX II

NON-RECURRING GAIN/LOSS ITEMS AND AMOUNTS

Unit: RMB (Yuan)

Items	Amount from the 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)	2,940,731.26	
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)	2,469,141.84	
Gain/loss from entrusted investments or assets management	1,965,853.41	
Non-operating income and expenses other than the above items	170,584.75	
<i>Less:</i> Impact of income tax	1,404,415.34	
Impact of minority interests (after tax)	5,002.72	
Total	6,136,893.20	—

APPENDIX III

DETAILS AND REASONS FOR SIGNIFICANT CHANGES IN MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

1. Consolidated Balance Sheet Items

Unit: RMB (Yuan)

Items	End of the reporting period	End of last year	Percentage change	Analysis on the reasons for changes
Other receivables	2,367,776.99	1,797,748.58	31.71%	Mainly due to the time lag for receipt of social insurance premium invoices.
Right-of-use assets	1,440,518.81	0.00	N/A	Due to the adoption of the new accounting standard on lease.
Tax payables	21,446,456.83	11,217,534.75	91.19%	Mainly due to the increase in income tax and value-added tax payables at the end of the reporting period as compared to the beginning of the reporting period.
Contract liabilities	12,234,024.06	25,270,340.67	-51.59%	Mainly due to the decrease in receipts in advance received by the company at the end of the reporting period as compared to the beginning of the reporting period.
Other current liabilities	1,538,082.07	3,022,485.75	-49.11%	Mainly due to the change in the amount of pending output value-added tax resulting from the change in contract liabilities.
Lease liabilities	1,448,224.56	0.00	N/A	Due to the adoption of the new accounting standard on lease.

APPENDIX III

DETAILS AND REASONS FOR SIGNIFICANT CHANGES IN MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

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
Other income	2,469,141.84	709,067.71	248.22%	Mainly due to the increase in government grants received by the company as compared to the corresponding reporting period of last year.
Investment income	2,746,155.76	10,989,737.36	-75.01%	Mainly due to the decrease in investment income resulting from the decrease in the amount of structured deposits purchased by the company using proceeds as compared to the corresponding reporting period of last year.
Profit from change in fair value	3,932,830.86	-3,049,571.97	-228.96%	Mainly due to the change in the gain on structured deposits not yet due purchased by the company using proceeds.
Credit impairment loss	-2,186,811.00	-1,360,715.99	-60.71%	Mainly due to the increase in the provision for bad debts resulting from the increase in the balance of trade receivables of the company.
Non-operating income	303,390.99	3,067,585.33	-90.11%	Mainly due to the receipt of RMB3 million as a reward for going public for the corresponding reporting period of last year.

APPENDIX III

DETAILS AND REASONS FOR SIGNIFICANT CHANGES IN MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

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 flows generated from operating activities	48,579,724.40	95,461,023.85	-49.11%	Mainly due to the tightened credit policy on suppliers, increase in the stock level of raw materials, increase in the cost of raw materials, and decrease in cash received by the company for goods sold caused by the spread of COVID-19 in Shijiazhuang.
Net cash flows generated from investment activities	105,255,652.62	631,883,600.08	-83.34%	Mainly due to the decrease in amount of the “cash receipts from investment” for the current reporting period as compared to that of the corresponding reporting period of last year. It was because the cash management has not yet matured for the current reporting period.