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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

PRINCIPAL FINANCIAL INFORMATION OF CSPC INNOVATION PHARMACEUTICAL CO., LTD. FOR THE HALF YEAR ENDED 30 JUNE 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. (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 2021 Half Yearly Report for the half year ended 30 June 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 half year ended 30 June 2021.

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, 19 August 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

Currency: RMB

	Current reporting period	Corresponding reporting period of last year	Increase/decrease compared with the corresponding reporting period of last year
Revenue (Yuan)	707,432,784.60	687,233,124.89	2.94%
Net profit attributable to listed company's shareholders (Yuan)	163,470,378.98	179,486,412.29	-8.92%
Net profit attributable to listed company's shareholders after deduction of non-recurring items (Yuan)	155,081,535.26	152,900,412.76	1.43%
Net cash flows from operating activities (Yuan)	91,203,623.59	163,048,839.12	-44.06%
Basic earnings per share (Yuan/share)	0.299	0.329	-9.12%
Diluted earnings per share (Yuan/share)	0.299	0.329	-9.12%
Weighted average return on net assets	5.95%	7.22%	-1.27%
	End of the current reporting period	End of last year	Increase/decrease compared with the end of last year
Total assets (Yuan)	3,059,106,451.68	2,954,902,756.59	3.53%
Net assets attributable to listed company's shareholders (Yuan)	2,799,217,655.54	2,678,111,938.23	4.52%

APPENDIX II
NON-RECURRING GAIN/LOSS ITEMS AND AMOUNTS

Unit: RMB (Yuan)

Items	Amount	Description
Gain/loss from disposal of non-current assets (including the part offset with the provision for impairment of assets)	-333,045.32	
Government grants 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)	3,129,808.77	
Profit/loss from the change of fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and investment income from the 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 gain/loss relating to the hedging transactions under the company's normal operating business	4,424,395.92	
Non-operating income and expenses other than the above items	-1,014,570.91	
Other gain/loss items that meet the definition of non-recurring profit or loss	3,380,349.16	
Less: Impact of income tax	1,203,886.00	
Impact of minority interests (after tax)	-5,792.10	
Total	8,388,843.72	—

APPENDIX III
SIGNIFICANT CHANGES IN ASSETS COMPONENTS

Unit: RMB (Yuan)

	End of current reporting period		End of last year		Increase/ decrease in proportion	Description of significant changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Bank balances and cash	1,265,337,024.05	41.36%	1,138,744,787.20	38.54%	2.82%	
Trade receivables	211,373,881.25	6.91%	146,270,977.17	4.95%	1.96%	
Inventories	149,735,710.65	4.89%	110,998,816.18	3.76%	1.13%	Increase in the amount of raw materials due to the increase in stocking volume of inventories by overseas subsidiaries and the increase in price of raw materials.
Long-term equity investments	236,061,196.56	7.72%	235,874,486.64	7.98%	-0.26%	
Fixed assets	478,416,933.45	15.64%	572,657,618.28	19.38%	-3.74%	Due to disposal of Hebei Zhongnuo Pharmaceutical Technology Co., Ltd.
Construction in progress	131,034,526.05	4.28%	154,828,065.57	5.24%	-0.96%	
Right-of-use assets	1,234,730.41	0.04%		0.00%	0.04%	
Contractual liabilities	6,872,537.76	0.22%	25,270,340.67	0.86%	-0.64%	
Lease liabilities	425,026.74	0.01%		0.00%	0.01%	

APPENDIX IV
YEAR-ON-YEAR CHANGES IN PRINCIPAL FINANCIAL DATA

Unit: RMB (Yuan)

	Current reporting period	Corresponding reporting period of last year	Year-on-year increase/decrease	Reasons for changes
Revenue	707,432,784.60	687,233,124.89	2.94%	
Cost of sales	334,793,598.77	295,430,313.74	13.32%	
Selling expenses	154,482,362.59	174,109,424.12	-11.27%	
Administrative expenses	20,720,398.54	22,320,895.98	-7.17%	
Finance cost	-11,460,570.21	-5,354,142.15	-114.05%	
Income tax expenses	37,356,206.55	39,091,518.16	-4.44%	
Research and development expenses	7,203,862.25	5,585,580.07	28.97%	
Net cash flows from operating activities	91,203,623.59	163,048,839.12	-44.06%	Mainly due to the increase in price of raw materials during the reporting period and the increase in cash paid for goods and services as compared to the corresponding period of last year.
Net cash flows from investment activities	78,685,110.68	-115,905,773.12		
Net cash flows from financing activities	-42,431,972.46	-28,000,000.00	-51.54%	Mainly due to the increase in the amount of dividend during the reporting period as compared to the corresponding period of last year.
Net increase in cash and cash equivalents	127,592,236.85	22,396,790.30	469.69%	Mainly due to the decrease in the amount of bank structured deposits products purchased during the reporting period.
Bank balances and cash	1,265,337,024.05	496,672,295.90	154.76%	Mainly due to the decrease in the amount of bank structured deposits products purchased during the reporting period.
Financial assets held for trading	322,327,001.58	956,598,399.67	-66.30%	Mainly due to the decrease in the amount of bank structured deposits products purchased during the reporting period.
Inventories	149,735,710.65	110,260,503.85	35.80%	Mainly due to (1) the increase in stocking volume of inventories by overseas subsidiaries; and (2) the increase in the amount of inventories because of the increase in price of raw materials.