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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 2022

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 2022 Half Yearly Report for the half year ended 30 June 2022 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 2022.

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 2022

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)	1,039,404,556.34	707,432,784.60	46.93%
Net profit attributable to listed company's shareholders (Yuan)	302,371,027.28	163,470,378.98	84.97%
Net profit attributable to listed company's shareholders less the non-recurring gain/loss (Yuan)	301,734,344.25	155,081,535.26	94.56%
Net cash flows arising from operating activities (Yuan)	211,307,644.94	91,203,623.59	131.69%
Basic earnings per share (Yuan/share)	0.554	0.299	85.28%
Diluted earnings per share (Yuan/share)	0.554	0.299	85.28%
Weighted average return on net assets	9.74%	5.95%	3.79%
	End of the current reporting period	End of last year	Increase/decrease compared with the end of last year
Total assets (Yuan)	3,472,191,897.50	3,225,776,209.68	7.64%
Net assets attributable to listed company's shareholders (Yuan)	3,172,998,001.07	2,952,078,874.74	7.48%

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)	-3,847,531.08	
Government grants recognised in profit or loss of current period (excluding those closely related to the company's normal operating business and continuously granted according to certain quota of amount or volume under national policies)	1,537,388.41	
Profit and loss on entrusted investment or asset management	2,901,165.59	
Non-operating income and expenses other than the above items	349,220.21	
Less: Impact of income tax	303,627.88	
Impact of minority interests (after tax)	-67.78	
Total	636,683.03	

APPENDIX III
SIGNIFICANT CHANGES IN ASSETS COMPONENTS

Unit: RMB (Yuan)

	End of current year		End of prior year		Increase/decrease in proportion	Description of significant changes
	Amount	Proportion to total asset	Amount	Proportion to total asset		
Bank balances and cash	1,464,046,974.83	42.16%	1,231,863,277.33	38.19%	3.97%	Mainly due to sales increase of the company and redemption upon maturity of financial assets held for trading.
Trade receivables	382,593,818.57	11.02%	269,787,693.48	8.36%	2.66%	Mainly due to sales increase of the company.
Inventories	210,965,692.79	6.08%	216,857,370.81	6.72%	-0.64%	
Long-term equity investments	243,037,235.14	7.00%	243,185,931.33	7.54%	-0.54%	
Fixed assets	456,683,270.56	13.15%	466,148,503.58	14.45%	-1.30%	
Construction in progress	164,982,709.13	4.75%	128,676,240.34	3.99%	0.76%	
Right-of-use assets	411,576.80	0.01%	823,153.61	0.03%	-0.02%	
Contract liabilities	22,298,676.04	0.64%	17,909,145.81	0.56%	0.08%	

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	1,039,404,556.34	707,432,784.60	46.93%	Mainly due to the substantial increase in the sales price of the company's caffeine products and the increase in the sales volume of the company's caffeine products during the reporting period as compared to the corresponding period last year, resulting in a significant increase in the company's revenue from the sales of caffeine products.
Cost of sales	547,946,913.88	334,793,598.77	63.67%	Mainly due to the increase in production costs as a result of the increase in upstream raw material prices for caffeine products during the reporting period.
Selling expenses	119,749,077.92	154,482,362.59	-22.48%	Mainly due to the decrease in selling expenses of the company's health food products during the reporting period.
Administrative expenses	20,406,052.99	20,720,398.54	-1.52%	No significant change.
Finance costs	-30,862,945.41	-11,460,570.21	-169.30%	Mainly due to the increase in foreign exchange gain as a result of the depreciation of Renminbi during the reporting period.
Income tax expenses	57,057,203.81	37,356,206.55	52.74%	Mainly due to the increase in the company's operating revenue during the reporting period as compared to the corresponding period of the previous year.
Research and development expenses	10,265,183.79	7,203,862.25	42.50%	Mainly due to the company's increased investment in research and development during the reporting period.
Net cash flows from operating activities	211,307,644.94	91,203,623.59	131.69%	Mainly due to the increase in cash received from the sale of goods and services as a result of the increase in sales prices of the company's caffeine products during the reporting period.

	Current reporting period	Corresponding reporting period of last year	Year-on-year increase/decrease	Reasons for changes
Net cash flows from investing activities	90,835,157.44	78,685,110.68	15.44%	No significant change.
Net cash flows from financing activities	-82,331,972.48	-42,431,972.46	-94.03%	Mainly due to the increase in the amount of cash dividends paid by the company during the reporting period as compared to the corresponding period of the previous year.
Net increase in cash and cash equivalents	232,183,697.50	127,592,236.85	81.97%	Mainly due to the increase in net cash flows from operating activities during the reporting period as compared to the previous year.