



CSPC Pharmaceutical Announces 2018 Annual Results

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***Profit Attributable To Shareholders Increased 31.9% to HK\$3,655 Million
Innovative Drug Business Continued to Deliver Strong Growth
R&D Deployment Further Improved***

HONG KONG, 18 March 2019 – **CSPC Pharmaceutical Group Limited** (HKEx: 01093) (“CSPC Pharmaceutical” or the “Group”), a leading pharmaceutical company in China, is pleased to announce its annual results for the year ended 31 December 2018 (the “Year”). For the Year, the Group recorded a turnover of approximately HK\$21,029 million, representing an increase of 36.0% year-on-year. Profit attributable to shareholders was approximately HK\$3,655 million, up 31.9% year-on-year. Basic earnings per share were HK58.55 cents. The Board of Directors (“The Board”) has proposed to declare the payment of a final dividend of HK18 cents per share.

During the Year, the gradual deepening of healthcare reform and full implementation of the new reimbursement drug list have provided the Group’s innovative drug products with increased room for market expansion. The Group swiftly expanded the dedicated sales force, strengthened academic-based promotion and accelerated market development in major cities and hospitals. Moreover, the Group penetrated into county-level hospitals and community medical institutions for end-user market development. With these efforts, innovative drug products continued the strong growth and achieved sales of HK\$10,344 million in 2018, representing a 57.2% growth year-on-year. In particular, the sales of oncology drug portfolio increased by 123.3%, becoming a new major growth driver.

In respect of common generic drug business, the Group continued with the strategy of enhancing its sales mix by strengthening the promotion of non-antibiotic drugs and expanding the product line of oral formulation for chronic diseases. Furthermore, the Group actively pushed forward with the quality and efficacy consistency evaluation of generic drugs. During the Year, sales of common generic drug products maintained a satisfactory growth in general, with sales of HK\$6,209 million, representing a 29.6% growth.

As to bulk drug business, the restraint on market supply of vitamin C due to pressure from environmental protection provided opportunities for large-scale vitamin C manufacturers, enabling this business to achieve a satisfactory performance during the

Year. Caffeine business recorded a steady performance thanks to a stable operating environment.

In terms of research and development, the Group continued to increase its investment in the research and development of products during the Year. Currently there are more than 300 projects in the pipeline, primarily focusing on the therapeutic areas of cardio-cerebrovascular diseases, metabolic diseases (such as diabetes), oncology, psychiatry and neurology, as well as anti-infection. Among these product candidates, there are 30 macromolecule biologics, 40 new small molecule drugs and 55 Class 3 new drugs (classified as Class 3 or 4 under the new system).

Currently, there are 10 and 2 small molecule new drugs under clinical trials in China and the United States, respectively; 7 new macromolecule drugs (including "anti-CD20 monoclonal antibody for injection", "anti-EGFR monoclonal antibody for injection", "anti-RANKL monoclonal antibody for injection" and 2 bispecific antibodies) under clinical trials in China; and 4 new preparations (including "Mitoxantrone liposome for injection" under clinical trial as well.

In addition, 26 drugs are currently pending production approval, including "dronedarone hydrochloride tablets", "clopidogrel hydrogen sulfate tablets", "amphotericin B cholesterol sulfate complex for injection" (new preparation), "pramexole hydrochloride tablets" and "sacubitril / valsartan sodium tablets"; and 6 drugs currently pending U.S. ANDA approval. Moreover, "mitoxantrone hydrochloride liposome for injection", antibody-drug conjugate "DP303c", "butylphthalide soft capsule" (indication: ALS) and "ALMB-0166" have been granted the orphan drug designation in U.S..

The Group continued to increase its investment in the pipeline of biologics and small molecule innovative drugs. Apart from in-house research and development, the Group has also been proactively seeking for external cooperation and acquisition opportunities. Multiple cooperation or acquisition projects have been made recently or during the Year in order to improve the pipeline layout. The future acquisition efforts will mainly focus on drugs of new small molecule and macromolecule which are close to product approval and commercial launch so as to supplement the pipeline of product launch in the next few years, and fully leverage the Group's strong marketing and market development capabilities to achieve rapid sales growth of new products.

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About CSPC Pharmaceutical Group Limited

CSPC Pharmaceutical Group Limited is a leading pharmaceutical group in China. The Company has been listed on the Main Board of the Hong Kong Stock Exchange since 1994 and has become a constituent stock of Hang Sang Index since June 2018. CSPC Pharmaceutical is a leading player of innovative and common generic drugs in China. Major products include "NBP", "Duomeisu", "Jinyouli" and "Keaili". It is also a major manufacturer of bulk drugs, principal products including vitamin C, caffeine and antibiotics. The production facilities of CSPC Pharmaceutical are mainly located in Shijiazhuang City, Hebei Province, China. For more information, please visit its website at <http://www.cspc.com.hk>.