

CSPC Pharmaceutical Announces 2019 Interim Results

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Profit Attributable To Shareholders Increased 24.8% to RMB1,878 Million
Innovative Drug Business Continued to Deliver Strong Growth
R&D Investment Increased Significantly

HONG KONG, 19 August 2019 – **CSPC Pharmaceutical Group Limited** (HKEx: 01093) (“CSPC Pharmaceutical” or the “Group”) is pleased to announce its interim results for the six months ended 30 June 2019. For the current period, the Group recorded a turnover of RMB11,178 million, representing an increase of 27.6% year-on-year, and profit attributable to shareholders of RMB1,878 million, up 24.8% year-on-year. Basic earnings per share was RMB30.13 cents.

During the period, the Group continued to expand the dedicated sales force for different drugs, accelerate market expansion in major cities and hospitals, and adopt different sales strategies based on the market positions and competitive landscape of different kinds of products. Thanks to that, innovative drugs maintained a strong growth momentum amidst the fierce competition and achieved sales of RMB6,149 million during the period, representing a 55.4% growth. In particular, the sales of “NBP” increased by 35.9% and the sales of oncology drug portfolio increased by 194.2%, becoming the dual engine of the Group’s growth.

In respect of common generic drug business, the Group continued with the strategy of enhancing sales mix by strengthening the promotion of non-antibiotic drugs and expanding the product line of oral formulation for chronic diseases. Among which, products with higher sales growth included Ouyi (aspirin enteric-coated tablets), Ouwei (mecobalamin tablets), Shuanglexin (metformin hydrochloride tablets) and Zhongnuo Shuluoke (meropenem for injection). Furthermore, the Group actively pushed forward the quality and efficacy consistency evaluation of generic drugs. Currently, 9 common generic drug products have passed the consistency evaluation. During the period, common generic drug products achieved sales of RMB2,617 million, representing a 6.9% growth year-on-year.

With the prices of vitamin C products under pressure due to excessive market supply during the period, the Group adjusted customer structure and added products with different specifications based on market appetite to boost sales volume. The resulting increase in sales volume has to a certain extent effectively compensated for the loss due to price decline during the period.

In terms of research and development, the expenses incurred in the first half of 2019 amounted to RMB942 million, representing a 68.5% increase year-on-year and accounting for approximately 10.7% of finished drug business revenue. At present, there are more than 300 projects in the pipeline, of which 40 are new small molecule drugs and 30 are new target macromolecule biologics, primarily focusing on the therapeutic areas of cardio-cerebrovascular diseases, oncology, diabetes, psychiatry & neurology diseases and anti-infectives.

During the period, 2 drugs have been granted drug registration approval by the National Medical Products Administration, namely clopidogrel bisulphate tablets and ticagrelor tablets; 4 drugs have passed consistency evaluation, namely ranitidine hydrochloride capsules, cefadroxil tablets, clopidogrel bisulphate tablets and ticagrelor tablets, and another 19 drugs are under consistency evaluation.

Currently, there are 15 small molecule new drug candidates, 7 macromolecule new drug candidates and 5 drug candidates of new preparation under clinical trials in China. In addition, there are 26 drugs pending drug registration approval in China and 7 drugs pending ANDA approval in the 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. The acquisition efforts 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>.