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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)

QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

The Board of Directors of CSPC Pharmaceutical Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2024.

FINANCIAL HIGHLIGHTS

(in RMB'000, unless otherwise stated)

	Nine months ended 30 September		Change
	2024	2023	
Revenue by business units:			
Finished drugs	18,670,189	19,338,055	-3.5%
Bulk products	2,726,122	2,875,233	-5.2%
Functional food and others	1,289,840	1,651,788	-21.9%
Total revenue	22,686,151	23,865,076	-4.9%
Profit attributable to shareholders			
Underlying profit (Note)	3,998,789	4,715,187	-15.2%
Reported profit	3,778,039	4,494,641	-15.9%
Earnings per share (RMB cents)			
Based on underlying profit attributable to shareholders			
— Basic	33.90	39.69	-14.6%
— Diluted	33.90	39.69	-14.6%
Based on reported profit attributable to shareholders			
— Basic	32.03	37.84	-15.4%
— Diluted	32.03	37.83	-15.3%

Note: Underlying profit attributable to shareholders, a non-HKFRS measure, represents reported profit attributable to shareholders before taking into account fair value changes on financial assets measured at fair value through profit or loss (“FVTPL”), employee share-based compensation expense and gain on deemed disposal of partial interest in an associate. Reconciliation between underlying profit and reported profit is provided on page 14 of this announcement.

RESULTS FOR THE FIRST NINE MONTHS OF 2024

Revenue amounted to RMB22,686 million, a decrease of 4.9% as compared to the same period last year. Mainly due to the decrease in revenue from the finished drug business, underlying profit attributable to shareholders decreased by 15.2% to RMB3,999 million as compared to the same period last year, while profit attributable to shareholders decreased by 15.9% to RMB3,778 million as compared to the same period last year.

BUSINESS REVIEW

Finished Drug Business

Revenue from the finished drug business decreased by 3.5% to RMB18,670 million for the period. Sales by major therapeutic areas are as follows:

Therapeutic Area	Sales (RMB' million)	Change
Nervous system	7,234	+4.5%
Oncology	3,809	-17.6%
Anti-infectives	3,211	+2.2%
Cardiovascular	1,631	-11.1%
Respiratory system	941	-18.8%
Digestion and metabolism	865	+30.7%
Others	979	+2.6%

Revenue from the nervous system therapeutic area decreased by 15.8% in the third quarter as compared to the same quarter last year. Nonetheless, revenue in this area for the period recorded an overall growth of 4.5% as compared to the same period last year. NBP (恩必普®) (butylphthalide soft capsules and butylphthalide and sodium chloride injection) experienced a significant sales decrease in the third quarter of this year primarily due to tightened controls being imposed on drugs highly ranked in terms of usage amid an environment where hospitals strictly controlled medical expenses. On the other hand, the sales of Mingfule (明復樂®) (recombinant human TNK tissue-type plasminogen activator for injection) recorded a satisfactory result during the period after obtaining the marketing approval of a new indication for the treatment of acute ischemic stroke patients in the beginning of this year.

Revenue from the oncology therapeutic area for the third quarter and the period decreased by 31.2% and 17.6% respectively as compared to the corresponding quarter and period last year. This is mainly because Jinyouli (津優力®) (PEG-rhG-CSF injection) and Duomeisu (多美素®) (doxorubicin hydrochloride liposome injection), with approximately 58% and 23% prices cut, respectively, at the volume-based procurement (“VBP”) in the Beijing-Tianjin-Hebei “3+N” Alliance, experienced significant sales decline in the second and third quarters of this year following the gradual implementation of the VBP results in the related provinces since March this year. For new products, the sales of Duoenyi (多恩益®) (irinotecan hydrochloride liposome injection), Duoenda (多恩達®) (mitoxantrone hydrochloride liposome injection) and Geruite (戈瑞特®) (lenvatinib mesilate capsules) maintained high growth during the period.

Revenue from the anti-infectives therapeutic area decreased by 9.6% in the third quarter as compared to the same quarter last year. Nonetheless, revenue in this area for the period maintained stable growth as compared to the same period last year.

Revenue from the cardiovascular therapeutic area for the third quarter and the period decreased by 26.7% and 11.1% respectively as compared to the corresponding quarter and period last year. This is mainly because Xuanning (玄寧®) (maleate levamlodipine tablets and dispersible tablets) was not selected in the eighth batch of national VBP in 2023, causing a significant impact on sales from hospitals that strictly implemented the VBP. The decline was particularly notable in the second and third quarters of this year. Moreover, the sales of Encun (恩存®) (clopidogrel bisulfate tablets) and Yishuning (意舒寧®) (nifedipine controlled-release tablets) continued to grow during the period.

Revenue from the respiratory system therapeutic area for the third quarter and the period decreased by 35.1% and 18.8% respectively as compared to the corresponding quarter and period last year. During the period, the sales of Qixiao (琦效®) (arbidol hydrochloride tablets) recorded a significant decrease as driven by lowered market demand. Moreover, benefiting from effective promotion strategies and booming demand, the sales of Yiluoda (伊絡達®) (nintedanib capsules) and Nuoyian (諾一安®) (montelukast sodium tablets/chewable tablets) maintained satisfactory growth during the period.

Revenue from the digestion and metabolism therapeutic area decreased by 11.2% in the third quarter as compared to the same quarter last year. Nonetheless, revenue in this area for the period achieved significant growth by 30.7% as compared to the same period last year. Benefiting from effective promotion strategies and market demand, the sales of Oubeituo (歐倍妥®) (esomeprazole capsules) and Debixin (得必欣®) (omeprazole capsules/tablets/injection) increased notably.

Bulk Product Business

The sales of the bulk product business decreased by 5.2% to RMB2,726 million for the period. Mainly due to the decline in market demand, the sales of vitamin C products decreased by 3.4% to RMB1,462 million and the sales of antibiotic products decreased by 7.2% to RMB1,264 million.

Functional Food and Other Businesses

The sales of the functional food and other businesses decreased by 21.9% to RMB1,290 million for the period. Price of caffeine products remained stable during the period, but still showed a significant decline as compared to the same period last year.

Research and Development

During the period, R&D expenses increased by 5.5% to RMB3,880 million as compared to the same period last year, accounting for approximately 20.8% of the revenue from the finished drug business. Currently, more than 60 key drug candidates have entered clinical trial or registration stage, of which 6 candidates have filed marketing approval application and 24 products (30 indications) have entered pivotal clinical trial stage.

Regulatory Updates

Since the beginning of the year, 2 innovative drugs (additional indications), 1 biosimilar drug and 1 special preparation have obtained marketing approval, and drug candidates have obtained 34 clinical trial approvals and 7 generic drugs have obtained registration approvals in China. In North America, 3 innovative drug candidates have obtained clinical trial approval and 1 Fast Track Designation has been obtained.

China

- In February 2024, Mingfule (明復樂®) (recombinant human TNK tissue-type plasminogen activator for injection) (rhTNK-tPA) obtained marketing approval for the thrombolytic treatment in patients with acute ischemic stroke. It is the first approval for this indication of this product type in China, and the second approved indication of the product.
- In June 2024, Enshuxing (恩舒幸®) (recombinant fully human anti-PD-1 monoclonal antibody) obtained conditional marketing approval for the treatment of recurrent or metastatic cervical cancer patients with positive PD-L1 (CPS≥1) expression who have previously failed to respond to platinum-based chemotherapy.
- In September 2024, amphotericin B liposome for injection obtained marketing approval of the indications for the treatment of: 1) systemic fungal infections caused by susceptible fungi; 2) patients with neutropenia and unexplained fever who are highly suggestive of the presence of systemic fungal infections; and 3) visceral leishmaniasis in adults and children.
- In September 2024, Enyitan® (恩益坦®) (omalizumab for injection) obtained marketing approval as the first biosimilar drug of Xolair® (茁樂®) developed as Class 3.3 therapeutic biological product in China for the treatment of adults and adolescents (12 years of age and older) with chronic spontaneous urticaria who remain symptomatic despite H1 antihistamine treatment.
- 13 drug candidates have obtained clinical trial approval for their first indications and 21 additional indications have obtained clinical trial approval:

First Indication

Drug Candidate	Indication
JMT202 (mAb)	Lowering of triglyceride (TG) levels in patients with hypertriglyceridemia
SYS6023 (ADC)	Advanced solid tumors
SYH2039 (MAT2A)	Advanced malignant tumors
Dexmedetomidine hydrochloride nasal spray	Sedation before invasive procedures
Pilocarpine hydrochloride eye drops	Presbyopia
Pregabalin extended-release tablets	Neuropathic pain associated with diabetic peripheral neuropathy
Semaglutide injection	Weight management
SYS6020 injection (CAR-T)	Recurrent or refractory multiple myeloma
Aprepitant injection	Prevention of postoperative nausea and vomiting in adults

Drug Candidate	Indication
SYS6016 injection (mRNA vaccine)	Prevention of lower respiratory tract diseases caused by RSV infections
Dextromethorphan hydrobromide bupropion hydrochloride extended-release tablets	Adult depression
Tebipenem pivoxil fine granules	Community-acquired bacterial pneumonia in children
Valsartan levoamlodipine maleate tablets	Primary mild and moderate hypertension that cannot be effectively controlled by monotherapy

Additional Indication

Drug Candidate	Indication
SYSA1801 injection	In combination with CAPOX and SG001 or with irinotecan hydrochloride liposome injection for first-line and second-line treatment of Claudin18.2-positive gastric cancer
JMT101 injection	In combination with docetaxel (albumin-bound) for treatment of second-line and above EGFR lung squamous cell carcinoma
Simmitinib hydrochloride tablets	In combination with irinotecan liposome for the treatment of advanced esophageal cancer
Sirolimus for injection (albumin-bound)	In combination with endocrine therapy for the treatment of HR-positive HER2-negative advanced breast cancer after failure of standard therapy
Docetaxel for injection (albumin-bound)	In combination with glumetinib tablets for the treatment of locally advanced or metastasis non-small cell lung cancer with negative driver genes and MET overexpression in patients whose disease has progressed after recovery immunotherapy (anti-PD-1/PD-L1 antibody) and platinum-based doublet chemotherapy (in combination or sequential)
SYH2043 tablets	In combination with fulvestrant for the treatment of advanced breast cancer
Cisplatin micelle injection	In combination with paclitaxel for the treatment of advanced solid tumors
Octreotide long-acting injection	Gastroenteropancreatic neuroendocrine tumors
Irinotecan liposome injection	In combination with oxaliplatin and tegafur for adjuvant treatment after pancreatic cancer surgery
DP303c injection	In combination with simmitinib hydrochloride or irinotecan liposome for the treatment of HER2-expressing locally advanced or metastatic gastric adenocarcinoma or gastroesophageal junction adenocarcinoma
Simmitinib hydrochloride tablets	In combination with DP303c injection for the treatment of HER2 low-expressing recurrent/metastatic breast cancer
SYS6002 for injection (Nectin-4 ADC)	In combination with SG001 for the treatment of advanced solid tumors
SYHA1813 oral solutions	In combination with SG001 and docetaxel for injection (albumin-bound) for the treatment of advanced solid tumors

Drug Candidate	Indication
Sirolimus for injection (albumin-bound)	In combination with irinotecan liposome injection for the treatment of small cell lung cancer
SYS6020 injection (CAR-T)	Systemic lupus erythematosus
SYS6020 injection (CAR-T)	Myasthenia gravis
SYS6010	In combination with osimertinib for the treatment of locally advanced or metastatic EGFR mutated non-small cell lung cancer
SYS6010	In combination with SYH2051 tablets with or without bevacizumab for the treatment of advanced solid tumors
SYS6010	In combination with SG001 with or without chemotherapy for the treatment of EGFR and ALK wild-type advanced non-small cell lung cancer and other advanced solid tumors
SYSA1801 injection	In combination with capecitabine for the treatment of first-line unresectable locally advanced or metastatic gastric adenocarcinoma or gastroesophageal junction adenocarcinoma
KN026	Neoadjuvant therapy for early stage or locally advanced HER2-positive breast cancer in combination with HB1801

- Since the beginning of the year, 7 generic drugs have obtained drug registration approval, namely dapagliflozin tablets, peramivir injection, olaparib tablets, palbociclib tablets, roxadustat capsules, aprepitant injection and dexrazoxane for injection.

North America

- In January 2024, JMT106 injection (bispecific fusion protein targeting GPC3 and interferon receptors) obtained clinical trial approval in the US.
- In April 2024, SYH2039 tablets (MAT2A inhibitor) obtained clinical trial approval in the US.
- In July 2024, SYS6023 (ADC) obtained clinical trial approval in the US.
- In September 2024, CPO301 (EGFR-ADC) received Fast Track Designation from the US Food and Drug Administration (FDA) for the treatment of recurrent or metastatic squamous non-small cell lung cancer (NSCLC) with epidermal growth factor receptor (EGFR) overexpression that has progressed on or after treatment with platinum-based chemotherapy and anti-PD-L1 therapy.

Major Clinical Trials Progress

DP303c injection (recombinant humanised anti-HER2 monoclonal antibody-MMAE conjugate for injection)

- In February 2024, the phase III clinical trial for the treatment of second-line and above HER2-positive advanced breast cancer was initiated in China. The study is currently in the enrollment stage.

Daunorubicin cytarabine liposome for injection

- In February 2024, the phase III clinical trial for the treatment of high-risk secondary acute myeloid leukemia (AML) in the elderly patients who have not been previously treated was initiated in China. The study is currently in the enrollment stage.

Docetaxel for injection (albumin-bound)

- In February 2024, the phase III clinical study comparing to Taxotere® for the treatment of locally advanced or metastatic gastric adenocarcinoma or gastroesophageal junction adenocarcinoma that has previously failed first-line treatments was initiated in China. The study is currently in the enrollment stage.

Semaglutide injection

- In August 2024, subject enrollment of the phase III clinical trial for the treatment of type 2 diabetes initiated in China was completed.
- In September 2024, subject enrollment of the Phase III clinical trial for weight management initiated in China was completed.

JMT103 (narlumosbart injection)

- In March 2024, the phase III clinical trial for the treatment of bone metastasis of malignant solid tumors was initiated in China. The study is currently in the enrollment stage.

SYHX2011 (paclitaxel for injection (albumin-bound) II)

- In March 2024, subject enrollment of the phase III clinical trial for the treatment of advanced breast cancer initiated in China was completed.

Pregabalin extended-release tablets

- In May 2024, the phase III clinical trial for neuropathic pain associated with diabetic peripheral neuropathy was initiated in China. The study is currently in the enrollment stage.

Secukinumab injection

- In June 2024, the phase III clinical trial comparing to Cosentyx® for the treatment of moderate-to-severe plaque psoriasis was initiated in China. The study is currently in the enrollment stage.

TG103 injection (GLP-1 receptor agonist)

- In January 2024, subject enrollment of the phase III clinical trial for the treatment of overweight and obesity initiated in China was completed.
- In April 2024, the phase III clinical study for the treatment of type 2 diabetes was initiated in China. The study is currently in the enrollment stage.

JMT101 injection (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody injection)

- In April 2024, the phase III clinical trial of JMT101 in combination with osimertinib comparing to cisplatin in combination with pemetrexed for the treatment of NSCLC patients with first-line EGFR exon 20 insertion mutations was initiated in China. The study is currently in the enrollment stage.

SYSA1902 (ustekinumab injection)

- In September 2024, a phase III clinical study for the treatment of moderate-to-severe plaque psoriasis in China reached its predefined endpoint.

Mitoxantrone hydrochloride liposome injection

- In September 2024, subject enrollment of the phase III confirmatory clinical trial for the treatment of second-line and above relapsed/refractory peripheral T-cell lymphoma initiated in China was completed.

Publication of Major Clinical Trial Results

SYS6002 for injection (anti-Nectin-4 monoclonal antibody-drug conjugate)

- In January 2024, the results of a phase I clinical study for the treatment of advanced solid tumors were presented at the 2024 ASCO-GU Conference (No. B622). Preliminary results indicated that SYS6002 demonstrated clear efficacy signals and good tolerability in advanced solid tumors such as cervical cancer and urothelial carcinoma.
- In May 2024, the results of a phase I clinical study for the treatment of advanced solid tumors were presented in a poster session at the 2024 ASCO Conference (No. 3151). Preliminary results indicated that SYS6002 demonstrated clear efficacy signals and good tolerability in patients with advanced solid tumors.

DBPR108 (prusogliptin tablets)

- In January 2024, the results of a phase III clinical study of the monotherapy for the treatment of diabetes were published in the international journal *Diabetes, Obesity & Metabolism*, demonstrating that DBPR108 tablets had significantly better hypoglycemic efficacy than the placebo group and was non-inferior to the active group of sitagliptin phosphate tablets. In addition, the safety profile of DBPR108 tablets was similar to the placebo group and the active group of sitagliptin phosphate tablets.

Duentai (SARS-CoV-2 mRNA vaccine)

- From February 2024 to March 2024, multiple clinical study results of the first-generation COVID-19 mRNA vaccine were published in international journals *Emerging Microbes & Infections*, *Vaccine* and *Journal of Medical Virology*, respectively, demonstrating that the vaccine had good protective efficacy, immunogenicity and safety profile, with certain protection against XBB mutant strains.
- In March 2024, the results of a phase I clinical study of the bivalent COVID-19 mRNA vaccine (XBB.1.5/BQ.1) (SYS6006.32) were published in the international journal *Vaccine*, demonstrating that the vaccine had a good safety profile and immunogenicity, with cross-immunity against multiple mutant strains.

JMT101 injection (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody injection)

- In March 2024, the results of a phase II clinical trial of JMT101 in combination with osimertinib for the treatment of locally advanced or metastatic NSCLC patients with EGFR exon 20 insertion mutations (BECOME) were orally presented at the European Lung Cancer Congress 2024 (2024 ELCC), demonstrating the high potential efficacy and a manageable safety profile of JMT101 in combination with osimertinib in NSCLC patients with EGFR exon 20 insertion mutations.

TG103 injection (GLP-1 receptor agonists)

- In April 2024, the results of a phase Ib clinical study of the monotherapy for overweight or obesity without type II diabetes were published in the international journal *BMC Medicine*. The study results indicated that the weight-reducing efficacy of TG103 monotherapy was significantly better than the placebo group.

SG001 (enlonstobart injection)

- In May 2024, the results of a phase Ib clinical study of SG001 monotherapy for recurrent or metastatic cervical cancer were published in the international journal *Cancer Communications*. The study results indicated that SG001 monotherapy demonstrated good efficacy with a manageable safety profile, and that it had great potential for future combination treatments in recurrent or metastatic cervical cancer.
- In May and October 2024, the results of a phase II clinical study of SG001 monotherapy for recurrent or metastatic cervical cancer were presented in a poster session at the 2024 ASCO Annual Conference (No. 5526) and published in the international journal *Gynecologic Oncology*, respectively. The study results indicated that SG001 monotherapy demonstrated durable anti-tumor activity and an acceptable safety profile in patients with PD-L1 positive recurrent/metastatic cervical cancer.

Simmitinib hydrochloride tablets

- In May 2024, the results of a phase I clinical study of simmitinib hydrochloride tablets for the treatment of advanced solid tumors were presented in a poster session at the 2024 ASCO Annual Conference (No. 3109). Preliminary study results indicated that simmitinib hydrochloride tablets had a controllable safety profile and demonstrated good efficacy in patients with esophageal squamous cell carcinoma.

JMT103 (narlumosbart injection)

- In May 2024, the results of a phase Ib clinical study of JMT103 for the treatment of bone metastasis of solid tumors were presented online at the 2024 ASCO Annual Conference (No. e15190). Preliminary study results indicated that JMT103 had low immunogenicity and a good safety profile, and demonstrated good efficacy in reducing biomarkers of bone metabolism.

Docetaxel for injection (albumin-bound)

- In May 2024, the results of a phase II clinical study of docetaxel albumin for the treatment of gastric adenocarcinoma or gastroesophageal junction adenocarcinoma were presented online at the 2024 ASCO Annual Conference (No. e16018). Preliminary study results indicated that docetaxel albumin had a controllable safety profile and demonstrated good efficacy in patients with gastric adenocarcinoma or gastroesophageal junction adenocarcinoma.

DP303c injection (recombinant humanised anti-HER2 monoclonal antibody — MMAE conjugate for injection)

- In August 2024, the results of a phase I clinical study of DP303c for the treatment of HER2-expressing advanced solid tumors were published in the international journal *npj Precision Oncology*. The study results indicated that DP303c demonstrated good efficacy in HER2-expressing advanced solid tumors, particularly in HER2-expressing breast cancer.

SYHA1813 oral solutions

- In September 2024, the results of a Phase I clinical study of SYHA1813 for the treatment of recurrent or advanced solid tumors were presented as mini-oral presentation at the ESMO Congress 2024 (No. 2032). The study results indicated that SYHA1813 had good anti-tumor efficacy in recurrent gliomas.

KN026 injection

- In September 2024, the results of a phase II clinical study of KN026 combination therapy for HER2-positive advanced unresectable or metastatic gastric cancer/gastroesophageal conjugate adenocarcinoma were presented in poster display session at the ESMO Congress 2024 (No. 1425P). The study results indicated that KN026 combination therapy demonstrated excellent efficacy, with a good safety profile, for the treatment of patients with second-line and above HER2-positive gastric cancer/gastroesophageal conjugate adenocarcinoma.

CM310 injection

- In September 2024, the results of a phase II clinical study of CM310 for the treatment of moderate-to-severe asthma were presented as poster session (No. 2982) and oral presentation (No. OR-0170) at the European Respiratory Society (ERS) Congress 2024 and the 2024 Annual Meeting of the Chinese Society of Allergy (CSA 2024), respectively. The study results indicated that CM310 significantly improved lung function and reduced acute asthma exacerbations and loss of control, especially in the 150 mg dose group. CM310 was also well tolerated and safe, with a low incidence of treatment-emergent adverse events (TEAE), mainly respiratory infections.

NBL-012 injection (anti-IL 23 p19 subunit antibody)

- In September 2024, the results of a Phase I clinical study of NBL-012 in healthy human subjects were presented in a poster session at the 2024 European Academy of Dermatology and Venereology Congress (EADV Congress) (No. P0959). The study results indicated that NBL-012 was overall safe and well tolerated in healthy subjects in China, showing linear pharmacokinetics in the dose range of 20 mg to 400 mg.

SYHX1901 tablets

- In September 2024, the results of a Phase II clinical study of SYHX1901 for moderate-to-severe plaque psoriasis were presented in poster session at the 2024 EADV Congress (No. P3135). The study results indicated that all three dose groups of SYHX1901 showed significantly better PASI75 than the placebo group at 12 weeks of treatment, with good overall safety and tolerability.

Clinical Pipeline Overview

Registration and Pivotal Trial Stage

Drug candidate	Type	Target	Indication(s)	Status
DBPR108 (Prusogliptin tablets)	Chemical drug	DPP-4 inhibitor	Type 2 diabetes	Marketing approval application submitted
Meloxicam nanocrystal injection	Nanodrug	Selective COX-2 inhibitor	Moderate-to-severe pain in adults	Marketing approval application submitted
Amphotericin B liposome for injection	Nanodrug	Anti-infective, nonspecific drug	Invasive fungal infection	Marketing approval application submitted (US)
Irinotecan hydrochloride liposome injection	Nanodrug	Topoisomerase inhibitor	Pancreatic cancer	Marketing approval application submitted (US)
Clevidipine butyrate injectable emulsion	Nanodrug	Calcium channel blocker	Hypertension	Marketing approval application submitted

Drug candidate	Type	Target	Indication(s)	Status
Batoclimab (HBM9161)	Biological drug (monoclonal antibody)	FcRn	Myasthenia gravis	Marketing approval application submitted
DP303c injection (recombinant humanised anti-HER2 monoclonal antibody — MMAE conjugate injection)	Biological drug (ADC)	HER2 receptor (ADC)	Breast cancer	Pivotal trial
JMT101 injection (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody injection)	Biological drug (monoclonal antibody)	EGFR	Non-small cell lung cancer/lung squamous cell carcinoma	Pivotal trial
KN026 injection	Biological drug (bispecific antibody)	HER2 bispecific antibody	Gastric cancer/Breast cancer/Neoadjuvant therapy for breast cancer	Pivotal trial
Pertuzumab injection	Biological drug (monoclonal antibody)	HER2	Breast cancer	Pivotal trial
TG103 injection	Biological drug (monoclonal antibody)	GLP-1 receptor agonist	Obesity and overweight/diabetes	Pivotal trial
CM310 injection	Biological drug (monoclonal antibody)	Anti-IL-4R α monoclonal antibody	Asthma	Pivotal trial
SYSA1902 (ustekinumab injection)	Biological drug (monoclonal antibody)	IL-12/IL-23p40	Psoriasis	Pivotal trial
SYHX2011 (paclitaxel for injection (albumin-bound) II)	Nanodrug	Microtubule inhibitor	Breast cancer	Pivotal trial
Daunorubicin cytarabine liposome for injection	Nanodrug	RNA/DNA polymerase inhibitor	Leukemia	Pivotal trial
Docetaxel for injection (albumin-bound)	Nanodrug	Microtubule inhibitor	Gastric cancer/ Pancreatic cancer	Pivotal trial
Semaglutide injection	Chemical drug	GLP-1Ra/GLP-1 receptor agonist	Diabetes/Weight management	Pivotal trial
Mitoxantrone hydrochloride liposome injection	Nanodrug	Cell-cycle nonspecific drug	Nasopharyngeal cancer	Pivotal trial
JMT103 (Narlumosbart injection)	Biological drug (monoclonal antibody)	RANKL	Bone metastasis of malignant solid tumors	Pivotal trial

Drug candidate	Type	Target	Indication(s)	Status
Pregabalin extended-release tablets	Chemical drug	γ -GABA analogue	Neuropathic pain associated with diabetic peripheral neuropathy	Pivotal trial
Pilocarpine hydrochloride eye drops	Chemical drug	Cholinergic muscarinic agonist	Presbyopia	Pivotal trial
Secukinumab injection	Biological drug (monoclonal antibody)	IL-17 monoclonal antibody	Psoriasis	Pivotal trial
SYHX1901 tablets	Chemical drug	JAK&SYK dual-target inhibitor	Psoriasis	Pivotal trial
Aprepitant injection	Chemical drug	NK-1 receptor antagonist	Prevention of postoperative nausea and vomiting	Pivotal trial
Sirolimus for injection (albumin-bound)	Nanodrug	mTOR inhibitor	Perivascular epithelioid cell tumor (PEComa)	Pivotal trial
Irinotecan hydrochloride liposome injection	Nanodrug	Topoisomerase inhibitor	Pancreatic cancer adjuvant therapy	Pivotal trial
Simmitinib hydrochloride tablets	Chemical drug	FGFR1-3&KDR&CSF1R multi-targeted small molecule kinase inhibitor	Esophageal squamous cell carcinoma	Pivotal trial
SYS6010 for injection	Biological drug	EGFR (ADC)	EGFR mutant non-small cell lung cancer	Pivotal trial
SYSA1801 injection	Biological drug	CLDN18.2 (ADC)	CLDN18.2-positive HER2-negative gastric adenocarcinoma	Pivotal trial
Valsartan levoamlodipine maleate tablets	Chemical drug	Angiotensin II receptor antagonist	Hypertension	Pivotal trial

Patents

Since the beginning of 2024, the Group has filed 36 international PCT applications and 229 patent applications (127 domestic and 102 overseas), and has been granted 60 patents (31 domestic and 29 overseas). As of 30 September 2024, the Group has filed 198 international PCT applications and 2,023 patent applications (1,311 domestic and 712 overseas) in total and has been granted 959 patents (636 domestic and 323 overseas).

Business Development

In-Licensing

- In September 2024, the Group has entered into an exclusive license agreement with Jiangsu Alphamab to develop, sell, offer for sale and commercialise JSKN003 (a biparatopic HER2-targeting antibody-drug conjugate (ADC)) for the treatment of tumor-related indications in mainland China (excluding Hong Kong, Macau or Taiwan).

Out-Licensing

- In October 2024, the Group has entered into an exclusive license agreement with AstraZeneca for the global development, manufacture and commercialisation of the Group's Lipoprotein(a) (Lp(a)) inhibitor, YS2302018 and any pharmaceutical or biological product subsequently developed that is comprised of or contains YS2302018. The Group will receive an upfront payment of US\$100 million and is also eligible to receive up to US\$370 million in potential development milestone payments and up to US\$1,550 million in potential sales milestone payments, plus tiered royalties.

NON-HKFRS MEASURE

For the purpose of assessing the performance of the Group, the Company has also presented the underlying profit attributable to shareholders as an additional financial measure, which is not required by, or presented in accordance with the Hong Kong Financial Reporting Standards ("HKFRS"). The Group believes that this non-HKFRS financial measure better reflects the underlying operational performance of the Group by eliminating non-operating items which the Group does not consider indicative of the Group's operational performance. However, the presentation of this non-HKFRS financial measure is not intended to be a substitute for, or superior to, the financial information prepared and presented in accordance with HKFRS.

Additional information is provided below to reconcile the reported profit attributable to shareholders and the underlying profit attributable to shareholders.

	Nine months ended	
	30 September	
	2024	2023
	(RMB'000)	(RMB'000)
Reported profit attributable to shareholders	3,778,039	4,494,641
Adjustments for:		
— Fair value loss on financial assets measured at FVTPL (<i>note a</i>)	54,843	88,932
— Employee share-based compensation expense (<i>note b</i>)	169,999	169,297
— Gain on deemed disposal of partial interest in an associate	—	(32,861)
— Effect of corresponding income tax	(4,092)	(4,822)
Underlying profit attributable to shareholders	3,998,789	4,715,187

Notes:

- (a) Fair value changes on financial assets measured at FVTPL arise from the measurement of the Group's investments in certain partnerships, funds and listed equity securities at fair value.
- (b) Out of the total employee share-based compensation expense recognised during the period, RMB148,469,000 (first nine months of 2023: RMB147,926,000) was in respect of share awards granted to selected employees of the Group by Key Honesty Limited, a shareholder of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT*For the nine months ended 30 September 2024 — Unaudited*

	Nine months ended 30 September	
	2024	2023
	RMB'000	RMB'000
Revenue	22,686,151	23,865,076
Cost of sales	(6,700,907)	(7,072,976)
Gross profit	15,985,244	16,792,100
Other income	401,531	464,997
Other gains or losses, net	(79,523)	22,158
Selling and distribution expenses	(6,624,661)	(7,031,806)
Administrative expenses	(880,646)	(855,973)
Research and development expenses	(3,879,728)	(3,677,949)
Other expenses	(62,441)	(81,279)
Share of results of associates	(39,532)	(32,970)
Share of results of joint ventures	(41,440)	(5,503)
Gain on deemed disposal of partial interest in an associate	–	32,861
Finance costs	(33,291)	(16,877)
Profit before tax	4,745,513	5,609,759
Income tax expense	(942,703)	(964,743)
Profit for the period	3,802,810	4,645,016
Profit for the period attributable to:		
Owners of the Company	3,778,039	4,494,641
Non-controlling interests	24,771	150,375
	3,802,810	4,645,016
	RMB cents	RMB cents
Earnings per share		
— Basic	32.03	37.84
— Diluted	32.03	37.83

NOTES:

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies and methods of computation used in the preparation of the financial data for the nine months ended 30 September 2024 are consistent with those followed in the preparation of the Group's interim financial statements for the six months ended 30 June 2024.

2. REVENUE AND SEGMENT INFORMATION

	Nine months ended 30 September	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of goods	22,686,151	23,830,376
Licence fee income	–	34,700
	22,686,151	23,865,076

Information reported to the executive directors, being the chief operating decision makers, for the purpose of resources allocation and assessment of segment performance focuses on types of goods delivered. The reportable segments of the Group are as follows:

- (a) Finished drugs — research and development, manufacture and sale of pharmaceutical products and licence fee income;
- (b) Bulk products — manufacture and sale of vitamin C and antibiotic products in bulk powder form; and
- (c) Functional food and others — manufacture and sale of functional food products (including caffeine food additives, anhydrous glucose, acarbose and vitamin C buccal tablets), provision of healthcare services and others.

The following is an analysis of the Group's revenue and results by operating and reportable segment.

Nine months ended 30 September 2024

	Finished drugs <i>RMB'000</i>	Bulk products		Functional food and others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
		Vitamin C <i>RMB'000</i>	Antibiotics <i>RMB'000</i>				
SEGMENT REVENUE							
Sale of goods	18,670,189	1,461,726	1,264,396	1,289,840	22,686,151	-	22,686,151
Inter-segment sales	-	29,814	145,563	124,519	299,896	(299,896)	-
TOTAL REVENUE	18,670,189	1,491,540	1,409,959	1,414,359	22,986,047	(299,896)	22,686,151
SEGMENT PROFIT							
	4,232,433	110,691	239,041	235,162			4,817,327
Unallocated income							222,276
Unallocated expenses							(179,827)
Share of results of associates							(39,532)
Share of results of joint ventures							(41,440)
Finance costs							(33,291)
Profit before tax							4,745,513

Nine months ended 30 September 2023

	Finished drugs <i>RMB'000</i>	Bulk products		Functional food and others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
		Vitamin C <i>RMB'000</i>	Antibiotics <i>RMB'000</i>				
SEGMENT REVENUE							
Sale of goods	19,303,355	1,512,917	1,362,316	1,651,788	23,830,376	-	23,830,376
Inter-segment sales	-	5,664	243,739	213,627	463,030	(463,030)	-
Licence fee income	34,700	-	-	-	34,700	-	34,700
TOTAL REVENUE	19,338,055	1,518,581	1,606,055	1,865,415	24,328,106	(463,030)	23,865,076
SEGMENT PROFIT							
	4,959,021	51,528	103,584	439,527			5,553,660
Unallocated income							269,273
Unallocated expenses							(190,685)
Share of results of associates							(32,970)
Share of results of joint ventures							(5,503)
Gain on deemed disposal of partial interest in an associate							32,861
Finance costs							(16,877)
Profit before tax							5,609,759

Segment profit represents the profit earned by each segment without allocation of interest income, fair value changes on structured bank deposits, fair value changes on financial assets measured at FVTPL, central administrative expenses, share of results of associates and joint ventures, gain on deemed disposal of partial interest in an associate and finance costs. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

REVIEW OF RESULTS

The financial data for the nine months ended 30 September 2024 is based on the internal records and management accounts of the Group and has been reviewed by the audit committee of the Company but has not been reviewed or audited by the external auditor of the Company.

By order of the Board
CSPC Pharmaceutical Group Limited
CAI Dongchen
Chairman

Hong Kong, 15 November 2024

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. JIANG Hao, Dr. YAO Bing and Mr. CAI Xin as executive directors; and Mr. WANG Bo, Mr. CHEN Chuan, Prof. WANG Hongguang, Mr. AU Chun Kwok Alan, Mr. LAW Cheuk Kin Stephen and Ms. LI Quan as independent non-executive directors.