CSPC Pharmaceutical Announces 2017 Annual Results

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Profit Attributable To Shareholders Increased 31.9% to HK$2,771 Million
Innovative Drug Business Continued to Deliver High Growth
Common Generic Drug Business Maintained Stable Growth
Vitamin C Bulk Drug Business Showed Strong Recovery

HONG KONG, 19 March 2018 – **CSPC Pharmaceutical Group Limited** (HKEx: 1093) ("CSPC Pharmaceutical" or the "Group"), a leading pharmaceutical company in China, is pleased to announce its annual results for the Year ended 31 December 2017 (the "Year"). For the Year, the Group recorded a turnover of approximately HK$15,463 million, representing an increase of 25.0% year-on-year. Profit attributable to shareholders was approximately HK$2,771 million, up 31.9% year-on-year. Both basic earnings per share and diluted earnings per share are HK 45.48 cents. The Board of Directors ("The Board") has proposed to declare the payment of a final dividend of HK 15 cents per share.

With the Group's continuous efforts of academic promotion and market development, coupled with the gradual implementation of the new tender results and the inclusion of "NBP" injection and "Jinyouli" into the new National Reimbursement Drug List (the "New NRDL"), the innovative drug products continued its robust growth, along with further expansion of market share. Sales of innovative drug products for the Year reached approximately HK$6,582 million, representing a 37.9% growth year-on-year.

In respect of common generic drug business, the Group actively strengthened strategic cooperation with core distributors and put efforts to enhance the good reputation of the Group's common generic drugs in the lower-tier market. In addition, the products with U.S. Abbreviated New Drug Application approval have begun marketing in the U.S. and gradually become another major growth driver. Sales of common generic drug products maintained stable growth with sales reaching approximately HK$4,792 million for the Year, representing a 14.3% growth year-on-year.

As to bulk drug business, product prices of vitamin C rebounded as market supply was restrained due to environmental protection concern, thus business performance of the Year significantly improved. The market conditions of caffeine remained stable with a slight increase in product price during the Year. Through promotion of products with new specification, the Group recorded an increase in sales volume during the Year and the overall business achieved a satisfactory growth.

Currently the Group has approximately 200 new products in the pipeline, primarily focusing on the therapeutic areas of cardio-cerebrovascular diseases, metabolic diseases (such as diabetes), oncology, psychiatry and neurology. Among these product candidates, there are 25 in the areas

of new target big molecule biologics, cell-based immunotherapy or stem cell therapy; 12 new small molecule drugs and 55 Class 3 new drugs (classified as Class 3 or 4 under the new system) (48 of which have obtained approval for clinical trials).

During the Year, the Group has obtained clinical trial approval for 6 drugs and submitted production applications for 11 drugs. At present, there are 26 drugs pending production approval, and 20 drugs undergoing bioequivalence studies or clinical trials (including 9 Class 1 new drugs). In February 2018, the Group's paclitaxel injection (albumin-bound) (indication: breast cancer) was granted production approval by China Food and Drug Administration (CFDA).

With regard to the Abbreviated New Drug Application ("ANDA") in the U.S., the Group has obtained approval for 8 products and has 5 drugs currently pending approval.

Meanwhile, the phase II clinical trial of "butylphthalide soft capsules" in the U.S. has passed the ethical evaluation of 3 clinical centres. It is expected that 80 subjects will be enrolled in 2018. "Xuanning", "Mitoxantrone hydrochloride liposome for injection" and "Irinotecan hydrochloride liposome for injection" have also been approved by the U.S. FDA to commence clinical trials. In addition, "Mitoxantrone hydrochloride liposome injection", antibody-drug conjugate ("ADC") drug "DP303c" and "butylphthalide soft capsules" (Indication: ALS) have been granted the orphan drug designation by the U.S. FDA.

During the Year, the Group increased investment in biopharmaceuticals with research and development centres for antibody drugs set up in California, Texas and New Jersey in the U.S. respectively, focusing on the research of new target screening for antibody drugs and site-specific antibody conjugate platform. In addition, the Group has acquired certain equity interest in Wuhan YZY Biopharma Co., Ltd., a leading enterprise in research for bispecific antibodies in China with clinical trial approval obtained for 2 bispecific antibodies in China. The future acquisition efforts of the Group will mainly focus on drugs of new small or big molecules which are close to product approval and launch so as to supplement the pipeline of product launch in the next three years and leverage the Group's strong marketing and market development capabilities to achieve rapid growth of the 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. CSPC Pharmaceutical is a leading player of innovative and generic drugs in China. Blockbuster innovative products include "NBP" series, "Oulaining" series, "Xuanning" series, "Duomeisu" and "Jinyouli". CSPC Pharmaceutical is also a major manufacturer of bulk drugs, with principal products including vitamin C, antibiotics and caffeine. 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.