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 2021

FINANCIAL HIGHLIGHTS

	For the nine months ended 30 September		
	2021	2020	Change
	RMB'000	*RMB'000*	
	(Unaudited)	(Unaudited)	
Revenue by business units:			
Finished drugs	**16,801,668**	15,712,874	6.9%
Bulk products			
— Vitamin C	**1,617,435**	1,438,454	12.4%
— Antibiotics and others	**1,234,626**	995,536	24.0%
Functional food and others	**988,024**	1,068,349	-7.5%
Total revenue	**20,641,753**	19,215,213	7.4%
Profit attributable to shareholders	**4,335,303**	3,518,054	23.2%
	RMB cents	*RMB cents*	
Earnings per share			
— Basic	**36.26**	29.43	23.2%
— Diluted	**36.26**	29.42	23.2%

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 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 September 2021

	For the nine months ended 30 September	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**20,641,753**	19,215,213
Cost of sales	**(4,986,298)**	(4,759,324)
Gross profit	**15,655,455**	14,455,889
Other income	**258,322**	177,034
Other gains or losses	**401,568**	(61,462)
Selling and distribution expenses	**(7,777,834)**	(7,350,398)
Administrative expenses	**(748,267)**	(751,999)
Research and development expenses	**(2,508,203)**	(2,266,327)
Other expenses	**(91,805)**	(54,444)
Finance costs	**(6,446)**	(8,084)
Share of results of associates	**(21,131)**	(12,209)
Share of results of joint ventures	**35,979**	30,512
Gain on disposal of a joint venture	**24,273**	—
Gain on disposal of subsidiaries	**—**	314,901
Loss on deemed disposal of a subsidiary	**—**	(19,038)
Profit before tax	**5,221,911**	4,454,375
Income tax expense	**(824,853)**	(879,209)
Profit for the period	**4,397,058**	3,575,166
Profit for the period attributable to:		
Owners of the Company	**4,335,303**	3,518,054
Non-controlling interests	**61,755**	57,112
	4,397,058	3,575,166
	RMB cents	*RMB cents*
	(Unaudited)	(Unaudited)
Earnings per share		
— Basic	**36.26**	29.43
— Diluted	**36.26**	29.42

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2021

	For the nine months ended 30 September	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**4,397,058**	3,575,166
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Fair value (loss) gain on investments in financial assets measured at fair value through other comprehensive income, net of income tax	**(13,418)**	338,776
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**16,596**	(10,552)
Other comprehensive income for the period, net of income tax	**3,178**	328,224
Total comprehensive income for the period	**4,400,236**	3,903,390
Total comprehensive income for the period attributable to:		
Owners of the Company	**4,338,481**	3,846,278
Non-controlling interests	**61,755**	57,112
	4,400,236	3,903,390

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 2021 are consistent with those followed in the preparation of the Group's interim financial statements for the six months ended 30 June 2021.

2. REVENUE AND SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision makers ("CODM"), for the purpose of resources allocation and assessment of segment performance focuses on types of goods delivered.

The Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

(a) Finished drugs — research and development, manufacture and sale of pharmaceutical products;

(b) Bulk products — manufacture and sale of vitamin C, antibiotic and other products in bulk powder form; and

(c) Functional food and others — manufacture and sale of functional food products (including caffeine additives and vitamin supplements), provision of healthcare services and others.

Glucose products were included in the segment of "Functional Food and Others" in prior periods. In the current period, as the directors of the Company consider it more appropriate to classify glucose products within bulk products in view of its nature and thus glucose products are included in the segment of antibiotics and others under "Bulk Products" for the current period. The comparative information has been restated to conform with current period's presentation.

Revenue is recognised at a point of time upon control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 90 days upon delivery.

The Group also provides license of its intellectual property ("IP") or commercialisation license to customers. License fee income is recognised at a point of time upon the customer obtains control of the IP or if control is transferred over time, revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation.

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

For the nine months ended 30 September 2021 (Unaudited):

		Bulk products		Functional			
	Finished Drugs	Vitamin C	Antibiotics and others	food and others	Segment total	Eliminations	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT REVENUE							
External sales	**16,753,143**	**1,617,435**	**1,234,626**	**988,024**	**20,593,228**	**—**	**20,593,228**
Inter-segment sales	**—**	**8,532**	**111,107**	**21,062**	**140,701**	**(140,701)**	**—**
License fee income	**48,525**	**—**	**—**	**—**	**48,525**	**—**	**48,525**
TOTAL REVENUE	**16,801,668**	**1,625,967**	**1,345,733**	**1,009,086**	**20,782,454**	**(140,701)**	**20,641,753**
SEGMENT PROFIT	**3,873,385**	**531,766**	**102,993**	**228,105**			**4,736,249**
Unallocated income							**530,479**
Unallocated expenses							**(77,492)**
Finance costs							**(6,446)**
Share of results of associates							**(21,131)**
Share of results of joint ventures							**35,979**
Gain on disposal of a joint venture							**24,273**
Profit before tax							**5,221,911**

For the nine months ended 30 September 2020 (Unaudited):

		Bulk products		Functional			
	Finished Drugs	Vitamin C	Antibiotics and others	food and others	Segment total	Eliminations	Consolidated
	RMB'000	*RMB'000*	*RMB'000* (Restated)	*RMB'000* (Restated)	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT REVENUE							
External sales	15,712,874	1,438,454	995,536	1,068,349	19,215,213	—	19,215,213
Inter-segment sales	—	4,355	110,683	8,862	123,900	(123,900)	—
TOTAL REVENUE	15,712,874	1,442,809	1,106,219	1,077,211	19,339,113	(123,900)	19,215,213
SEGMENT PROFIT	3,530,384	296,870	139,903	230,517			4,197,674
Unallocated income							113,486
Unallocated expenses							(162,867)
Finance costs							(8,084)
Share of results of associates							(12,209)
Share of results of joint ventures							30,512
Gain on disposal of subsidiaries							314,901
Loss on deemed disposal of a subsidiary							(19,038)
Profit before tax							4,454,375

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 fair value through profit or loss ("FVTPL"), finance costs, central administrative expenses, share of results of associates and joint ventures, gain on disposal of a joint venture, gain on disposal of subsidiaries and loss on deemed disposal of a subsidiary. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities are not regularly provided to the CODM for review.

3. PROFIT BEFORE TAX

	For the nine months ended 30 September	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before tax has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**521,397**	498,468
Depreciation of right-of-use assets	**103,437**	76,259
Depreciation of investment property	**1,290**	—
Amortisation of other intangible assets	**14,388**	9,785
Total depreciation and amortisation	**640,512**	584,512
Fair value changes on structured bank deposits (included in other gains or losses)	**(58,531)**	(45,336)
Fair value changes on financial assets measured at FVTPL (included in other gains or losses)	**(333,769)**	—
Government grant income (included in other income)	**(42,048)**	(62,781)
Impairment losses (reversed) recognised under expected credit loss model (included in other gains or losses)	**(877)**	36,684
Impairment loss on intangible assets (included in other expenses)	**50,000**	—
Interest income on bank balances (included in other income)	**(122,816)**	(52,101)
Net foreign exchange loss (included in other gains or losses)	**7,104**	56,908

Note: For the nine months ended 30 September 2020 and 2021, cost of inventories recognised as expense approximated cost of sales as shown in the condensed consolidated statement of profit or loss and other comprehensive income.

4. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the nine months ended 30 September	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**4,335,303**	3,518,054

	For the nine months ended 30 September	
	2021	2020
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**11,954,570**	11,954,570
Effect of dilutive potential ordinary shares:		
Unvested shares under share award scheme	**1,651**	3,003
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**11,956,221**	11,957,573

The weighted average numbers of ordinary shares for the calculation of basic earnings per share for both periods have been adjusted for the shares held by the trustee pursuant to the share award scheme.

The weighted average number of ordinary shares for the calculation of basic earnings per share for the period ended 30 September 2020 has been adjusted for the effect of the bonus issue on 29 October 2020.

The computation of diluted earnings per share does not assume the exercise of a subsidiary's share options since their assumed exercise would result in an increase in earnings per share.

BUSINESS REVIEW

RESULTS

For the nine months ended 30 September 2021, the Group achieved a revenue of RMB20,642 million, representing an increase of 7.4% year-on-year; and profit attributable to shareholders of RMB4,335 million, representing an increase of 23.2% year-on-year.

For the nine months ended 30 September 2021, the Group recorded a fair value gain on financial assets measured at FVTPL (comprising mainly unlisted investments in partnerships and funds) of RMB334 million. However, the Group recorded a fair value loss on financial assets measured at FVTPL of RMB92 million for the third quarter of 2021 amid the recent market volatility.

Finished Drug Business

For the current period, the Group continued to put efforts in professional academic-based promotion, hospital development, lower-tier market penetration, clinical application extension and professional sales force expansion to drive the growth of key finished drug products and further enhance the market coverage to reach medical institutions at various levels in cities, counties, towns and communities. The finished drug business recorded revenue of RMB16,802 million for the current period, representing a year-on-year increase of 6.9%. The sales performance of products by major therapeutic area is as follows:

Nervous System Disease Products

Major products include NBP (恩必普) (butylphthalide soft capsules and butylphthalide and sodium chloride injection), Oulaining (歐來寧) (oxiracetam capsules and oxiracetam for injection), Shuanling (舒安靈) (pentoxifylline extended-release tablets and pentoxifylline injection), Enxi (恩悉) (pramipexole dihydrochloride tablets) and Oulaituo (歐來妥) (memantine hydrochloride tablets). For the current period, nervous system disease products recorded sales of RMB5,505 million, representing a year-on-year decrease of 8.0%. Among them, the sales of NBP decreased by 11.2%, Oulaining decreased by 23.8% and Shuanling increased by 330.4%. With the sale of NBP in the market at the new national reimbursement negotiated price since March, the affordability and competitiveness of the product has been greatly improved. Leveraging on the strong market foundation with wide coverage and deep market penetration, and promotion of out-of-pocket sales of internet hospitals, NBP achieved rapid growth in sales volume with the impact of price reduction substantially alleviated.

Oncology products

Major products include Duomeisu (doxorubicin hydrochloride liposome injections), Jinyouli (津優力) (PEG-rhGCSF injections), Keaili (paclitaxel for injection (albumin-bound)) and Wankeda (萬可達) (bortezomib for injection). For the current period, oncology products recorded sales of RMB5,778 million, representing a year-on-year increase of 22.5%. In particular, the sales of Duomeisu, Keaili and Jinyouli increased by 33.0%, 25.3% and 6.8%, respectively.

Anti-infective products

Major products include Shuluoke (舒羅克) (meropenem for injection), Nuomoling (諾莫靈) (amoxicillin capsules), Xianqu/Shiyao (先曲/石藥) (ceftriaxone sodium for injection), Zhongnuo Lixin (中諾立新) (cefuroxime sodium for injection), Xinweihong (新維宏) (azithromycin tablets) and Weihong (維宏) (azithromycin dispersible tablets/capsules/enteric tablets). For the current period, anti-infective products recorded sales of RMB2,115 million, representing a year-on-year increase of 3.5%.

Cardiovascular disease products

Major products include Xuanning (玄寧) (maleate levamlodipine tablets and dispersible tablets), Encun (恩存) (clopidogrel bisulfate tablets), Daxinning (達新寧) (dronedarone hydrochloride tablets), Abikang (阿比康) (aspirin enteric tablets) and Meiluolin (美洛林) (ticagrelor tablets). For the current period, cardiovascular disease products recorded sales of RMB2,127 million, representing a year-on-year increase of 20.7%. In particular, Xuanning and Encun recorded a sales growth of 18.5% and 29.3%, respectively.

Respiratory disease products

Major products include Qixiao (琦效) (arbidol hydrochloride tablets), Zhongnuo Like (中諾立克) (ambroxol hydrochloride oral solution), Zhongnuoping (中諾平) (ambroxol hydrochloride extended-release tablets) and Nuoyian (諾一安) (montelukast sodium tablets/chewable tablets). For the current period, respiratory disease products recorded sales of RMB276 million, representing a year-on-year decrease of 21.9%.

Digestion and metabolism disease products

Major products include Linmeixin (林美欣) (glimepiride dispersible tablets), Shuanglexin (雙樂欣) (metformin hydrochloride tablets/extended-release tablets), Xinweiping (欣維平) (acarbose tablets) and Debixin (得必欣) (omeprazole enteric capsules). For the current period, digestion and metabolism disease products recorded sales of RMB398 million, representing a year-on-year increase of 5.5%.

Products in other therapeutic areas

Major products include Gubang (固邦) (alendronate sodium tablets/enteric tablets), Qimaite (奇邁特) (tramadol hydrochloride tablets) and Youdening (優德寧) (celecoxib capsules). For the current period, products in other therapeutic areas recorded sales of RMB554 million, representing a year-on-year increase of 17.1%.

Bulk Product Business

Mainly driven by the rise in product price, vitamin C products recorded sales of RMB1,617 million for the current period, representing a year-on-year increase of 12.4%. The sales of antibiotic and other products also increased by 24.0% to RMB1,235 million as a result of sales volume increase.

Functional Food and Other Business

For the current period, the business recorded sales of RMB988 million, representing a year-on-year decrease of 7.5%.

RESEARCH AND DEVELOPMENT ("R&D")

The Group has a leading R&D team in China with bases located in Shijiazhuang, Shanghai, Beijing and the United States, focusing on the discovery, research and development of small molecule target drugs, nanodrugs, monoclonal antibody drugs, bispecific antibody drugs, antibody-drug conjugates, mRNA vaccines, small nucleic acid drugs, modified peptides and proteins based on site-specific conjugation and biological drugs in the field of immunity. With innovation as the core development strategy, the Group has continued to increase its investment in research and development in recent years. The R&D expenses for the period amounted to RMB2,508 million (charged to the profit or loss statement), representing a year-on-year increase of 10.7%. At present, there are around 300 projects in the pipeline, of which over 40 are innovative small molecule drugs, over 40 are innovative macromolecule drugs and over 30 are drugs of new preparation, primarily focusing on the therapeutic areas of oncology, immunology and respiratory, psychiatry and neurology, metabolism, cardio-cerebrovascular system and anti-infectives. The table below shows the development status of 46 key drug candidates, 4 of which have been submitted NDA:

Late clinical stage/pending approval

Drug Candidate	Type	Target	Indication	Status
COPIKTRA (duvelisib capsules)	Chemical drug	PI3K-δ, PI3K-γ	Follicular lymphoma	NDA submitted
Rezetinib mesylate capsules	Chemical drug	EGFR	Non-small cell lung cancer	NDA submitted
SKLB1028	Chemical drug	FLT3, Abl, Lyn, EGFR	Acute myeloid leukemia	Pivotal trial
DBPR108	Chemical drug	DPP-4	Diabetes	Pivotal trial
SYHA121-28	Chemical drug	RET, EGFR, VEGFR, FGFR	Non-small cell lung cancer with RET gene fusion mutation	Pivotal trial
Butylphthalide soft capsules	Chemical drug		Vascular dementia	Pivotal trial
JMT101	Biological drug (monoclonal antibody)	EGFR	Non-small cell lung cancer with EGFR 20 exon insertion mutation	Pivotal trial
JMT103	Biological drug (monoclonal antibody)	RANKL	Giant cell tumor of bone	Pivotal trial completed
SYSA1802 (SG001)	Biological drug (monoclonal antibody)	PD-1	Cervical cancer	Pivotal trial
Omalizumab biosimilar	Biological drug (monoclonal antibody)	IgE	Urticaria	Pivotal trial
TG103	Biological drug (monoclonal antibody)	GLP1-Fc	Weight loss	Pivotal trial
PD303c	Biological drug (antibody-drug conjugate)	HER2 ADC	Breast cancer	Pivotal trial
KN026	Biological drug (bispecific antibody)	HER2	Gastric cancer	Pivotal trial
Mitoxantrone hydrochloride liposome injection	Nanodrug		Peripheral T-cell lymphoma	NDA submitted
Amphotericin B liposome for injection	Nanodrug		Invasive fungal infection	NDA submitted
Irinotecan liposome injection	Nanodrug		Pancreatic cancer	Pivotal trial completed
Docetaxel for injection (albumin-bound)	Nanodrug		Head and neck squamous cell carcinoma	Pivotal trial
Daunorubicin cytarabine liposome for injection	Nanodrug		Leukemia	Pivotal trial
Paclitaxel nanoparticles for injection (fast dissolving)	Nanodrug		Multiple solid tumors	Pivotal trial

Early clinical stage

Drug Candidate	Type	Therapeutic Area
Ammuxetine	Chemical drug	Psychiatry
Butylphthalide soft capsules (U.S.)	Chemical drug	Neurology
Simmitinib, SYHA1801, SYHA1803, SYHA1807, SYHA1811, SYHA1813, SYHA1815, SYHX1903	Chemical drug	Oncology
SYHA1805, SYHA1402	Chemical drug	Metabolism
SYHX1901	Chemical drug	Immunity
M802*, M701*, Y150*, Y101D*, JMT601 (China and U.S.)	Biological drug (bispecific antibody)	Oncology
SYSA1801	Biological drug (antibody-drug conjugate)	Oncology
ALMB0168, NBL-015	Biological drug (monoclonal antibody)	Oncology
ALMB0166	Biological drug (monoclonal antibody)	Central nervous system
CM310, NBL-012 (China and U.S.)	Biological drug (monoclonal antibody)	Immunity
Paclitaxel cationic liposome for injection, sirolimus for injection (albumin-bound)	Nanodrug	Oncology
Prostaglandin liposomes for injection	Nanodrug	Cardiovascular

** Product developed by Wuhan YZY Biopharma Co. Ltd., an associate of the Group.*

Since the beginning of the year, we have made the following progress:

1. Anfulike (安複利克) (amphotericin B cholesteryl sulfate complex for injection) obtained drug registration approval in China and was successfully launched in May;

2. Application for marketing approval of COPIKTRA (克必妥) (duvelisib capsules) in China was accepted and granted priority review. On-site inspection of clinical trial was completed in the third quarter;

3. Application for marketing approval of amphotericin B liposome for injection was submitted in March. On-site inspection of production and clinical trial were completed in the third quarter;

4. "The Establishment and Industrialization of Key Technology System for Site-specific PEG-modified Recombinant Protein" won the second prize of the State Scientific and Technological Progress Award (國家科學技術進步獎);

5. 24 and 5 projects in the pipeline have obtained clinical trial approvals in China and the U.S., respectively:

China		
NBL-012	NBL-015	JMT601
SYHA1811	SYSA1801	JMT101 (Non-small cell lung cancer)
SYHA1402 (Diabetic cardiomyopathy)	SYSA1901 (Pertuzumab biosimilar)	SYHX1901 (Rheumatoid arthritis and systemic lupus erythematosus)
SYHX1901 (Atopic dermatitis and psoriasis)	SYHX1903 (Solid tumors)	SYHX1903 (Hematological malignancies)
Irinotecan liposome injection (advanced solid tumor)	Sirolimus for injection (albumin-bound)	JMT101 in combination with SG001(PD-1) for the treatment of nasopharyngeal carcinoma
JMT101 in combination with SG001(PD-1) for the treatment of head and neck squamous cell carcinoma	JMT101 in combination with osimertinib for the treatment of stage IIIb-IV non-small cell lung cancer with EGFR mutation	SG001(PD-1) in combination with Duomeisu for the treatment of PD-L1-positive platinum-resistant relapsed epithelial ovarian cancer
SG001(PD-1) in combination with Keaili for the treatment of platinum-resistant relapsed epithelial ovarian cancer	SKLB1028 in combination with azacitidine for the treatment of initial AML with FLT3 mutation	SKLB1028 in combination with standard treatment "7+3" for the treatment of initial AML with FLT3 mutation
Mitoxantrone hydrochloride liposome injection in combination with cytarabine for the treatment of AML	Mitoxantrone hydrochloride liposome injection in combination with bortezomid and dexamethasone for the treatment of relapsed or refractory multiple myeloma	Butylphthalide soft capsules for the preventive treatment of peripheral neuropathy caused by chemotherapy

The U.S.		
NBL-012	NBL-015	JMT601
DP303c	SYSA1801	

6. 2 drug candidates have obtained orphan-drug designation in the U.S.: SYSA1801 for the treatment of pancreatic cancer, and NBL-015 for the treatment of gastric cancer (including cancer of gastroesophageal junction);

7. 13 generic drugs have obtained drug registration approvals in China, and 2 generic drugs have obtained ANDA approvals in the U.S.:

China		
Esomeprazole magnesium enteric capsules	Nintedanib esilate soft capsules	Pregabalin capsules
Entecavir tablets	Sorafenib tosylate tablets	Tofacitinib citrate tablets
Sitagliptin phosphate tablets	Agoliptin benzoate tablets	Afatinib dimaleate tablets
Linagliptin tablets	Lacosamide tablets	Oseltamivir phosphate capsules
Apixaban tablets		

The U.S.	
Paroxetine hydrochloride enteric tablets	Carbamazepine extended-release tablets

8. 25 generic drug products (42 specifications) passed or deemed to have passed the consistency of quality and efficacy evaluation of generic drugs.

Moreover, since the beginning of the year, the Group has filed 20 international PCT applications, 143 patent applications (96 domestic and 47 overseas) and received 57 authorisations (38 domestic and 19 overseas).

In the five years ahead, the Group is expected to launch more than 30 innovative and new preparation drugs, and over 60 generic drugs. In particular, mitoxantrone liposomes, docetaxel albumin nanoparticles, sirolimus albumin nanoparticles, cisplatin micelle, and paclitaxel albumin nanoparticles (fast dissolving) developed based on the nanotechnology platform; the ultra-long-acting GLP1-IgD/IgG1 Fc fusion protein in the field of metabolism; the world's new CX43 inhibiting and antagonizing antibody; the new ADC and ISAC based on enzymatic site-specific conjugation; the CD20/CD47 bispecific antibodies based on novel asymmetric structure; as well as the multivalent mRNA vaccines against novel coronavirus mutants and small nucleic acid drugs (dosed semi-annually) are all heavyweight products with global patents and great market value. The market launch of these new products will provide strong support to the Group's high-quality growth in the future.

BUSINESS DEVELOPMENT

The Group also actively seeks acquisition and cooperation opportunities in order to strengthen its product pipeline and make full use of its strong sales platform. Since the beginning of the year, the Group has signed a number of cooperation agreements:

1. Collaboration with Beta Pharma (Shanghai) Company Limited to obtain the exclusive product license and commercialization rights of its rezetinib mesylate capsules (BPI-7711) (a third generation irreversible EGFR-TKI for the treatment of non-small cell lung cancer) in China;

2. Collaboration with Keymed Bioscience (Chengdu) Co., Ltd. ("Chengdu Keymed") to obtain the exclusive product license and commercialization rights of its CM310 (an anti-IL-4Rα recombinant humanized monoclonal antibody) for moderate to severe asthma and chronic obstructive pulmonary disease (COPD) in China;

3. Collaboration with Jiangsu Alphamab Oncology Co., Ltd. to obtain the exclusive product license and commercialization rights of its KN026 (a HER2-targeted bispecific antibody) for breast cancer and gastric cancer in China; and

4. Entering into a strategic alliance agreement with Chengdu Keymed to cooperate on the clinical development and commercialization of a variety of nervous system disease products.

In August, the Group entered into a strategic partnership and license agreement with Flame Biosciences, Inc., a U.S. innovative pharmaceutical company, to out-license the exclusive rights outside of Greater China of the Group's drug candidate NBL-015 (an anti-Claudin 18.2 monoclonal antibody) and two new bispecific antibodies to be developed based on the Group's NovaTE bispecific antibody technology platform.

REVIEW OF RESULTS

The financial data for the nine months ended 30 September 2021 is based on the internal records and management accounts of the Group and 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, 18 November 2021

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.