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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)**

### INSIDE INFORMATION

#### PRINCIPAL FINANCIAL INFORMATION OF CSPC INNOVATION PHARMACEUTICAL CO., LTD. FOR THE HALF YEAR ENDED 30 JUNE 2020

This announcement is made by CSPC Pharmaceutical Group Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

CSPC Innovation Pharmaceutical Co., Ltd. (石藥集團新諾威製藥股份有限公司) (“**CSPC XNW**”) is a subsidiary of the Company and its shares are listed on the ChiNext of Shenzhen Stock Exchange (Stock Code: 300765). In compliance with the relevant requirements of Shenzhen Stock Exchange, CSPC XNW published its 2020 Half Yearly Report for the half year ended 30 June 2020 on the information disclosure webpage of Shenzhen Stock Exchange’s website at <http://www.szse.cn/disclosure/listed/notice/index.html>.

The board of directors of the Company would like to draw the attention of its shareholders and the public investors to the appendices of this announcement (the “**Appendices**”) which set out the principal financial information of CSPC XNW prepared in accordance with the PRC Accounting Standard for Business Enterprises for the half year ended 30 June 2020.

Please note that the information in the Appendices is an extract of the unaudited financial statements prepared by CSPC XNW in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

By Order of the Board  
**CSPC Pharmaceutical Group Limited**  
**CAI Dongchen**  
*Chairman*

Hong Kong, 21 August 2020

*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 and Mr. CHAK Kin Man as executive directors; Mr. LEE Ka Sze, Carmelo as non-executive director; and Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo, Prof. LO Yuk Lam, Dr. YU Jinming and Mr. CHEN Chuan as independent non-executive directors.*

**APPENDIX I**  
**PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS**

*Currency: RMB*

	<b>Current reporting period</b>	<b>Corresponding reporting period of last year</b>	<b>Increase/decrease compared with the corresponding reporting period of last year</b>
Revenue (Yuan)	687,233,124.89	653,517,491.79	5.16%
Net profit attributable to listed company's shareholders (Yuan)	179,486,412.29	136,988,116.16	31.02%
Net profit attributable to listed company's shareholders after deduction of non-recurring items (Yuan)	152,900,412.76	119,175,086.08	28.30%
Net cash flows from operating activities (Yuan)	163,048,839.12	134,408,411.13	21.31%
Basic earnings per share (Yuan/share)	0.43	0.37	16.22%
Diluted earnings per share (Yuan/share)	0.43	0.37	16.22%
Weighted average return on net assets	7.22%	8.40%	-1.18%
	<b>End of the current reporting period</b>	<b>End of last year</b>	<b>Increase/decrease compared with the end of last year</b>
Total assets (Yuan)	2,918,360,721.18	2,852,373,126.14	2.31%
Net assets attributable to listed company's shareholders (Yuan)	2,557,971,553.87	2,406,399,708.49	6.30%

**APPENDIX II**  
**NON-RECURRING GAIN/LOSS ITEMS AND AMOUNTS**

*Unit: RMB (Yuan)*

Items	Amount	Description
Gain/loss from disposal of non-current assets (including the part offset with the provision for impairment of assets)	186,668.63	
Government grants recognised in profit or loss of current period (excluding those closely related to the company's business and granted under the national policies according to certain quota of amount or volume)	18,553,015.00	
Gain/loss from entrusted investments or assets management	8,037,643.45	
Profit/loss from the change of fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and investment income from the disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investment except for those gain/loss relating to the hedging transactions under the Company's normal operating business	6,598,399.67	
Non-operating income and expenses other than the above items	-603,659.67	
Less: Impact of income tax	6,202,940.27	
Impact of minority interests (after tax)	-16,872.72	
<b>Total</b>	<b>26,585,999.53</b>	—

**APPENDIX III**  
**SIGNIFICANT CHANGES IN MAJOR ASSETS**

*Unit: RMB (Yuan)*

Major assets	Description on significant changes
Equity assets	No significant change
Fixed assets	No significant change
Intangible assets	No significant change
Construction in progress	No significant change
Prepayments	Closing balance is RMB15,439,229.24 and opening balance is RMB11,440,920.36, representing a decrease of 34.95%, mainly due to increase in the company's prepayment for materials.
Other non-current assets	Closing balance is RMB27,479,532.26 and opening balance is RMB6,986,665.51, representing an increase of 293.31%, mainly due to the increase of prepayment for construction projects

**APPENDIX IV**  
**YEAR-ON-YEAR CHANGES IN PRINCIPAL FINANCIAL DATA**

*Unit: RMB (Yuan)*

	<b>Current reporting period</b>	<b>Corresponding reporting period of last year</b>	<b>Year-on-year increase/decrease</b>	<b>Reasons for changes</b>
Revenue	687,233,124.89	653,517,491.79	5.16%	
Cost of sales	295,430,313.74	315,829,320.02	-6.46%	
Selling expenses	174,109,424.12	150,328,323.39	15.82%	
Administrative expenses	22,320,895.98	25,199,200.63	-11.42%	
Finance cost	-5,354,142.15	-330,598.42	-1,519.53%	Mainly due to increase in foreign exchange gain
Income tax expenses	39,091,518.16	33,206,069.75	17.72%	
Research and development expenses	5,585,580.07	5,661,320.03	-1.34%	
Net cash flows from operating activities	163,048,839.12	134,408,411.13	21.31%	
Net cash flows from investment activities	-115,905,773.12	-1,035,720,902.54	-88.81%	Mainly because cash management carried out during the corresponding period of last year has not yet been due for redemption, resulting in “Cash received from investment” for the corresponding period of last year being less than that of the current reporting period
Net cash flows from financing activities	-28,000,000.00	1,120,444,517.71	-102.50%	Mainly due to the receipt of proceeds from public offering of shares in the corresponding period of last year.
Net increase in cash and cash equivalents	22,396,790.30	220,279,820.68	-89.83%	Mainly due to the receipt of proceeds from public offering of shares in the corresponding period of last year.
Receipts in advance	0.00	24,218,746.60	-100.00%	Mainly due to the impact of new standard of revenue
Tax payables	25,028,595.79	17,536,159.05	42.73%	Mainly due to business volume growth

**APPENDIX V**  
**SIGNIFICANT CHANGES IN ASSETS COMPONENTS**

*Unit: RMB (Yuan)*

	End of current reporting period		End of corresponding reporting period of last year		Increase/decrease in proportion	Description of significant changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Bank balances and cash	496,672,295.90	17.02%	377,313,364.33	14.21%	2.81%	
Trade receivables	195,387,590.69	6.70%	185,636,613.22	6.99%	-0.29%	
Inventories	110,260,503.85	3.78%	124,154,432.92	4.68%	-0.90%	
Investment properties		0.00%		0.00%	0.00%	
Long-term equity investments	158,399,759.57	5.43%		0.00%	5.43%	Due to the investment in Guoxinhuijin by the Company in December 2019
Fixed assets	571,808,505.96	19.59%	518,830,617.74	19.54%	0.05%	
Construction in progress	124,631,820.85	4.27%	138,506,692.13	5.22%	-0.95%	
Short-term borrowings		0.00%		0.00%	0.00%	
Long-term borrowings		0.00%		0.00%	0.00%	
Financial assets held for trading	956,598,399.67	32.78%	1,004,500,687.67	37.83%	-5.05%	