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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)

PROFIT WARNING

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2024 (the “**Reporting Period**”), it is expected that the Group will record a decrease in the profit attributable to owners of the Company for the Reporting Period of approximately 16% as compared to the profit attributable to owners of the Company of approximately RMB4,494,641,000 for the same reporting period last year.

The decrease in the Group’s profit attributable to owners of the Company for the Reporting Period was mainly attributable to the decrease in revenue of the finished drugs business of approximately 3% as compared to the same reporting period last year. This was mainly due to:

- (i) In oncology therapeutic area, Jinyouli and Duomeisu, 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. As a result, revenue from the oncology therapeutic area for the third quarter and the Reporting Period decreased by approximately 31% and 18% respectively as compared to the corresponding quarter and reporting period last year.

- (ii) In cardiovascular therapeutic area, Xuanning was not selected in the eighth batch of national VBP in 2023, causing a significant impact to sales from hospitals that strictly implemented the VBP. The decline was particularly notable in the second and third quarters of this year. As a result, revenue from the cardiovascular therapeutic area for the third quarter and the Reporting Period decreased by approximately 27% and 11% respectively as compared to the corresponding quarter and reporting period last year.
- (iii) In nervous system therapeutic area, NBP 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 control medical expenses. This led to a decrease of approximately 16% in revenue from the nervous system therapeutic area in the third quarter as compared to the same quarter last year. Nonetheless, revenue in this area for the Reporting Period recorded an overall growth of approximately 4% as compared to the same reporting period last year.

As at the date of this announcement, the Company is still in the process of finalising the quarterly results of the Group for the Reporting Period. The information contained in this announcement is only a preliminary assessment by the Board based on information currently available, including the unaudited consolidated management accounts of the Group for the Reporting Period, which have not been reviewed or audited by the auditors of the Company, or reviewed by the audit committee of the Company. As the quarterly results have not been finalised as at the date of this announcement, the actual results of the Group for the Reporting Period may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the quarterly results announcement for the Reporting Period which is expected to be published on or about 15 November 2024.

Shareholders and potential investors are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 31 October 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.