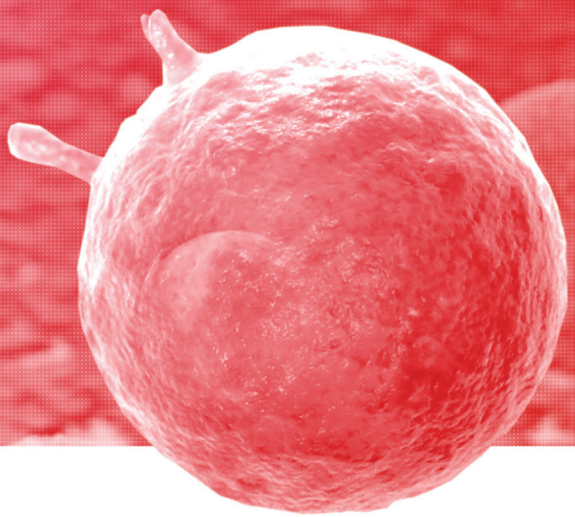
BeiGene

BeiGene, Ltd.
百濟神州有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : NASDAQ : BGNE HKEX : 06160 SSE : 688235

CANCER HAS NO BORDERS
NEITHER DO WE



2022 INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. John V. Oyler
(Chairman and Chief Executive Officer)

Non-Executive Directors

Mr. Anthony C. Hooper
Dr. Xiaodong Wang

Independent Non-Executive Directors

Dr. Margaret Han Dugan (Note 1)
Mr. Donald W. Glazer
Mr. Michael Goller
Mr. Ranjeev Krishana
Mr. Thomas Malley
Dr. Alessandro Riva (Note 1)
Dr. Corazon (Corsee) D. Sanders
Mr. Qingqing Yi

AUDIT COMMITTEE

Mr. Thomas Malley *(Chairman)*
Mr. Anthony C. Hooper
Dr. Corazon (Corsee) D. Sanders

COMPENSATION COMMITTEE

Dr. Margaret Han Dugan *(Chair)* (Note 3)
Mr. Qingqing Yi
Mr. Ranjeev Krishana

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Mr. Donald W. Glazer *(Chairman)*
Mr. Michael Goller
Mr. Anthony C. Hooper
Dr. Alessandro Riva (Note 1)

SCIENTIFIC ADVISORY COMMITTEE

Dr. Xiaodong Wang *(Co-Chair)*
Dr. Corazon (Corsee) D. Sanders *(Co-Chair)*
Dr. Margaret Han Dugan (Note 1)
Mr. Michael Goller
Mr. Thomas Malley
Dr. Alessandro Riva (Note 1)
Mr. Qingqing Yi

COMMERCIAL AND MEDICAL AFFAIRS ADVISORY COMMITTEE

Mr. Anthony C. Hooper *(Chairman)*
Dr. Margaret Han Dugan (Note 2)
Mr. Ranjeev Krishana
Dr. Corazon (Corsee) D. Sanders

Notes:

* On January 31, 2022, Mr. Jing-Shyh (Sam) Su resigned from the Board due to personal reasons to devote more time to other commitments. The decision by Mr. Su to resign was not the result of any disagreement with respect to the operations, policies, or practices of the Company. There is no other material matter in respect of Mr. Su's resignation that needs to be brought to the attention of shareholders of the Company. In connection with his resignation from the Board, Mr. Su also resigned from the Nominating and Corporate Governance Committee and the Commercial and Medical Affairs Advisory Committee of the Board.

On June 22, 2022, Mr. Timothy Chen resigned from the Board to devote more time to his other commitments. The decision by Mr. Chen to resign was not the result of any disagreement with respect to the operations, policies, or practices of the Company. There is no other material matter in respect of Mr. Chen's resignation that needs to be brought to the attention of shareholders of the Company. In connection with his resignation from the Board, Mr. Chen also resigned from the Compensation Committee and the Commercial and Medical Affairs Advisory Committee of the Board.

1. The relevant appointment with effect from February 1, 2022.

2. The relevant appointment with effect from February 25, 2022.

3. The relevant appointment with effect from September 13, 2022.

COMPANY SECRETARY

Ms. Chau Hing Ling (FCG, HKFCG) of
Vistra Corporate Services (HK) Limited

AUTHORIZED REPRESENTATIVES

Mr. John V. Oyler
Ms. Chau Hing Ling

AUDITORS

As to Hong Kong financial reporting audit
Ernst & Young, Registered Public Interest Entity Auditor

As to United States financial reporting audit
Ernst & Young LLP

As to PRC financial reporting audit
Ernst & Young Hua Ming LLP

REGISTERED OFFICE

The offices of Mourant Governance Services
(Cayman) Limited
94 Solaris Avenue
Camana Bay
Grand Cayman KY1-1108
Cayman Islands

LEGAL ADVISORS

As to Hong Kong law and United States law
Skadden, Arps, Slate, Meagher & Flom

As to PRC law
Fangda Partners

As to Cayman Islands law
Mourant Ozannes

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Mourant Governance Services (Cayman) Limited
94 Solaris Avenue, Camana Bay
Grand Cayman KY1-1108
Cayman Islands

STOCK CODE

06160

COMPANY WEBSITE

www.beigene.com

FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this interim report, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected growth, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward looking statements are often identified by the use of words such as, but not limited to, "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "goal," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would" or the negative of these terms or similar expressions or variations intended to identify forward-looking statements, although not all forward-looking statements contain those identifying words. These forward-looking statements include, among other things, statements about:

- Our medicines may fail to achieve and maintain the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community necessary for commercial success.

- We have limited experience in launching and marketing our internally developed and in-licensed medicines. If we are unable to further develop marketing and sales capabilities or enter into agreements with third parties to market and sell our medicines, we may not be able to generate substantial product sales revenue.

- If we are not able to continue to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our medicines and drug candidates, and our ability to generate revenue will be materially impaired.

- We face substantial competition, which may result in others discovering, developing, or commercializing competing medicines before or more successfully than we do.

- We have limited manufacturing capability and must rely on third-party manufacturers to manufacture some of our commercial products and clinical supplies, and if they fail to meet their obligations, the development and commercialization of our medicines and drug candidates could be adversely affected.

- We depend substantially on the success of the clinical development of our medicines and drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals and commercialize our medicines and drug candidates, or experience significant delays in doing so, our business will be materially harmed.

- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

- If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.

- All material aspects of the research, development, manufacturing and commercialization of pharmaceutical products are heavily regulated, and we may face difficulties in complying with or be unable to comply with such regulations, which could have a material adverse effect on our business.

- The approval processes of regulatory authorities in the United States, China, Europe and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable. If we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

- Even if we are able to commercialize our medicines and any approved drug candidates, the medicines may become subject to unfavorable pricing regulations or third-party reimbursement practices or healthcare reform initiatives, which could harm our business.

- We have incurred significant net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future and may not become profitable.

- We have limited experience in obtaining regulatory approvals and commercializing pharmaceutical products, which may make it difficult to evaluate our current business and predict our future performance.

- We may need to obtain additional financing to fund our operations, and if we are unable to obtain such financing, we may be unable to complete the development of our drug candidates or achieve profitability.

- If we are unable to obtain and maintain patent protection for our medicines and drug candidates through intellectual property rights, or if the scope of such intellectual property rights is not sufficiently broad, third parties may compete against us.

- We rely on third parties to manufacture some of our commercial and clinical drug supplies. Our business could be harmed if those third parties fail to provide us with sufficient quantities of product or fail to do so at acceptable quality levels or prices.

- We have entered into licensing and collaboration arrangements and may enter into additional collaborations, licensing arrangements, or strategic alliances in the future, and we may not realize the benefits of such arrangements.

- We have significantly increased and expect to continue to increase our research, development, manufacturing, and commercial capabilities, and we may experience difficulties in managing our growth.

- Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

FORWARD-LOOKING STATEMENTS

- Our business is subject to complex and evolving industry-specific laws and regulations regarding the collection and transfer of personal data. These laws and regulations can be complex and stringent, and many are subject to change and uncertain interpretation, which could result in claims, changes to our data and other business practices, significant penalties, increased cost of operations, or otherwise adversely impact our business.

- We manufacture some of our medicines and intend to manufacture some of our drug candidates, if approved. Delays in completing and receiving regulatory approvals for our manufacturing facilities, or damage to, destruction of or interruption of production at such facilities, could delay our development plans or commercialization efforts.

- Changes in the political and economic policies of the PRC government or in relations between China and the United States or other governments may materially and adversely affect our business, financial condition, and results of operations and may result in our inability to sustain our growth and expansion strategies.

- The PRC government has significant oversight and discretion over the conduct of the business operations of our PRC subsidiaries or to exert control over any offering of securities conducted overseas and/or foreign investment in China-based issuers, and may intervene with or influence our operations, may limit or completely hinder our ability to offer or continue to offer securities to investors, and may cause the value of such securities to significantly decline or be worthless, as the government deems appropriate to further regulatory, political and societal goals.

- The audit reports included in our Annual Report on Form 10-K filed with the SEC have historically been prepared by auditors who are not inspected fully by the Public Company Accounting Oversight Board (the PCAOB), and as such, investors have previously been deprived of the benefits of such inspections.

- Our ADSs may be delisted and our ADSs and ordinary shares prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act, or the HFCAA. On December 16, 2021, the PCAOB issued the HFCAA Determination Report, according to which our previous auditor is subject to the determinations that the PCAOB is unable to inspect or investigate it completely. Under current law, delisting and prohibition from over-the-counter trading in the U.S. could take place in 2024. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

- The trading prices of our ordinary shares, ADSs and/or RMB Shares can be volatile, which could result in substantial losses to shareholder; and

- other risks and uncertainties, including those listed under the section headed “Risk Factors” in the annual report for the year ended December 31, 2021.

These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. We have included important factors in the cautionary statements included in this interim report that could cause actual future results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the HK Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this interim report. Any such intentions may change in light of future developments.

This interim report includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe these industry publications and third-party research, surveys and studies are reliable, you are cautioned not to give undue weight to this information.

All forward-looking statements in this interim report are expressly qualified by reference to this cautionary statement.

MANAGEMENT DISCUSSION AND ANALYSIS

Unless the context requires otherwise, in this interim report, the terms "BeiGene," the "Company," "we," "us" and "our" refer to BeiGene, Ltd. and its subsidiaries, on a consolidated basis.

OVERVIEW

We are a global biotechnology company focused on developing and commercializing innovative and affordable oncology medicines to improve treatment outcomes and expand access for patients worldwide.

We currently have three approved medicines that were discovered and developed in our own labs, including BRUKINSA®, a small molecule inhibitor of Bruton's Tyrosine Kinase (BTK) for the treatment of various blood cancers; tislelizumab, an anti-PD-1 antibody immunotherapy for the treatment of various solid tumor and blood cancers; and pamiparib, a selective small molecule inhibitor of PARP1 and PARP2. We have obtained approvals to market BRUKINSA® in the United States, China, the European Union ("EU"), the United Kingdom ("UK"), Canada, Australia and additional international markets, and tislelizumab and pamiparib in China. By leveraging our China commercial capabilities, we have in-licensed the rights to distribute 13 approved medicines for the China market. Supported by our global clinical development and commercial capabilities, we have entered into collaborations with world-leading biopharmaceutical companies such as Amgen Inc. ("Amgen") and Novartis Pharma AG ("Novartis") to develop and commercialize innovative medicines.

We are committed to advancing best and first-in-class clinical candidates internally or with like-minded partners to develop impactful and affordable medicines for patients across the globe. Our internal clinical development capabilities are deep, including a more than 2,500-person global clinical development and medical affairs team that is running close to 80 ongoing or planned clinical trials in over 40 medicines and drug candidates. This includes more than 30 pivotal or potentially registration-enabling trials across our portfolio, including our three internally discovered, approved medicines. We have enrolled in our clinical trials more than 16,000 subjects, of which approximately one-half have been outside of China.

We have built, and are expanding, our internal manufacturing capabilities through our state-of-the-art biologic and small molecule manufacturing facilities in China to support current and potential future demand of our medicines, and are building a commercial-stage biologics manufacturing and clinical R&D center in New Jersey. We also work with high quality contract manufacturing organizations ("CMOs") to manufacture our internally developed clinical and commercial products.

Since our inception in 2010, we have become a fully integrated global organization of over 8,600 employees in 29 countries and regions, including China, the United States, Europe, and Australia.

RECENT DEVELOPMENTS

Recent Business Developments

On September 20, 2022, we announced that England's health technology assessment institute, the National Institute for Health and Care Excellence (NICE), has issued a final appraisal document (FAD) recommending BRUKINSA® for the treatment of Waldenström's Macroglobulinemia (WM) in adults who have had at least one treatment, only if bendamustine plus rituximab is also suitable.

On September 19, 2022, we announced that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) has issued a positive opinion recommending approval of BRUKINSA® for the treatment of adult patients with marginal zone lymphoma (MZL) who have received at least one prior anti-CD20-based therapy.

On September 10, 2022, we shared updates from our solid tumor development program for PD-1 antibody tislelizumab at the European Society for Medical Oncology (ESMO) Congress 2022 in Paris.

On August 23, 2022, we announced that the Center for Drug Evaluation of the China National Medical Products Administration ("NMPA") has accepted a supplemental biologics license application (sBLA) for tislelizumab in combination with chemotherapy as first-line treatment in patients with unresectable locally advanced, recurrent or metastatic esophageal squamous cell carcinoma (ESCC).

On August 9, 2022, we announced that the global Phase 3 RATIONALE 301 trial with tislelizumab met its primary endpoint of non-inferior Overall Survival (OS) versus sorafenib as a first-line treatment in adult patients with unresectable hepatocellular carcinoma (HCC). The safety profile for tislelizumab was consistent with previous studies and no new safety signals were reported. More than 600 patients in the U.S., Europe, and Asia participated in the study.

On July 14, 2022, we announced that the U.S. Food and Drug Administration ("FDA") has deferred action on the Biologics License Application (BLA) for tislelizumab as a second-line treatment for patients with unresectable or metastatic ESCC. In the FDA's general advice letter communicating the deferral of action, the FDA cited only the inability to complete inspections due to restrictions on travel as the reason for the deferral and did not provide a new anticipated action date as they continue to monitor the public health situation and travel restrictions.

On June 30, 2022, we announced new data from RATIONALE 306, a global Phase 3 trial evaluating tislelizumab plus chemotherapy in adult patients with advanced or metastatic ESCC without prior systemic treatment for advanced disease, presented as a late-breaking oral presentation at the 2022 European Society for Medical Oncology (ESMO) World Congress on Gastrointestinal Cancer.

On June 21, 2022, we announced that the Center for Drug Evaluation of the NMPA has accepted a sBLA for our anti-PD-1 inhibitor, tislelizumab, in combination with chemotherapy as a first-line treatment for patients with advanced or metastatic gastric or gastroesophageal junction adenocarcinoma whose tumors express PD-L1.

On June 13, 2022, we announced that our BTK inhibitor BRUKINSA® (zanubrutinib) has been approved by the Ministry of Health in Kuwait, the National Health Regulatory Authority in Bahrain and the Ministry of Public Health in Qatar for the treatment of adult patients with mantle cell lymphoma (MCL) who have received at least one prior therapy. We are working with NewBridge Pharmaceuticals, a specialty company in the Middle East and North Africa (MENA) regions established to bridge the access gap by partnering with global pharma and biotech companies, to bring BRUKINSA® to patients in Kuwait, Bahrain, Qatar, Saudi Arabia, United Arab Emirates, and other markets in the MENA region following regulatory approvals.

On June 13, 2022, we announced that the FDA has extended the Prescription Drug User Fee Act (PDUFA) goal date for the supplementary new drug application (sNDA) for BRUKINSA® as a treatment for adult patients with chronic lymphocytic leukemia (CLL) or small lymphocytic lymphoma (SLL) by three months to January 20, 2023. The FDA extended the PDUFA goal date to allow time to review additional clinical data submitted by us, which was deemed a major amendment to the sNDA. The submission included final response analysis from the global ALPINE clinical trial showing BRUKINSA® demonstrated superiority versus ibrutinib in overall response rate (ORR) as assessed by an Independent Review Committee (IRC) in adult patients with relapsed or refractory (R/R) CLL or SLL. We announced this final response analysis on April 11, 2022.

On June 10, 2022, we announced that the NMPA approved our anti-PD-1 antibody, tislelizumab, in combination with chemotherapy as a first-line treatment for patients with recurrent or metastatic nasopharyngeal cancer (NPC).

FUTURE AND OUTLOOK

We were founded to fight cancer with a belief that millions of people around the world still have limited or no access to high-quality, innovative, and affordable medicines. We also believe that the industry is in a time of fundamental change driven by regulatory policy updates, scientific progress, and globalization. To seize this opportunity, we have built key competitive advantages in research, clinical development, commercialization, and manufacturing that are designed to drive our business into the future. We intend to continue to expand our competitive advantages and become a global leader by focusing on the following key strategic imperatives:

1. **Research and innovation focus.** We have built significant oncology research capabilities with a team of more than 800 scientists with a proven track record of discovering innovative medicines. Our approach is to leverage our deep internal capabilities and technology platforms to develop medicines that are expected to be highly impactful and have a clear differentiation hypothesis. The strength of our research has been validated by our global clinical trial results, regulatory approvals, and collaborations. From our internal discovery engine, we have successfully developed three approved medicines: BRUKINSA®, tislelizumab, and pamiparib. We are also developing ociperlimab (TIGIT antibody), which is in pivotal stage trials and was entered into an option, collaboration and license agreement with Novartis for North America, Europe and Japan; BGB-11417 (Bcl-2 inhibitor), which is expected to start pivotal trials in second half of 2022; multiple early-stage clinical assets, including BGB-A445 (OX40 antibody), surzebiclimab (TIM3 antibody), BGB-10188 (PI3Kδ inhibitor), BGB-15025 (HPK-1 inhibitor), BGB-16673 (BTK-targeted CDAC), BGB-23330 (TYK2 inhibitor) and BGB-24714 (SMAC mimetic); and have over 50 additional pre-clinical programs, approximately one-half of which may potentially be first-in-class or best-in-class. Going forward, we plan to continue to invest in research and innovation with the aim of discovering additional first-in-class or best-in-class innovative medicines for patients.

2. **World-class clinical development.** We believe that global clinical development capabilities are essential to succeed in the current and future environment. We have built an internal clinical development and medical affairs team of over 2,500 people worldwide that develops our product candidates largely without the assistance of third-party contract research organizations ("CROs"). We believe this approach has several benefits: first, we can be more inclusive in the location and number of clinical sites to help improve enrollment speed and the diversity of patients in our trials; second, we have control over our own technology systems and can focus on improved operational excellence; and third, we believe there are cost advantages through large-scale and China-inclusive multi-regional clinical trials that have a broad patient population. We aim to improve the speed and cost-efficiency of clinical development while maintaining the highest global quality standards. We believe that our demonstrated ability to successfully complete large-scale, multi-regional clinical trials is one of our most important strategic competitive advantages and addresses a large challenge in the pharmaceutical industry – clinical development, which accounts for the majority of time and cost required to bring most oncology medicines to patients.

3. **China commercial leadership.** We have built a strong, science-based commercial team in China, with over 3,100 colleagues spread across the country, for broad and deep coverage and organized under experienced executive leadership. We have built a commercial portfolio of oncology medicines through our internal discovery and in-licensing efforts, striving to be a partner of choice and creating mutual benefits with our partners wherever possible. We believe that our commercial capabilities in China, coupled with our China-inclusive clinical development capabilities conducted at global-quality standards, enable us to attract favorable in-licensing opportunities. We plan to further leverage our China commercial organization and create advantages in scale, speed, and quality to continue to establish ourselves as a commercial leader in China.

4. **Global leadership, access, and reputation.** In the United States, we market BRUKINSA® and have a targeted commercial team focused on medical thought leaders in blood cancer treatments. This competitive foothold is based on the differentiated clinical profile of BRUKINSA®. BRUKINSA® sales have continued to grow in the U.S. as we expand our label in multiple new indications. Our strategy is to commercialize our medicines broadly throughout the world. In Europe, we received approval for BRUKINSA® in WM, and we are launching the product across European countries. Our commercial capabilities have also expanded into Canada through our own affiliate and into Latin America through a distribution partner. In the Asia Pacific region, we have launched, or are planning to launch our products, including in China, Australia and other key countries. Altogether, BRUKINSA® has been approved in over 50 markets, with additional filings pending or planned. We aspire to establish our reputation globally as a leading biotechnology company by continuing to deliver highly effective and differentiated medicines in the United States, China, Europe, and other international markets.

5. **Broad accessibility.** We believe that our commercial scale in China, potentially lower costs and faster speed in clinical development, sizeable portfolio of innovative product candidates, and overall commercial expertise in serving large, underserved populations give us a unique competitive advantage and create an opportunity for us to be an early mover in providing innovative medicines at more affordable prices to many geographies that are not traditionally the focus for international pharmaceutical or biotechnology companies. We plan to focus our long-term strategy on seeking approvals of our portfolio compounds globally and building clinical development and commercial capabilities in these markets, either alone or through our collaborators.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Product Revenue

We generate product revenue through the sale of our three internally developed products and our in-licensed medicines from our partners.

Revenues from product sales are recognized when there is a transfer of control from the Company to the customer. The Company determines transfer of control based on when the product is delivered, and title passes to the customer. Revenues from product sales are recognized net of variable consideration resulting from rebates, chargebacks, trade discounts and allowances, sales returns allowances and other incentives. Provisions for estimated reductions to revenue are provided for in the same period the related sales are recorded and are based on contractual terms, historical experience and trend analysis.

Collaboration Revenue

We recognize collaboration revenue for amounts earned under collaborative and out-licensing arrangements. In January 2021, we entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in the United States, Canada, Mexico, member countries of the European Union, United Kingdom, Norway, Switzerland, Iceland, Liechtenstein, Russia, and Japan (the Novartis Territory). There were two performance obligations identified at the outset of the agreement: (1) the exclusive license to develop, manufacture, and commercialize tislelizumab in the Novartis Territory, transfer of know-how and use of the tislelizumab trademark and (2) conducting and completing tislelizumab R&D services. Under this agreement, we received an upfront cash payment, which was allocated between the two performance obligations identified in the agreement based on the relative standalone selling prices of the performance obligations. The portion allocated to the license was recognized upon the delivery of the license right and transfer of know-how. The portion of the upfront payment allocated to the tislelizumab R&D services was deferred and is being recognized as collaboration revenue as the tislelizumab R&D services are performed using a percentage of completion method. Estimated costs to complete are reassessed on a periodic basis and any updates to the revenue earned are recognized on a prospective basis.

In December 2021, we expanded our collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize our investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, we entered into an agreement with Novartis which granted us rights to market, promote and detail five approved Novartis oncology products, TAFINLAR® (dabrafenib), MEKINIST® (trametinib), VOTRIENT® (pazopanib), AFINITOR® (everolimus), and ZYKADIA® (ceritinib), across designated regions of China referred to as "broad markets." There were three performance obligations identified at the outset of the arrangement: (1) a material right for the option to the exclusive product license, (2) the right to access ociperlimab in clinical trials during the option period provided to Novartis, combined with the initial transfer of BeiGene know-how, and (3) conducting ociperlimab R&D services. The market development activities are considered immaterial in the context of the agreements. Under this agreement, we received an upfront cash payment, which was allocated between the three performance obligations identified in the agreement based on the relative standalone selling prices of the performance obligations. The portion allocated to the material right was deferred and will be recognized at the earlier of when Novartis exercises the option and the license is delivered or the expiration of the option period. The portion of the transaction price allocated to Novartis' right to access ociperlimab in its own clinical trials during the option period and the initial transfer of BeiGene know-how was deferred and is being recognized over the expected option period. The portion of the transaction price allocated to the ociperlimab R&D services was deferred and is being recognized as collaboration revenue as the ociperlimab R&D services are performed over the expected option period.

The option exercise fee under the ociperlimab agreement is contingent upon Novartis exercising its right, and is considered fully constrained until the option is exercised. The potential milestone payments that we are eligible to receive under both of the Novartis collaborations were excluded from the initial transaction prices, as all milestone amounts are variable consideration and were fully constrained due to uncertainty of achievement. Performance-based milestones will be recognized when the milestone event is achieved or when the risk of revenue reversal is remote. Sales-based milestones and royalties will be recognized when the underlying sales occur.

Expenses

Cost of Sales

Cost of sales includes the costs to manufacture our internally developed commercial products, as well as costs to purchase tislelizumab from Boehringer Ingelheim. Additionally, cost of sales included the cost of in-licensed products purchased for sale in the PRC. Costs to manufacture inventory in preparation for commercial launch of a product incurred prior to regulatory approval are expensed to research and development expense as incurred. Cost of sales for newly launched products will not be recorded until the initial pre-launch inventory is depleted and additional inventory is manufactured. To date, the Company's initial pre-launch inventory for its commercial products has been immaterial and has not had a significant impact on the Company's gross margin.

Research and Development Expenses

Research and development expenses consist of the costs associated with our research and development activities, conducting preclinical studies and clinical trials, and activities related to regulatory filings. Our research and development expenses consist of:

- expenses incurred under agreements with CROs, CMOs, and consultants that conduct and support clinical trials and preclinical studies;
- costs of comparator drugs in certain of our clinical trials;
- manufacturing costs related to pre-commercial activities;
- costs associated with preclinical activities and development activities;
- costs associated with regulatory operations;
- employee-related expenses, including salaries, benefits, travel and share-based compensation expense for research and development personnel;
- in-process research and development costs expensed as part of collaboration agreements entered into; and
- other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies used in research and development activities.

Our current research and development activities mainly relate to the clinical advancement of our internally developed medicines and drug candidates:

- BRUKINSA® (zanubrutinib), a small molecule inhibitor of BTK;
- tislelizumab, a humanized monoclonal antibody against PD-1;
- ociperlimab, an investigational humanized monoclonal antibody against TIGIT;
- pamiparib, a selective small molecule inhibitor of PARP1 and PARP2;
- BGB-15025, an investigational hematopoietic progenitor kinase 1 (HPK1) inhibitor;

- BGB-11417, an investigational small molecular inhibitor of Bcl-2;
- BGB-A445, an investigational non-ligand competing OX40 monoclonal antibody;
- BGB-16673, an investigational Chimeric Degradation Activating Compound ("CDAC"), targeting BTK; and
- BGB-A425, an investigational humanized monoclonal antibody against TIM-3;
- BGB-10188, an investigational PI3Kδ inhibitor;
- BGB-23339, a potent, allosteric investigational tyrosine kinase 2 (TYK2) inhibitor; and
- LBL-007, a novel investigational antibody targeting the LAG-3 pathway

Research and development activities also include costs associated with in-licensed drug candidates, including:

- R&D expense related to the co-development of pipeline assets under the Amgen collaboration agreement. Our total cost share obligation to Amgen is split between R&D expense and a reduction to the R&D cost share liability;
- sitravatinib, an investigational, spectrum-selective kinase inhibitor, licensed from Mirati Therapeutics, Inc. ("Mirati");
- ZW25 (zanidatamab) and ZW49, two investigational bispecific antibody-based product candidates targeting HER2, licensed from Zymeworks Inc. ("Zymeworks"); and
- POBEVCY® (BAT1706), a biosimilar to Avastin® (bevacizumab), licensed from Bio-Thera Solutions, Ltd. (Bio-Thera).

We expense research and development costs when incurred. We record costs for certain development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or information our vendors provide to us. We expense the manufacturing costs of our internally developed products that are used in clinical trials as they are incurred as research and development expense. We do not allocate employee-related costs, depreciation, rental and other indirect costs to specific research and development programs because these costs are deployed across multiple product programs under research and development and, as such, are separately classified as unallocated research and development expenses.

At this time, it is difficult to estimate or know for certain, the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our internally developed and in-licensed medicines and drug candidates. This is due to the numerous risks and uncertainties associated with developing such medicines and drug candidates, including the uncertainty of:

- successful enrollment in and completion of clinical trials;
- establishing an appropriate safety and efficacy profile;
- establishing and maintaining commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- receipt of marketing and other required approvals from applicable regulatory authorities;
- successfully launching and commercializing our medicines and drug candidates, if and when approved, whether as monotherapies or in combination with our medicines and drug candidates or third-party products;
- market acceptance, pricing and reimbursement;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our medicines and drug candidates;
- continued acceptable safety and efficacy profiles of the products following approval;
- sufficient supply of the products following approval;
- competition from competing products; and
- retention of key personnel.

A change in the outcome of any of these variables with respect to the development of any of our medicines and drug candidates would significantly change the costs, timing and viability associated with the commercialization or development of that medicine or drug candidate.

Research and development activities are central to our business model. We expect research and development costs to increase for the foreseeable future as our development programs progress, as we continue to support the clinical trials of our medicines and drug candidates as treatments for various cancers and as we move these medicines and drug candidates into additional clinical trials, including potential pivotal trials. There are numerous factors associated with the successful commercialization of any of our medicines and drug candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally, future commercial and regulatory factors beyond our control may impact our clinical development and commercial programs and plans.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of product promotion costs, distribution costs, salaries and related benefit costs, including share-based compensation for selling, general and administrative personnel. Other selling, general and administrative expenses include professional fees for legal, consulting, auditing and tax services as well as other direct and allocated expenses for rent and maintenance of facilities, travel costs, insurance and other supplies used in selling, general and administrative activities. We anticipate that our selling, general and administrative expenses will increase in future periods to support planned increases in commercialization activities for our approved medicines, and the preparation for potential launch and commercialization of additional in-licensed products from our collaborations and internally developed products, if approved. We also expect selling, general and administrative expenses to increase in future periods to support our research and development efforts, including the continuation of the clinical trials of our treatments for various cancers and the initiation of clinical trials for potential new indications or drug candidates. These cost increases will likely be due to increased promotional costs, increased headcount, increased share-based compensation expenses, expanded infrastructure and increased costs for insurance. We also incur significant legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company with our ADSs, ordinary shares and RMB Shares listed for trading on The NASDAQ Global Select Market, The Stock Exchange of Hong Kong Limited ("HKEX") and the Science and Technology Innovation Board ("STAR Market") of the Shanghai Stock Exchange ("SSE"), respectively.

Interest Income (Expense), Net

Interest Income

Interest income consists primarily of interest generated from our RMB-denominated cash deposits and short-term investments in money market funds, time deposits, U.S. Treasury securities and U.S. agency securities.

Interest Expense

Interest expense consists primarily of interest on our bank loans and related party loan.

Other Income (Expense), Net

Other income (expense) consists primarily of gains and losses recognized related to fluctuations in foreign currency exchange rates, gains and losses on equity investments, government grants and subsidies received that involve no conditions or continuing performance obligations by us, unrealized gains and losses on equity securities, and realized gains and losses on the sale of investments. We hold significant cash in the form of RMB-denominated deposits at U.S. functional currency entities, including a large portion of the cash generated from the STAR Market offering in December 2021. Other income (expense) includes the revaluation gains and losses of these cash deposits based on foreign currency exchange rates.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

The following table summarizes our results of operations for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,		Change	
	2022	2021	Amount	%
	(US dollars in thousands)			
Revenues				
Product revenue, net	**566,084**	244,741	321,343	131.3%
Collaboration revenue	**82,114**	511,123	(429,009)	(83.9)%
Total revenues	**648,198**	755,864	(107,666)	(14.2)%
Expenses				
Cost of sales – product	**136,410**	68,948	67,462	97.8%
Research and development	**768,122**	676,817	91,305	13.5%
Selling, general and administrative	**625,976**	414,395	211,581	51.1%
Amortization of intangible assets	**376**	375	1	0.3%
Total expenses	**1,530,884**	1,160,535	370,349	31.9%
Loss from operations	**(882,686)**	(404,671)	(478,015)	118.1%
Interest income (expense), net	**21,502**	(9,045)	30,547	(337.7)%
Other expense, net	**(117,650)**	(4,990)	(112,660)	2,257.7%
Loss before income taxes	**(978,834)**	(418,706)	(560,128)	133.8%
Income tax expense (benefit)	**26,889**	(4,860)	31,749	(653.3)%
Net loss	**(1,005,723)**	(413,846)	(591,877)	143.0%

Comparison of the Six Months Ended June 30, 2022 and 2021

Revenue

Total revenue decreased to US$648.2 million, or 14.2%, for the six months ended June 30, 2022, from US$755.9 million for the six months ended June 30, 2021, primarily due to a decrease in collaboration revenue, as the prior year period included the recognition of the majority of the US$650 million upfront payment from Novartis as license revenue.

The following table summarizes the components of revenue for the six months ended June 30, 2022 and 2021, respectively:

	Six Months Ended June 30,		Changes	
	2022	2021	Amount	%
	(US dollars in thousands)			
Product revenue	**566,084**	244,741	321,343	131.3%
Collaboration revenue:				
License revenue	**–**	484,646	(484,646)	(100.0)%
Research and development service revenue	**24,240**	26,477	(2,237)	(8.4)%
Right to access intellectual property revenue	**52,497**	–	52,497	N/A
Other	**5,377**	–	5,377	N/A
Total collaboration revenue	**82,114**	511,123	(429,009)	(83.9)%
Total Revenue	**648,198**	755,864	(107,666)	(14.2)%

Net product revenues consisted of the following:

	Six Months Ended June 30,		Changes	
	2022	2021	Amount	%
	(US dollars in thousands)			
BRUKINSA®	**233,072**	64,513	168,559	261.3%
Tislelizumab	**192,522**	123,758	68,764	55.6%
REVLIMID®	**41,576**	26,775	14,801	55.3%
XGEVA®	**29,008**	17,792	11,216	63.0%
BLINCYTO®	**21,396**	–	21,396	N/A
POBEVCY®	**19,798**	–	19,798	N/A
VIDAZA®	**8,946**	6,961	1,985	28.5%
KYPROLIS®	**8,405**	–	8,405	N/A
Pamiparib	**4,577**	2,221	2,356	106.1%
Other	**6,784**	2,721	4,063	149.3%
Total product revenue	**566,084**	244,741	321,343	131.3%

Net product revenue increased 131.3% to US$566.1 million for the six months ended June 30, 2022, compared to US$244.7 million in the prior year period, primarily due to increased sales of BRUKINSA® in the United States and China and increased sales of tislelizumab in China, as well as sales of pamiparib. In addition, product revenues in the first half of 2022 were positively impacted by sales of Amgen's BLINCYTO® and KYPROLIS® in China, which we began distributing in August 2021 and January 2022, respectively, as well as Bio-Thera's POBEVCY®, which we began selling in January 2022. During the six months ended June 30, 2022, we continued to see increased patient demand in China for tislelizumab and BRUKINSA® due to the inclusion on the National Reimbursement Drug List ("NRDL"), and this demand more than offset the effect of the related price reductions.

Global sales of BRUKINSA® totaled US$233.1 million in the six months ended June 30, 2022, representing a 261.3% increase compared to the prior year period; U.S. sales of BRUKINSA® totaled US$156.3 million in the six months ended June 30, 2022, compared to US$26.0 million in the prior year period, representing growth of 500.5%. U.S. sales continued to accelerate in the period, driven by continued uptake in all approved indications. BRUKINSA® sales in China totaled US$70.2 million in the six months ended June 30, 2022, representing growth of 82.7% compared to the prior year period, driven by a significant increase in all approved indications, including chronic lymphocytic leukemia (CLL) and small lymphocytic lymphoma (SLL).

Sales of tislelizumab in China totaled US$192.5 million in the six months ended June 30, 2022, compared to US$123.8 million representing a 55.6% increase compared to the prior year period. In the six months ended June 30, 2022, new patient demand from broader reimbursement and further expansion of our salesforce and hospital listings continued to drive increased market penetration and market share for tislelizumab.

Product revenues in the first half of 2021 were negatively impacted by an adjustment of US$28.1 million as a result of compensating distributors for products that remained in the distribution channel which were sold during the first quarter, prior to applying the lower prices of the NRDL, due to the first inclusion of tislelizumab, BRUKINSA®, and XGEVA® in the updated NRDL by the NHSA, which became effective on March 1, 2021. In the first half of 2021, the inclusion of tislelizumab, BRUKINSA®, and XGEVA® in the NRDL significantly increased patient demand that more than offset the net effect of price reductions as a result of NRDL inclusion.

Collaboration revenue totaled US$82.1 million for the six months ended June 30, 2022, of which US$24.2 million was recognized from deferred revenue for R&D services performed during the six months ended June 30, 2022 under both the tislelizumab and ociperlimab collaborations, US$52.5 million was recognized from deferred revenue for Novartis' right to access ociperlimab over the option period, and US$5.4 million was recognized related to the sale of tislelizumab clinical supply to Novartis. Collaboration revenue totaled US$511.1 million for the six months ended June 30, 2021, of which US$484.6 million was recognized upon delivery of the tislelizumab license right and transfer of know-how to Novartis, and US$26.5 million was recognized from deferred revenue for R&D services performed during the six months ended June 30, 2021 (see Footnote 3).

Cost of Sales

Cost of sales increased to US$136.4 million for the six months ended June 30, 2022 from US$68.9 million for the six months ended June 30, 2021, primarily due to increased product sales of tislelizumab, BRUKINSA® and XGEVA®, as well as initial sales of BLINCYTO®, which we began selling in August 2021, and initial sales of KYPROLIS® and POBEVCY®, which we began selling in January 2022.

Gross Margin

Gross margin on product sales increased to US$429.7 million for the six months ended June 30, 2022, compared to US$175.8 million in the prior year period, primarily due to increased product revenue in the current year period. Gross margin as a percentage of product sales increased to 75.9% for the six months ended June 30, 2022, from 71.8% in the comparable period of the prior year. The increase is primarily due to a proportionally higher sales mix of global BRUKINSA® compared to lower margin sales of in-licensed products and lower per unit costs for BRUKINSA® and tislelizumab, which offset the impact of lower prices resulting from the listing of tislelizumab and BRUKINSA® on the updated NRDL in January 2022. Pre-launch inventory carried at zero or low cost consumed during the six months ended June 30, 2022 and 2021 was immaterial and did not have a significant impact on our gross margin.

Research and Development Expense

Research and development expense increased by US$91.3 million, or 13.5%, to US$768.1 million for the six months ended June 30, 2022 from US$676.8 million for the six months ended June 30, 2021. The following table summarizes external clinical, external non-clinical and internal research and development expense for the six months ended June 30, 2022 and 2021, respectively:

	Six Months Ended June 30,		Changes	
	2022	2021	Amount	%
	(US dollars in thousands)			
External research and development expense:				
Cost of development programs	**232,009**	219,433	12,576	5.7%
Upfront license fees	**–**	53,500	(53,500)	(100.0)%
Amgen co-development expense[1]	**46,789**	55,330	(8,541)	(15.4)%
Total external research and development expenses	**278,798**	328,263	(49,465)	(15.1)%
Internal research and development expenses	**489,324**	348,554	140,770	40.4%
Total research and development expenses	**768,122**	676,817	91,305	13.5%

[1] Our co-funding obligation for the development of the pipeline assets under the Amgen collaboration for the six months ended June 30, 2022 totaled US$92.4 million, of which US$46.8 million was recorded as R&D expense. The remaining US$45.6 million was recorded as a reduction of the R&D cost share liability.

The decrease in external research and development expenses in the six months ended June 30, 2022 was primarily attributable to decrease of US$53.5 million related to upfront license fees under collaboration agreements and a decrease in the expense recognized on co-development fees to Amgen, partially offset by increases external clinical and preclinical trial costs for certain assets in our portfolio.

Internal research and development expense increased US$140.8 million, or 40.4%, to US$489.3 million and was primarily attributable to the expansion of our global development organization and our clinical and preclinical drug candidates, as well as our continued efforts to internalize research and clinical trial activities, and included the following:

- US$65.0 million increase of employee salary and benefits, primarily attributable to hiring more research and development personnel to support our expanding research and development activities;

- US$43.2 million increase of materials and reagent expenses, primarily in connection with the in-house manufacturing of drug candidates used for clinical purposes;

- US$25.7 million increase of facilities, depreciation, office expense, rental fees, and other expenses to support the growth of our organization;

- US$15.9 million increase of share-based compensation expense, primarily attributable to our increased headcount of research and development employees, resulting in more awards being expensed related to the growing research and development employee population; and

- US$9.1 million decrease of consulting fees, which was mainly attributable to decreased meeting expense related to scientific, regulatory and development consulting activities, in connection with the advancement of our drug candidates.

Selling, General and Administrative Expense

Selling, general and administrative expense increased by US$211.6 million, or 51.1%, to US$626.0 million, for the six months ended June 30, 2022, from US$414.4 million for the six months ended June 30, 2021. The increase was primarily attributable to the following:

- US$117.4 million increase of employee salary and benefits, which was primarily attributable to the expansion of our commercial organizations in China, the United States, Canada, Europe and emerging markets, and the hiring of personnel to support our growing business;

- US$37.1 million increase of professional fees, consulting, recruiting, information technology, tax, accounting and audit services, and facility expenses, rental fees, office expenses, and other administrative expenses, primarily attributable to the global expansion of our business, including the expansion of our commercial operations in China, the United States and Europe;

- US$36.7 million increase in external commercial-related expenses, including market research, sales and marketing, consulting and conference related expenses, related to the growth of our global commercial organization, as we continue to build our worldwide footprint and capabilities; and

- US$20.3 million increase of share-based compensation expense, primarily attributable to our increased headcount of sales and administrative employees, resulting in more awards being expensed related to the growing sales and administrative employee population.

Interest Income (Expense), Net

Interest income (expense), net increased by US$30.5 million, or 337.7%, to US$21.5 million of net interest income for the six months ended June 30, 2022, from US$9.0 million of net interest expense for six months ended June 30, 2021. The increase in interest income (expense), net, was primarily attributable to increased interest income resulting from the increase in cash balances resulting from the STAR Offering proceeds in the fourth quarter of 2021, as well as higher interest rates earned on our cash, cash equivalents and short-term investments.

Other Expense, Net

Other expense, net increased to US$117.7 million of net other expense for the six months ended June 30, 2022, from US$5.0 million for the six months ended June 30, 2021. The increase in expense was primarily related to foreign exchanges losses resulting from the strengthening of the U.S. dollar and the revaluation impact of foreign currencies held in U.S. functional currency subsidiaries. Also contributing to the increase in expense was an increase in the unrealized loss on our equity investment in Leap Therapeutics. These losses were partially offset by increased income from government subsidies.

Income Tax Expense (Benefit)

Income tax expense was US$26.9 million for the six months ended June 30, 2022 as compared to an income tax benefit of US$4.9 million for the six months ended June 30, 2021. The income tax expense for six months ended June 30, 2022 relating to income reported by certain subsidiaries was primarily attributable to China tax expense determined after certain non-deductible expenses and U.S. tax expense determined after research and development tax credits, other special tax deductions and non-deductible U.S. stock compensation. The income tax benefit for six months ended June 30, 2021 was primarily attributable to the deferred tax benefit of U.S. stock-based compensation deductions in excess of tax expense on income reported in certain China subsidiaries as adjusted for certain non-deductible expenses.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

Cash, cash equivalents, restricted cash and short-term investments

As of June 30, 2022, the Company's cash, cash equivalents, restricted cash and short-term investments primarily comprised of (1) approximately US$2.1 billion denominated in US dollars; (2)approximately RMB23.7 billion (equivalent to approximately US$3.5 billion) denominated in Renminbi; and (3) approximately US$37.5 million denominated in Australian dollar, Euro and other currencies.

Accounts receivable

Accounts receivable decreased by 64.3% from US$483.1 million as of December 31, 2021 to US$172.3 million as of June 30, 2022, primarily due to receipt of the US$300.0 million upfront cash payment related to Novartis agreement for ociperlimab.

Inventories

The inventories increased by 8.1% from US$242.6 million as of December 31, 2021 to US$262.2 million as of June 30, 2022, primarily due to stock preparation for the increased sales of our internally-developed products.

Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following:

	As of	
	June 30, 2022	December 31, 2021
	(US dollars in thousands)	
Prepaid research and development costs	**72,474**	87,239
Prepaid manufacturing cost	**59,291**	78,538
Prepaid taxes	**18,627**	58,579
Other receivables	**17,409**	12,010
Interest receivable	**2,611**	5,052
Prepaid insurance	**8,462**	1,695
Other current assets	**28,509**	27,060
Total	**207,383**	270,173

Property and equipment, net

The property and equipment increased by 7.7% from US$587.6 million as of December 31, 2021 to US$633.1 million as of June 30, 2022, primarily attributable to our on-going buildout of the Company's manufacturing and clinical R&D campus in Hopewell, NJ, and the Guangzhou and Suzhou manufacturing facilities expansion.

Accounts payable

Accounts payable includes amounts due to third parties and totaled US$234.4 million and US$262.4 million as of June 30, 2022 and December 31, 2021, respectively.

The following table sets forth an aging analysis of accounts payable as of the dates indicated, which is based on invoice date:

	As of	
	June 30, 2022	December 31, 2021
	(US dollars in thousands)	
Within 3 months	**229,217**	257,977
3 to 6 months	**1,725**	3,210
6 months to 1 year	**3,137**	1,110
Over 1 year	**276**	103
Total	**234,355**	262,400

Accrued expenses and other payables

Accrued expenses and other payables consist of the following as of June 30, 2022 and December 31, 2021:

	As of	
	June 30, 2022	December 31, 2021
	(US dollars in thousands)	
Compensation related	**124,565**	139,966
External research and development activities related	**151,321**	213,922
Commercial activities	**55,366**	71,560
Employee tax withholdings	**23,525**	45,661
Sales rebates and returns related	**71,512**	59,639
Professional fees and other	**27,894**	27,307
Total	**454,183**	558,055

Accrued expenses and other payables decreased by 18.6% from US$558.1 million as of December 31, 2021 to US$454.2 million as of June 30, 2022. The decrease was primarily due to lower accrued external research and development activities for the six months ended June 30, 2022.

LIQUIDITY AND CAPITAL RESOURCES

The following table represents our cash, short-term investments, and debt balances as of June 30, 2022 and December 31, 2021:

	As of	
	June 30, 2022	December 31, 2021
	(US dollars in thousands)	
Cash, cash equivalents and restricted cash	**4,535,409**	4,382,887
Short-term investments	**1,172,554**	2,241,962
Total debt	**565,936**	629,678

With the exception of the periods in which we received upfront payments from out-licensing rights to tislelizumab to Novartis, and prior to that BMS, we have incurred net losses and negative cash flows from operations since inception, resulting from the funding of our research and development programs and selling, general and administrative expenses associated with our operations, as well as to support the commercialization of our products globally. We recognized net losses of US$1.0 billion for the six months ended June 30, 2022, and net losses of US$413.8 million for the six months ended June 30, 2021. As of June 30, 2022, we had an accumulated deficit of US$6.0 billion.

To date, we have financed our operations principally through proceeds from public and private offerings of our securities and proceeds from our collaborations, together with product sales since September 2017. Based on our current operating plan, we expect that our existing cash, cash equivalents and short-term investments as of June 30, 2022 will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months after the date that the financial statements included in this report are issued.

In January 2021, we entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in North America, Europe, and Japan. Under the agreement, we received an upfront cash payment of US$650 million from Novartis. In December 2021, we expanded our collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize our investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, we and Novartis entered into an agreement granting us rights to market, promote and detail five approved Novartis oncology products. Under the terms of the agreement, we received an upfront cash payment of US$300 million in January 2022.

The following table provides information regarding our cash flows for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,	
	2022	2021
	(US dollars in thousands)	
Cash, cash equivalents and restricted cash at beginning of period	**4,382,887**	1,390,005
Net cash used in operating activities	**(616,522)**	(295,171)
Net cash provided by investing activities	**869,103**	543,544
Net cash (used in) provided by financing activities	**(28,847)**	143,050
Net effect of foreign exchange rate changes	**(71,212)**	5,257
Net increase in cash, cash equivalents, and restricted cash	**152,522**	396,680
Cash, cash equivalents and restricted cash at end of period	**4,535,409**	1,786,685

Operating Activities

Cash flows from operating activities is net loss adjusted for certain non-cash items and changes in assets and liabilities.

Operating activities used US$616.5 million of cash in the six months ended June 30, 2022, principally from our net loss of US$1.0 billion, partially offset by a decrease in our net operating assets and liabilities of US$218.4 million and by non-cash charges of US$170.8 million.

The decrease in working capital was driven largely by decreases in accounts receivable (due to the receipt of the upfront from Novartis related to the ociperlimab collaboration), decreases in prepaid assets and other non-current assets, and an increase in taxes payable, partially offset by increases in inventories and decreases in accounts payable, accrued expenses, deferred revenue and other long-term liabilities. The non-cash charges were primarily driven by share-based compensation expense, depreciation and amortization expense, and unrealized loss on our Leap investment, offset by amortization of the research and development cost share liability and deferred income tax benefits.

Operating activities used US$295.2 million of cash in the six months ended June 30, 2021, which resulted principally from our net loss of US$413.8 million and an increase in our net operating assets and liabilities of US$17.6 million, partially offset by non-cash charges of US$136.3 million. The non-cash charges were primarily driven by share-based compensation expense and charges for acquired in-process research and development costs, offset by amortization of the research and development cost share liability and deferred income tax benefits. The increase in working capital was driven largely by an increase in prepaid expenses, a decrease in accounts payable, and an increase in inventories, partially offset by an increase in deferred revenue resulting from the upfront payment from Novartis.

Investing Activities

Cash flows from investing activities consist primarily of capital expenditures, investment purchases, sales, maturities, and disposals, and upfront payments related to our collaboration agreements.

Investing activities provided US$869.1 million of cash in the six months ended June 30, 2022, consisting of sales and maturities of investment securities of US$1.1 billion, offset by US$11.5 million in purchases of investment securities, capital expenditures of US$95.4 million, and US$75.0 million of acquired in-process research and development.

Investing activities provided US$543.5 million of cash in the six months ended June 30, 2021, consisting of sales and maturities of investment securities of US$2.0 billion, offset by US$1.4 billion in purchases of investment securities, capital expenditures of US$80.9 million, US$8.5 million of acquired in-process research and development, and a US$7.5 million collaboration milestone payment.

Financing Activities

Cash flows from financing activities consist primarily of sale of ordinary shares, RMB Shares and ADSs through equity offerings, issuance and repayment of short-term and long-term debt, and proceeds from the sale of ordinary shares and ADSs through employee equity compensation plans.

Financing activities used US$28.8 million of cash in the six months ended June 30, 2022, consisting primarily of US$115.4 million of repayment of short-term bank loans, partially offset by US$67.6 million from proceeds of short-term bank loans and US$19.0 million from the exercise of employee share options and proceeds from the issuance of shares through our employee share purchase plan.

Financing activities provided US$143.1 million of cash in the six months ended June 30, 2021, consisting primarily of US$112.6 million from proceeds of short-term bank loans, US$35.6 million from the exercise of employee share options and proceeds from the issuance of shares through our employee share purchase plan, US$10.8 million from proceeds of long-term bank loans, partially offset by US$16.0 million repayment of short-term bank loans.

Effects of Exchange Rates on Cash

We have substantial operations in the PRC, which generate a significant amount of RMB-denominated cash from product sales and require a significant amount of RMB-denominated cash to pay our obligations. We hold a significant amount of RMB-denominated deposits at our China subsidiaries. Since the reporting currency of the Company is the U.S. dollar, periods of volatility in exchange rates may have a significant impact on our consolidated cash balances as they are translated into U.S. dollars. The impact of foreign currency deposits being translated into the U.S. dollar negatively impacted ending cash by US$71.2 million in the six months ended June 30, 2022, compared to a positive impact of US$5.3 million in the prior year period.

Future Liquidity and Material Cash Requirements

Until such time, if ever, as we can generate substantial product revenue sufficient to cover our costs and capital investments, we may be required to finance our cash needs through a combination of equity offerings, debt financings, collaboration agreements, strategic alliances, licensing arrangements, government grants, and other available sources. Under the rules of the SEC, we currently qualify as a "well-known seasoned issuer," which allows us to file shelf registration statements to register an unspecified amount of securities that are effective upon filing. In May 2020, we filed such a shelf registration statement with the SEC for the issuance of an unspecified amount of ordinary shares (including in the form of ADSs), preferred shares, various series of debt securities and/or warrants to purchase any of such securities, either individually or in units, from time to time at prices and on terms to be determined at the time of any such offering. This registration statement was effective upon filing and will remain in effect for up to three years from filing, prior to which time we may file another shelf registration statement that will be effective for up to three years from filing.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of ADSs, ordinary shares, or RMB Shares. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends, and may require the issuance of warrants, which could potentially dilute your ownership interest. If we raise additional funds through collaboration agreements, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our medicines or drug candidates, future revenue streams or research programs, or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings, collaborations or other sources when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts or grant rights to develop and market products or drug candidates that we would otherwise prefer to develop and market ourselves.

Our material cash requirements in the short- and long-term consist of the following operational, capital, and manufacturing expenditures, a portion of which contain contractual or other obligations. We plan to fund our material cash requirements with our current financial resources together with our anticipated receipts of accounts receivable, product sales and royalty revenues, and reimbursements we expect to receive under our existing collaboration and license agreements.

CONTRACTUAL AND OTHER OBLIGATIONS

The following table summarizes our significant contractual obligations as of the payment due date by period as of June 30, 2022:

	Payments Due by Period		
	Total	Short Term	Long Term
	(US dollars in thousands)		
Contractual obligations			
Operating lease commitments	71,364	14,282	57,082
Purchase commitments	109,700	51,358	58,342
Debt obligations	565,936	380,729	185,207
Interest on debt	40,909	13,896	27,013
Co-development funding commitment	698,687	254,109	444,578
Funding commitment	12,750	4,250	8,500
Research and development commitment	25,173	5,743	19,430
Pension plan	7,484	1,536	5,948
Capital commitments	308,141	308,141	–
Total	1,840,144	1,034,044	806,100

Operating Lease Commitments

We lease office or manufacturing facilities in Beijing, Shanghai, Suzhou and Guangzhou in China; office facilities in California, Massachusetts, Maryland, and New Jersey in the United States; and office facilities in Basel, Switzerland under non-cancelable operating leases expiring on various dates. Payments under operating leases are expensed on a straight-line basis over the respective lease terms. The aggregate future minimum payments under these non-cancelable operating leases are summarized in the table above.

Purchase Commitments

As of June 30, 2022, purchase commitments amounted to US$109.7 million, of which US$65.0 million related to minimum purchase requirements for supply purchased from contract manufacturers and US$44.7 million related to binding purchase obligations of inventory from BMS and Amgen. We do not have any minimum purchase requirements for inventory from BMS or Amgen.

Debt Obligations and Interest

Total debt obligations coming due in the next twelve months is US$380.7 million. Total long-term debt obligations are US$185.2 million. See Note 12 in the Notes to the Financial Statements for further detail of our debt obligations.

Interest on bank loans and the Related Party Loan is paid quarterly until the respective loans are fully settled. For the purpose of contractual obligations calculation, current interest rates on floating rate obligations were used for the remainder contractual life of the outstanding borrowings.

Co-Development Funding Commitment

Under the Amgen collaboration, we are responsible for co-funding global development costs for the licensed Amgen oncology pipeline assets up to a total cap of US$1.25 billion. We are funding our portion of the co-development costs by contributing cash and development services. As of June 30, 2022, our remaining co-development funding commitment was US$698.7 million.

Funding Commitment

Funding commitment represents our committed capital related to one of our equity method investments in the amount of US$15.0 million. As of June 30, 2022, our remaining capital commitment was US$12.8 million and is expected to be paid from time to time over the investment period.

Research and Development Commitment

We entered into a long-term research and development agreement in June 2021, which includes obligations to make fixed quarterly payments over the next four years. As of June 30, 2022, the total research and development commitment amounted to US$25.2 million.

Pension Plan

We maintain a defined benefit pension plan in Switzerland. Funding obligations under the defined benefit pension plan are equivalent to US$1.5 million per year based on annual funding contributions in effect as of June 30, 2022 to achieve fully funded status where the market value of plan assets equals the projected benefit obligations. Future funding requirements will be subject to change as a result of future changes in staffing and compensation levels, various actuarial assumptions and actual investment returns on plan assets.

Capital Commitments

We had capital commitments amounting to US$308.1 million for the acquisition of property, plant and equipment as of June 30, 2022, which were mainly for our manufacturing and clinical R&D campus in Hopewell, NJ and additional capacity at the Guangzhou and Suzhou manufacturing facilities.

Other Business Agreements

We expect to make a significant investment in our future manufacturing and clinical R&D center in the United States, a 42-acre site that will be constructed in Hopewell, NJ. We purchased this site for US$75.2 million and announced its groundbreaking on April 29, 2022. We expect significant capital expenditures as we build out the Hopewell facility over the next several years.

We also enter into agreements in the ordinary course of business with contract research organizations to provide research and development services. These contracts are generally cancellable at any time by us with prior written notice.

We also enter into collaboration agreements with institutions and companies to license intellectual property. We may be obligated to make future development, regulatory and commercial milestone payments and royalty payments on future sales of specified products associated with these agreements. Payments under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded on our balance sheet because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales have occurred, the corresponding amounts are recognized in our financial statements. Future milestone payments potentially owed related to in-licensed technology totaled $5.7 billion as of June 30, 2022.

INTEREST AND CREDIT RISK

Financial instruments that are potentially subject to credit risk consist of cash, cash equivalents, restricted cash and short-term investments. The carrying amounts of cash, cash equivalents, restricted cash and short-term investments represent the maximum amount of loss due to credit risk. We had cash and cash equivalents of US$4.5 billion and US$4.4 billion, restricted cash of US$4.3 million and US$7.2 million, and short-term investments of US$1.2 billion and US$2.2 billion as of June 30, 2022 and December 31, 2021, respectively. Our cash and cash equivalent are deposited with various major reputable financial institutions located within or outside the PRC. The deposits placed with these financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, we may be unlikely to claim our deposits back in full. We believe that these financial institutions are of high credit quality, and we continually monitor the credit worthiness of these financial institutions. On June 30, 2022, our short-term investments consisted of U.S. treasury securities. We believe that the U.S. treasury securities are of high credit quality and continually monitor the credit worthiness of these institutions.

The primary objectives of our investment activities are to preserve principal, provide liquidity, and maximize income without significant increasing risk. Our primary exposure to market risk relates to fluctuations in the interest rates, which are affected by changes in the general level of PRC and U.S. interest rates. Given the short-term nature of our cash equivalents, we believe that a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. We estimate that a hypothetical 100-basis point increase or decrease in market interest rates would result in a decrease of US$6.6 million or an increase of US$6.6 million, respectively, as of June 30, 2022.

We do not believe that our cash, cash equivalents and short-term investments have significant risk of default or illiquidity. While we believe our cash, cash equivalents, and short-term investments do not contain excessive risk, we cannot provide absolute assurance that in the future investments will not be subject to adverse changes in market value.

We had accounts receivable, net of US$172.3 million and US$483.1 million as of June 30, 2022 and December 31, 2021, respectively. Accounts receivable, net represent amounts arising from product sales and amounts due from our collaboration partners. We monitor economic conditions to identify facts or circumstances that may indicate receivables are at risk of collection. To date, we have not experienced any significant losses with respect to the collection of our accounts receivable.

FOREIGN CURRENCY EXCHANGE RATE RISK

We are exposed to foreign exchange risk arising from various currency exposures. Our reporting currency is the U.S. dollar, but a portion of our operating transactions and assets and liabilities are in other currencies, such as RMB, Euro, and Australian dollar. While we hold significant amounts of RMB, and are subject to foreign currency exchange risk upon revaluation or translation into our reporting currency, we expect to utilize our existing RMB cash deposits in the operation of our China business over the next several years, and as a result, have not used derivative financial instruments to hedge exposure to such risk.

RMB is not freely convertible into foreign currencies for capital account transactions. The value of RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange prices. Since 2005, the RMB has been permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. The RMB compared to the U.S. dollar depreciated approximately 5.1% in the six months ended June 30, 2022 and appreciated approximately 2.3% in the year ended December 31, 2021, respectively. For the six months ended June 30, 2022, other non-operating loss in our consolidated statement of operations was US$117.7 million, which was primarily the result of the strengthening of the U.S. dollar and the related revaluation impact of foreign currencies held in U.S. functional currency subsidiaries. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into RMB for capital expenditures, working capital and other business purposes, appreciation of RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against RMB would have a negative effect on the U.S. dollar amount available to us.

In addition, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our foreign cash balances and trade receivables. Further, volatility in exchange rate fluctuations may have a significant impact on the foreign currency translation adjustments recorded in other comprehensive income (loss). We have not used derivative financial instruments to hedge exposure to foreign exchange risk.

CURRENCY CONVERTIBILITY RISK

A significant portion of our expenses, assets, and liabilities are denominated in RMB. In 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of exchange rates does not imply that the RMB may be readily convertible into U.S. dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approvals of foreign currency payments by the PBOC or other institutions require submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

Additionally, the value of RMB is subject to changes in the PRC central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

EFFECTS OF INFLATION

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the six months ended June 30, 2022.

GEARING RATIO

The gearing ratio of the Company, which was calculated by dividing total interest-bearing loans by total shareholders' equity as of the end of the period, was 10.7% as of June 30, 2022, which increased from 10.1% as of December 31, 2021. The increase was primarily due to a decrease in equity, which mainly resulted from the net loss incurred for the six months ended June 30, 2022.

MATERIAL INVESTMENTS HELD

Except as disclosed in notes to the consolidated financial statements, we did not hold any other material investments as of June 30, 2022.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

We are in the process of constructing a biologics manufacturing facility and research and development center on the land located in Hopewell, New Jersey, USA. We expect significant capital expenditures as we build out the Hopewell facility over the next several years.

Except as disclosed above, we did not have other plans for material investments and capital assets as of June 30, 2022.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended June 30, 2022, we did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2022, we had a global team of over 8,600 employees, which increased from 8,000 employees as of December 31, 2021. Most of our employees are full-time.

The remuneration policy and package of our employees are periodically reviewed. In addition to cash compensation and benefits, we may issue share options, share appreciation rights, restricted shares, restricted share units, unrestricted shares, performance share awards, cash-based awards and dividend equivalent rights to our employees in accordance with our equity plans. We also provide external and internal training programs to our employees. The packages were set by benchmarking with companies in similar industries and companies with similar size. The total remuneration cost incurred by the Company for the six months ended June 30, 2022 was US$662.2 million (June 30, 2021: US$445.1 million).

PLEDGE OF ASSETS

As of June 30, 2022, we pledged restricted deposits of US$4.3 million (December 31, 2021: US$7.2 million) held in designated bank accounts for collateral for letters of credit and letters of guarantee. As of June 30, 2022, BeiGene Guangzhou Factory's land use right and certain fixed assets of the first phase of the Guangzhou manufacturing facility's build out with a total carrying amount of US$132.1 million (December 31, 2021: US$145.8 million) were secured for a long-term bank loan.

CONTINGENT LIABILITIES

As of June 30, 2022, we did not have any material contingent liabilities (December 31, 2021: nil).

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended June 30, 2022 (June 30, 2021: nil).

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1 to our condensed consolidated financial statements included in this report for information regarding recent accounting pronouncements.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2022, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares ("Shares"), underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which were required (a) to be notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the HKEX pursuant to the Model Code for Securities Transactions as set out in Appendix 10 to the HK Listing Rules (the "Model Code") were as follows:

Name of Director	Nature of interest	Number of Shares	Approximate percentage of holding[1]
John V. Oyler	Beneficial owner	25,570,653[2]	1.90%
	Settlor of a trust/Beneficiary of a trust	10,000,000[3]	0.74%
	Settlor of a trust/Interest of a minor child	102,188[4]	0.01%
	Settlor of a trust/Beneficiary of a trust	7,727,927[5]	0.57%
	Settlor of a trust/Beneficiary of a trust	29,439,115[6]	2.19%
	Settlor of a trust	510,941[7]	0.04%
	Interest of a minor child	545,597[8]	0.04%
	Other	1,584,167[9]	0.12%
Xiaodong Wang	Beneficial owner	16,026,717[10]	1.19%
	Interest of a minor child	172,372[11]	0.01%
	Interest in controlled corporation	4,253,998[12]	0.32%
	Other	1,127,542[13]	0.08%
	Interest of spouse	50[14]	0.000004%
Margaret Han Dugan	Beneficial owner	73,918[15]	0.01%
Donald W. Glazer	Beneficial owner	3,150,782[16]	0.23%
Michael Goller	Person having a security interest in shares	413,335[17]	0.03%
Anthony C. Hooper	Beneficial owner	143,988[18]	0.01%
Ranjeev Krishana	Person having a security interest in shares	413,335[19]	0.03%
Thomas Malley	Beneficial owner	1,326,083[20]	0.10%
Alessandro Riva	Beneficial owner	73,918[21]	0.01%
Corazon (Corsee) D. Sanders	Beneficial owner	104,117[22]	0.008%
Qingqing Yi	Beneficial owner	404,053[23]	0.03%

Notes:

(1) The calculation is based on the total number of 1,344,123,362 Shares in issue as of June 30, 2022.

(2) Includes (1) 1,627,205 Shares held by Mr. Oyler, (2) Mr. Oyler's entitlement to receive up to 23,499,740 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options, and (3) Mr. Oyler's entitlement to restricted share units equivalent to 443,708 Shares, subject to vesting conditions.

(3) These Shares are held in a Roth IRA PENSCO trust account for the benefit of Mr. Oyler.

(4) These Shares are held by The John Oyler Legacy Trust for the benefit of Mr. Oyler's minor child, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(5) These Shares are held by a grantor retained annuity trust for the benefit of Mr. Oyler, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(6) These Shares are held by Oyler Investment LLC, the interest of which is 99% owned by a grantor retained annuity trust for the benefit of Mr. Oyler, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(7) These Shares are held by The Oyler Family Legacy Trust for the benefit of Mr. Oyler's family members, of which Mr. Oyler 's father is a trustee and Mr. Oyler is the settlor.

(8) Mr. Oyler made a gift of 545,597 Shares to a trust. These Shares are held by a trust, the beneficiaries of which include Mr. Oyler's minor child and others, in which Mr. Oyler is deemed to be interested for the purpose of the SFO.

(9) These Shares are held by a private foundation of which Mr. Oyler and the other(s) serve as directors, in which Mr. Oyler is deemed to be interested for the purpose of the SFO.

(10) Includes (1) 5,693,991 Shares held by Dr. Wang, (2) Dr. Wang's entitlement to receive up to 10,219,971 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options, and (3) Dr. Wang's entitlement to restricted share units equivalent to 112,755 Shares, subject to vesting conditions.

(11) These Shares are held in a Uniform Transfers to Minors Act account for Dr. Wang's minor child, in which Dr. Wang is deemed to be interested for the purposes of the SFO.

(12) These Shares are held by Wang Investment LLC, the interest of which is 99% owned by two grantor retained annuity trusts, of which Dr. Wang's wife is a trustee and Dr. Wang is the Settlor.

(13) These Shares are held by a family trust which Dr. Wang's family members are beneficiaries, in which Dr. Wang is deemed to be interested for the purpose of the SFO.

(14) These Shares are held by Dr. Wang's spouse, in which Dr. Wang is deemed to be interested for the purposes of the SFO.

(15) Includes (1) Dr. Dugan's entitlement to receive up to 57,226 Shares pursuant to the exercise of options granted to her, subject to the conditions (including vesting conditions) of these options; and (2) Dr. Dugan's entitlement to restricted share units equivalent to 16,692 Shares, subject to vesting conditions.

(16) Includes (1) 2,746,729 Shares held by Mr. Glazer; (2) Mr. Glazer's entitlement to receive up to 379,561 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Mr. Glazer's entitlement to restricted share units equivalent to 24,492 Shares, subject to vesting conditions.

(17) Includes (1) 17,082 Shares held by Mr. Goller; (2) Mr. Goller's entitlement to receive up to 379,561 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Mr. Goller's entitlement to restricted share units equivalent to 16,692 Shares, subject to vesting conditions.

(18) Includes (1) Mr. Hooper's entitlement to receive up to 119,496 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options.; and (2) Mr. Hooper's entitlement to restricted share units equivalent to 24,492 Shares, subject to vesting conditions.

(19) Includes (1) 17,082 Shares held by Mr. Krishana;(2) Mr. Krishana's entitlement to receive up to 379,561 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Mr. Krishana's entitlement to restricted share units equivalent to 16,692 Shares, subject to vesting conditions.

(20) Includes (1) 407,082 Shares held by Mr. Malley;(2) Mr. Malley's entitlement to receive up to 902,309 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options; and (3) Mr. Malley's entitlement to restricted share units equivalent to 16,692 Shares, subject to vesting conditions.

(21) Includes (1) Dr. Riva's entitlement to receive up to 57,226 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (2) Dr. Riva's entitlement to restricted share units equivalent to 16,692 Shares, subject to vesting conditions.

(22) Includes (1) 7,800 Shares held by Dr. Sanders; (2) Dr. Sanders' entitlement to receive up to 79,625 Shares pursuant to the exercise of options granted to her, subject to the conditions (including vesting conditions) of those options and (3) Dr. Sanders' entitlement to restricted share units equivalent to 16,692 Shares, subject to vesting conditions

(23) Includes (1) 7,800 Shares held by Mr. Yi; (2) Mr. Yi's entitlement to receive up to 379,561 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Mr. Yi's entitlement to restricted share units equivalent to 16,692 Shares, subject to vesting conditions.

Except as disclosed above, as of June 30, 2022, so far as was known to the Directors and chief executive of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations which were required to be (a) notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to be interested under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the HKEX pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2022, so far as was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares	Approximate percentage of holding[1]
Amgen Inc.	Beneficial owner	246,269,426	18.32%
Julian C. Baker[2]	Beneficial owner/Interest in controlled corporations/Person having a security interest in shares	152,875,363	11.37%
Felix J. Baker[2]	Beneficial owner/Interest in controlled corporations/Person having a security interest in shares	152,875,363	11.37%
Baker Bros. Advisors (GP) LLC[2]	Investment manager/Other	152,419,703	11.34%
Baker Bros. Advisors LP[2]	Investment manager/Other	152,419,703	11.34%
Baker Brothers Life Sciences Capital, L.P.[2]	Interest in controlled corporations/Other	139,823,423	10.40%
HHLR Fund, L.P. [3]	Beneficial owner	129,433,059	9.63%
HHLR Advisors, Ltd.[3]	Investment manager	133,587,655	9.94%
The Capital Group Companies, Inc.[4]	Interest in controlled corporations	106,958,925	7.96%

Notes:

(1) The calculation is based on the total number of 1,344,123,362 Shares in issue as of June 30, 2022.

(2) Julian C. Baker and Felix J. Baker are the managing members of Baker Bros. Advisors (GP) LLC. Baker Bros. Advisors (GP) LLC is the general partner of Baker Bros. Advisors LP ("BBA"). BBA is the manager for securities held by 667, L.P. and Baker Brothers Life Sciences, L.P.. Also, Baker Brothers Life Sciences Capital, L.P. is the general partner of Baker Brothers Life Sciences, L.P. (the "Funds"). Unlisted derivatives include stock options and restricted stock received as compensation by two BBA employees (Michael Goller and Ranjeev Krishana) for their service on the Board of Directors of BeiGene, Ltd. and are controlled by BBA, with the Funds entitled to the pecuniary interest.

According to the corporate substantial shareholder notice for the date of relevant event of December 15, 2021 submitted by Baker Brothers Life Sciences Capital, L.P. to HKEX on December 15, 2021140,543,649 Shares held by Baker Brothers Life Sciences, L.P. directly. For the purposes of the SFO, Julian C. Baker, Felix J. Baker, Baker Bros. Advisors (GP) LLC and BBA are deemed to be interested in the 11,152,058 Shares held by 667, L.P. and the 140,543,649 Shares held by Baker Brothers Life Sciences, L.P., and 723,996 Shares which unlisted derivatives are controlled by BBA, with the Funds entitled to the pecuniary interest. In addition, for the purposes of the SFO, Baker Brothers Life Sciences Capital, L.P. is deemed to be interested in the 140,543,649 Shares held by Baker Brothers Life Sciences, L.P., and 723,996 Shares which unlisted derivatives are controlled by BBA, with the Funds entitled to the pecuniary interest.

Outside the Funds, each of Julian C. Baker and Felix J. Baker further interests in (in the form of ADSs) 270,868 Shares personally and 151,004 Shares through FBB3 LLC, a controlled corporation.

(3) (i) 133,587,655 Shares are held by HHLR Fund, L.P. and YHG Investment, L.P.; and (ii) 13,447,603 Shares are held by Hillhouse BGN Holdings Limited. HHLR Advisors, Ltd. acts as the sole general partner of YHG Investment, L.P. and the sole management company of HHLR Fund, L.P.. Hillhouse Capital Management, Ltd. is the sole management company of Hillhouse Fund II, L.P., which owns Hillhouse BGN Holdings Limited. Under the SFO, HHLR Advisors, Ltd. is deemed to be interested in the 133,587,655 Shares held by HHLR Fund, L.P. and YHG Investment, L.P. and Hillhouse Capital Management, Ltd. is deemed to be interested in the 13,447,603 Shares held by Hillhouse BGN Holdings Limited. Under the SFO, Hillhouse Fund II, L.P. is deemed to be interested in the 13,447,603 Shares held by Hillhouse BGN Holdings Limited.

(4) (i) 13,112,463 Shares are held by Capital International, Inc.; (ii) 628,966 Shares held by Capital International Limited; (iii) 2,112,024 Shares are held by Capital International Sarl; and (iv) 89,056,893 Shares are held by Capital Research and Management Company; and (v) 2,048,579 Shares are held by Capital Group Private Client Services, Inc.

Capital Group International, Inc. is wholly owned by Capital Research and Management Company. Capital International, Inc., Capital International Limited, Capital International Sarl and Capital Group Private Client Services, Inc. are wholly owned by Capital Group International, Inc. Capital Bank and Trust Company is wholly owned by The Capital Group Companies, Inc. For the purposes of the SFO, Capital Research and Management Company and Capital Group International, Inc. are deemed to be interested in the 17,804,323 Shares held by Capital International, Inc., Capital International Limited, Capital International Sarl, and Capital Group Private Client Services, Inc.

Capital Research and Management Company is wholly owned by The Capital Group Companies Inc. For the purposes of the SFO, The Capital Group Companies Inc. is deemed to be interested in the 106,958,925 Shares held by Capital Research and Management Company directly and indirectly.

Except as disclosed above, as of June 30, 2022, the Directors have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

OTHER INFORMATION

SHARE OPTION AND AWARD SCHEMES

1. 2011 Option Plan

The 2011 Plan was approved by the Board on April 15, 2011 and most recently amended on April 17, 2015. The terms of the 2011 Plan are not subject to the provisions of Chapter 17 of the HK Listing Rules, as our Board determined not to grant any further options under the 2011 Plan after February 2, 2016 when the 2016 Plan became effective.

As of June 30, 2022, the Company had conditionally granted options to 240 participants under the 2011 Plan. All of the options under the 2011 Plan were granted between May 20, 2011 and January 31, 2016 (both days inclusive). The exercise price of all of the options granted under the 2011 Plan is between US$0.01 and US$1.85 per Share.

Further details of the 2011 Plan are set out in the prospectus of the Company dated July 30, 2018 (the "Prospectus").

As of January 1, 2022, 2,908,297 Shares were outstanding pursuant to options granted under the 2011 Plan, and as of June 30, 2022, 2,702,945 Shares were outstanding under the 2011 Plan. Details of the movements of the options granted under the 2011 Plan from January 1, 2022 to June 30, 2022 are as follows:

					Number of options				
Name of grantee	Role	Date of grant	Option period	Exercise price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
	Directors of the Company								
Xiaodong Wang	Non-executive Director	May 20, 2011[1]	10 years from the date of grant	US$0.01	–	–	–	–	–
		April 3, 2013[1]	10 years from the date of grant	US$0.01	879,267	–	–	–	879,267
		June 29, 2015[1]	10 years from the date of grant	US$0.50	500,000	–	–	–	500,000
Thomas Malley	Independent Non-executive Director	January 25, 2016[2]	10 years from the date of grant	US$1.85	552,752	–	–	–	552,752
	Senior Management of the Company								
Lai Wang	Global Head of R&D	July 6, 2012[3]	10 years from the date of grant	US$0.01	12	–	–	–	12
		April 3, 2013[3]	10 years from the date of grant	US$0.01	12	–	–	–	12
		June 29, 2015[3]	10 years from the date of grant	US$0.5	11	–	–	–	11
	Other grantees								
In aggregate		Between May 20, 2011 and January 31, 2016[3]	10 years from the date of grant	Between US$0.01 to US$1.85	976,243	–	205,348	4	770,891
Total					2,908,297	–	205,348	4	2,702,945

(1) 20% of the options become exercisable on the first anniversary of the grant date. The remaining 80% become exercisable in 48 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 20%.

(2) One-third of the options become exercisable on each anniversary of the grant date.

(3) 20%/25% of the options become exercisable on the first anniversary of the grant date. The remaining 80%/75% become exercisable in 48/36 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 20%/25%. Certain options may be subject to accelerated vesting upon change in control and/or termination.

2. Second Amended and Restated 2016 Share Option and Incentive Plan

The 2016 Plan was approved by our Board on November 7, 2018 and by our shareholders on December 7, 2018 to amend and restate the 2016 Share Option and Incentive Plan originally adopted by the Company on January 14, 2016. As of June 30, 2022, the total number of Shares available for option grants under the 2016 Plan was 74,437,232 Shares (including the additional Shares added as further described below), representing 5.54% of the issued share capital of the Company. As of August 25, 2022, the total number of Shares available for option grants under the 2016 Plan was 76,217,465 Shares (including the additional Shares added as further described below), representing 5.67% of the issued share capital of the Company as of August 25, 2022.

In order to continue to provide incentive opportunities under the 2016 Plan, an amendment to the 2016 Plan (the "Amendment No. 1") to increase the number of authorized Shares available for issuance under the 2016 Plan by 57,200,000 Shares, and to extend the term of the 2016 Plan through 2030, was approved by our Board on April 13, 2020 and by our shareholders on June 17, 2020. Additionally, an amendment to the 2016 Plan (the "Amendment No. 2", and the 2016 Plan as amended by the Amendment No. 1 and Amendment No. 2, the "Amended 2016 Plan") to increase the number of authorized shares available for issuance under the 2016 Plan by 66,300,000 ordinary shares, was approved by our Board on April 17, 2022 and by our shareholders on June 22, 2022.

Purpose

The Amended 2016 Plan provides the Company with the flexibility to use various equity-based incentives and other awards as compensation tools to attract, retain and motivate our (and our subsidiaries') workforce. These tools include share options, share appreciation rights, restricted shares, restricted share units, unrestricted shares, performance share awards, cash-based awards and dividend equivalent rights.

Eligible Participants

Full-time and part-time officers, employees, non-employee Directors and other key persons (including consultants) as selected from time to time by our compensation committee (the "Compensation Committee") are eligible to participate in the Amended 2016 Plan.

Maximum Number of Shares

The maximum number of Shares reserved and available for issuance under the Amended 2016 Plan and our other equity plans may not exceed 10% of the Shares issued and outstanding as of June 22, 2022 and the aggregate number of Shares that may be issued upon exercise of all outstanding options granted and yet to be exercised under the Amended 2016 Plan and outstanding options granted and yet to be exercised under any other plan of the Company at any time may not exceed 30% of the Shares in issue from time to time.

Limit of Each Grantee

Unless approved by our shareholders in a general meeting, the total number of Shares issued and to be issued upon the exercise of share options granted and to be granted under the 2016 Plan and any other equity plans of the Company to a grantee within any 12-month period shall not exceed 1% of the Shares in issue at the date of any grant.

Option Period

Our Compensation Committee may determine at the time of grant any minimum period(s) for which a share option must be held and/or any minimum performance target(s) that must be achieved, before the share option can be exercised in whole or in part, and may include at the discretion of our Compensation Committee such other terms either on a case by case basis or generally.

The term of each share option will be fixed by our Compensation Committee and may not exceed 10 years from the date of grant. Any share option granted but not exercised by the end of its option term will automatically lapse and be cancelled. Our Compensation Committee will determine at what time or times each option may be exercised.

Exercise Price

The exercise price of each share option will be determined by our Compensation Committee but may not be less than the higher of: (i) 1/13th of the closing price of one ADS on the NASDAQ on the date of grant; and (ii) 1/13th of the average closing price of one ADS on the NASDAQ for the five business days immediately preceding the date of grant.

Consideration

No consideration is required to be paid by the grantees for the grant of options under the 2016 Plan.

Expiration of the 2016 Plan

The 2016 Plan will expire on April 13, 2030.

Movements in the 2016 Plan

As of June 30, 2022, the Company has conditionally granted options to 1,066 participants under the Amended 2016 Plan. All of the options under the Amended 2016 Plan were granted between February 8, 2016 and June 30, 2022 (both days inclusive). The exercise price of all the options granted under the 2016 Plan is between US$0.5 and US$28.81 per Share.

Further details of the 2016 Plan are set out in Note 16 to the unaudited interim condensed consolidated financial statements.

As of January 1, 2022, 54,065,073 Shares were outstanding pursuant to options granted under the 2016 Plan, and as of June 30, 2022, 63,489,698 Shares were outstanding under the 2016 Plan. Details of the movements of the options granted during the Reporting Period were as follows:

							Number of options				
Name of grantee	Role	Date of grant	Option period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
	Directors of the Company										
John V. Oyler	Executive Director, Chairman and Chief Executive Officer	November 16, 2016[3]	10 years from the date of grant	US$2.79	N/A	US$2.84	2,047,500	–	–	–	2,047,500
		September 27,2017[3]	10 years from the date of grant	US$6.73	N/A	US$7.70	935,000	–	–	–	935,000
		April 30, 2018[3]	10 years from the date of grant	US$13.37	N/A	US$13.04	996,810	–	–	–	996,810
		June 26, 2018[3]	10 years from the date of grant	US$12.70	N/A	US$12.34	1,310,088	–	–	–	1,310,088
		June 5, 2019[3]	10 years from the date of grant	US$9.25	N/A	US$9.23	2,193,282	–	–	–	2,193,282
		June 17, 2020[3]	10 years from the date of grant	US$13.33	N/A	US$13.42	1,821,976	–	–	–	1,821,976
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	906,906	–	–	–	906,906
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	1,887,678	–	–	1,887,678
Xiaodong Wang	Non-executive Director	November 16, 2016[3]	10 years from the date of grant	US$2.79	N/A	US$2.84	1,613,430	–	–	–	1,613,430
		September 27, 2017[3]	10 years from the date of grant	US$6.73	N/A	US$7.70	750,000	–	–	–	750,000
		June 26, 2018[3]	10 years from the date of grant	US$12.70	N/A	US$12.34	655,044	–	–	–	655,044
		June 5, 2019[3]	10 years from the date of grant	US$9.25	N/A	US$9.23	747,708	–	–	–	747,708
		June 17, 2020[3]	10 years from the date of grant	US$13.33	N/A	US$13.42	560,599	–	–	–	560,599
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	241,839	–	–	–	241,839
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	471,913	–	–	471,913
Anthony C. Hooper	Non-executive Director	March 3, 2020[5]	10 years from the date of grant	US$12.62	N/A	US$12.22	21,970	–	–	–	21,970
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$26.53	17,498	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645

							Number of options				
Name of grantee	Role	Date of grant	Option period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
Timothy Chen	Former Independent Non-executive Director	February 8, 2016[4]	10 years from the date of grant	US$2.61	N/A	US$2.42	188,926	–	–	–	188,926
		June 2, 2017[5]	10 years from the date of grant	US$2.94	N/A	US$3.15	65,988	–	–	–	65,988
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	17,498
Margaret Han Dugan	Independent Non-executive Director	February 28, 2022[5]	10 years from the date of grant	US$16.47	N/A	US$16.22	–	22,581	–	–	22,581
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645
Donald W. Glazer	Independent Non-executive Director	April 19, 2017[4]	10 years from the date of grant	US$2.84	N/A	US$2.83	199,992	–	–	–	199,992
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645
Michael Goller	Independent Non-executive Director	April 19, 2017[4]	10 years from the date of grant	US$2.84	N/A	US$2.83	199,992	–	–	–	199,992
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645
Ranjeev Krishana	Independent Non-executive Director	April 19, 2017[4]	10 years from the date of grant	US$2.84	N/A	US$2.83	199,992	–	–	–	199,992
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645
	Directors of the Company										
Thomas Malley	Independent Non-executive Director	June 2, 2017[5]	10 years from the date of grant	US$2.94	N/A	US$3.15	169,988	–	–	–	169,988
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645
Corazon D. Sanders	Independent Non-executive Director	August 24, 2020[5]	10 years from the date of grant	US$18.50	N/A	US$18.26	27,482	–	–	–	27,482
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645

							Number of options				
Name of grantee	Role	Date of grant	Option period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
Alessandro Riva	Independent Non-executive Director	February 28, 2022[6]	10 years from the date of grant	US$16.47	N/A	US$16.22	–	22,581	–	–	22,581
		June 22, 2022[6]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645
Jing-Shyh (Sam) Su	Former Independent	April 1, 2018[4]	10 years from the date of grant	US$12.92	N/A	US$12.72	63,290	–	–	–	63,290
	Non-executive Director	June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	17,498	–
Qingqing Yi	Independent Non-executive Director	April 19, 2017[4]	10 years from the date of grant	US$2.84	N/A	US$2.83	199,992	–	–	–	199,992
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	17,498
		June 22, 2022[6]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	34,645	–	–	34,645
	Senior Management of the Company										
Xiaobin Wu	President, Chief Operating Officer	April 30, 2018[6]	10 years from the date of grant	US$13.37	N/A	US$13.04	766,599	–	–	–	766,599
	and General Manager of China	June 5, 2019[3]	10 years from the date of grant	US$9.25	N/A	US$9.23	797,550	–	–	–	797,550
		June 17, 2020[3]	10 years from the date of grant	US$13.42	N/A	US$13.33	756,821	–	–	–	756,821
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$25.63	483,678	–	–	–	483,678
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	1,061,814	–	–	1,061,814
Julia Wang	Chief Financial Officer	June 30, 2020[3]	10 years from the date of grant	US$14.55	N/A	US$14.66	104,754	–	–	–	104,754
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	177,853	–	–	–	177,853
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	589,888	–	–	589,888
Lai Wang	Global Head of R&D	July 13, 2016[3]	10 years from the date of grant	US$2.27	US$23.63	US$2.29	233,948	–	233,948	–	–
		June 27, 2017[3]	10 years from the date of grant	US$3.50	N/A	US$3.49	999,999	–	999,999	–	–
		June 26, 2018[3]	10 years from the date of grant	US$12.70	N/A	US$12.34	364,208	–	–	–	364,208
		June 5, 2019[3]	10 years from the date of grant	US$9.25	N/A	US$9.23	558,285	–	–	–	558,285
		June 17, 2020[3]	10 years from the date of grant	US$13.33	N/A	US$13.42	525,564	–	–	–	525,564
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	332,527	–	–	–	332,527
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	707,876	–	–	707,876
Jane Huang	Former Chief Medical Officer,	September 2, 2016[3]	10 years from the date of grant	US$2.26	US$26.04	US$2.27	207,575	–	–	–	207,575
	Hematology	June 27, 2017[3]	10 years from the date of grant	US$3.50	N/A	US$3.49	850,465	–	–	–	850,465
		June 26, 2018[3]	10 years from the date of grant	US$12.70	US$25.57	US$12.34	122,798	–	–	–	122,798
		June 5, 2019[3]	10 years from the date of grant	US$9.25	US$27.34	US$9.23	211,276	–	–	–	211,276
		June 17, 2020[3]	10 years from the date of grant	US$13.33	US$25.57	US$13.42	204,971	–	–	–	204,971
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	157,196	–	–	–	157,196

							Number of options				
Name of grantee	Role	Date of grant	Option period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
	Other grantees										
In Aggregate		July 13, 2016[3]	10 years from the date of grant	US$2.27	N/A	US$2.29	3,262,835	–	–	–	3,262,835
		July 22, 2016[3]	10 years from the date of grant	US$2.13	US$12.47	US$2.10	105,487	–	6,500	–	98,987
		July 22, 2016[6]	10 years from the date of grant	US$2.13	US$13.99	US$2.10	981,325	–	84,487	11	896,827
		July 29, 2016[3]	10 years from the date of grant	US$2.11	N/A	US$2.02	26	–	–	–	26
		August 9, 2016[3]	10 years from the date of grant	US$2.04	N/A	US$2.10	–	–	–	–	–
		August 22, 2016[3]	10 years from the date of grant	US$2.28	N/A	US$2.24	–	–	–	–	–
		September 12, 2016[3]	10 years from the date of grant	US$2.33	N/A	US$2.42	–	–	–	–	–
		September 19, 2016[3]	10 years from the date of grant	US$2.51	N/A	US$2.38	–	–	–	–	–
		September 26, 2016[3]	10 years from the date of grant	US$2.35	N/A	US$2.27	–	–	–	–	–
		October 12, 2016[3]	10 years from the date of grant	US$2.48	N/A	US$2.42	134,498	–	–	–	134,498
		October 12, 2016[6]	10 years from the date of grant	US$2.48	N/A	US$2.42	1,020	–	–	–	1,020
		October 17, 2016[3]	10 years from the date of grant	US$2.42	N/A	US$2.55	61,399	–	–	–	61,399
		November 1, 2016[3]	10 years from the date of grant	US$2.56	N/A	US$2.57	–	–	–	–	–
		November 7, 2016[3]	10 years from the date of grant	US$2.43	N/A	US$2.46	–	–	–	–	–
		November 8, 2016[3]	10 years from the date of grant	US$2.46	N/A	US$2.51	–	–	–	–	–
		November 16, 2016[3]	10 years from the date of grant	US$2.79	N/A	US$2.84	–	–	–	–	–
		November 21, 2016[3]	10 years from the date of grant	US$2.46	N/A	US$2.42	–	–	–	–	–
		November 28, 2016[3]	10 years from the date of grant	US$2.49	US$17.48	US$2.38	39,000	–	39,000	–	–
		November 30, 2016[3]	10 years from the date of grant	US$2.43	N/A	US$2.44	1,274	–	–	–	1,274
		December 1, 2016[3]	10 years from the date of grant	US$2.44	N/A	US$2.37	–	–	–	–	–
		December 9, 2016[3]	10 years from the date of grant	US$2.07	N/A	US$2.09	34,099	–	–	–	34,099
		January 3, 2017[3]	10 years from the date of grant	US$2.34	US$12.63	US$2.39	16,965	–	9,165	–	7,800
		January 5, 2017[3]	10 years from the date of grant	US$2.44	N/A	US$2.39	63,661	–	–	–	63,661
		January 9, 2017[3]	10 years from the date of grant	US$2.37	US$17.94	US$2.43	158,496	–	6,500	–	151,996
		January 17, 2017[3]	10 years from the date of grant	US$2.51	N/A	US$2.53	–	–	–	–	–
		January 17, 2017[6]	10 years from the date of grant	US$2.51	US$13.76	US$2.53	88,556	–	6,591	–	81,965
		January 23, 2017[3]	10 years from the date of grant	US$2.46	US$13.53	US$2.49	108,875	–	57,330	–	51,545
		January 30, 2017[3]	10 years from the date of grant	US$2.80	N/A	US$2.62	–	–	–	–	–
		February 1, 2017[3]	10 years from the date of grant	US$2.68	N/A	US$2.77	144,989	–	–	–	144,989
		February 6, 2017[3]	10 years from the date of grant	US$2.76	N/A	US$2.76	32,201	–	–	–	32,201
		February 8, 2017[3]	10 years from the date of grant	US$2.67	N/A	US$2.78	–	–	–	–	–
		February 13, 2017[3]	10 years from the date of grant	US$2.77	US$13.80	US$2.77	71,643	–	15,600	–	56,043
		February 27, 2017[3]	10 years from the date of grant	US$2.97	N/A	US$2.93	–	–	–	–	–
		March 6, 2017[3]	10 years from the date of grant	US$3.14	N/A	US$3.06	–	–	–	–	–
		March 13, 2017[3]	10 years from the date of grant	US$3.08	N/A	US$3.02	142,701	–	–	–	142,701
		March 20, 2017[3]	10 years from the date of grant	US$3.04	N/A	US$3.04	84,968	–	–	–	84,968
		March 27, 2017[3]	10 years from the date of grant	US$2.79	N/A	US$2.79	–	–	–	–	–
		March 31, 2017[6]	10 years from the date of grant	US$2.81	US$14.93	US$2.82	85,683	–	24,999	–	60,684
		April 3, 2017[3]	10 years from the date of grant	US$2.82	N/A	US$2.82	5,928	–	–	–	5,928
		April 10, 2017[3]	10 years from the date of grant	US$2.86	N/A	US$2.91	–	–	–	–	–
		April 11, 2017[3]	10 years from the date of grant	US$2.91	N/A	US$2.95	–	–	–	–	–
		April 17, 2017[3]	10 years from the date of grant	US$2.92	US$14.40	US$2.95	109,590	–	17,368	–	92,222
		April 24, 2017[3]	10 years from the date of grant	US$2.82	N/A	US$2.89	–	–	–	–	–
		April 26, 2017[3]	10 years from the date of grant	US$3.01	N/A	US$3.09	–	–	–	–	–
		May 1, 2017[3]	10 years from the date of grant	US$3.14	N/A	US$3.13	531,245	–	–	–	531,245

							Number of options				
Name of grantee	Role	Date of grant	Option period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
	Other grantees										
		May 2, 2017[6]	10 years from the date of grant	US$3.13	US$11.92	US$3.12	115,349	–	2,418	416	112,515
		May 3, 2017[3]	10 years from the date of grant	US$3.12	N/A	US$3.12	11,999	–	–	–	11,999
		May 8, 2017[3]	10 years from the date of grant	US$3.02	N/A	US$2.98	–	–	–	–	–
		May 10, 2017[3]	10 years from the date of grant	US$2.88	N/A	US$2.92	–	–	–	–	–
		May 15, 2017[3]	10 years from the date of grant	US$2.81	N/A	US$2.90	9,100	–	–	–	9,100
		May 30, 2017[3]	10 years from the date of grant	US$2.88	N/A	US$2.88	21,060	–	–	–	21,060
		June 1, 2017[6]	10 years from the date of grant	US$2.83	US$14.67	US$2.94	1,150,045	–	32,812	507	1,116,726
		June 12, 2017[3]	10 years from the date of grant	US$2.99	US$10.69	US$3.00	12,844	–	117	–	12,727
		June 14, 2017[3]	10 years from the date of grant	US$3.04	US$14.59	US$3.05	776,581	–	44,239	–	732,342
		June 15, 2017[6]	10 years from the date of grant	US$3.05	US$13.77	US$3.04	4,029,896	–	339,235	10,088	3,680,573
		June 21, 2017[3]	10 years from the date of grant	US$3.31	N/A	US$3.45	17,784	–	–	–	17,784
		June 23, 2017[3]	10 years from the date of grant	US$3.41	N/A	US$3.45	–	–	–	–	–
		June 27, 2017[3]	10 years from the date of grant	US$3.50	N/A	US$3.49	2,233,309	–	–	–	2,233,309
		June 29, 2017[3]	10 years from the date of grant	US$3.50	N/A	US$3.45	43,654	–	–	–	43,654
		July 10, 2017[3]	10 years from the date of grant	US$5.40	US$12.81	US$5.45	156,624	–	32,500	–	124,124
		July 17, 2017[3]	10 years from the date of grant	US$5.67	US$13.24	US$4.19	41,106	–	29,120	–	11,986
		July 17, 2017[6]	10 years from the date of grant	US$5.67	US$12.19	US$4.19	366,366	–	38,064	–	328,302
		July 24, 2017[3]	10 years from the date of grant	US$5.95	N/A	US$5.65	–	–	–	–	–
		July 31, 2017[3]	10 years from the date of grant	US$5.58	US$15.50	US$5.42	119,574	–	14,911	4,667	99,996
		July 31, 2017[6]	10 years from the date of grant	US$5.58	US$13.67	US$5.42	371,072	–	5,005	–	366,067
		August 1, 2017[3]	10 years from the date of grant	US$5.42	US$12.50	US$5.58	473,200	–	83,200	–	390,000
		August 2, 2017[6]	10 years from the date of grant	US$5.58	N/A	US$5.45	–	–	–	–	–
		August 3, 2017[3]	10 years from the date of grant	US$5.45	N/A	US$5.51	19,994	–	–	–	19,994
		August 7, 2017[3]	10 years from the date of grant	US$5.56	N/A	US$5.95	114,309	–	–	–	114,309
		August 8, 2017[3]	10 years from the date of grant	US$5.95	N/A	US$6.03	12,649	–	–	–	12,649
		August 10, 2017[3]	10 years from the date of grant	US$5.95	N/A	US$5.59	–	–	–	–	–
		August 11, 2017[3]	10 years from the date of grant	US$5.59	N/A	US$5.46	–	–	–	–	–
		August 17, 2017[3]	10 years from the date of grant	US$5.39	N/A	US$5.32	18,317	–	–	–	18,317
		August 25, 2017[3]	10 years from the date of grant	US$5.38	N/A	US$5.29	–	–	–	–	–
		August 28, 2017[3]	10 years from the date of grant	US$5.29	N/A	US$5.28	24,167	–	–	–	24,167
		August 31, 2017[3]	10 years from the date of grant	US$5.30	N/A	US$5.30	–	–	–	–	–
		August 31, 2017[6]	10 years from the date of grant	US$5.30	US$11.14	US$5.30	281,242	–	50,518	3,471	227,253
		September 5, 2017[3]	10 years from the date of grant	US$5.78	N/A	US$5.68	269,997	–	–	–	269,997
		September 12, 2017[3]	10 years from the date of grant	US$5.39	N/A	US$5.43	–	–	–	–	–
		September 13, 2017[3]	10 years from the date of grant	US$5.43	N/A	US$5.82	–	–	–	–	–
		September 18, 2017[3]	10 years from the date of grant	US$6.22	N/A	US$6.37	22,269	–	–	–	22,269
		September 22, 2017[3]	10 years from the date of grant	US$6.53	US$16.62	US$6.55	90,155	–	21,567	–	68,588
		September 25, 2017[3]	10 years from the date of grant	US$6.55	US$11.72	US$6.56	153,569	–	31,577	–	121,992
		September 26, 2017[3]	10 years from the date of grant	US$6.56	N/A	US$8.71	–	–	–	–	–
		September 29, 2017[3]	10 years from the date of grant	US$7.49	N/A	US$7.96	37,492	–	–	–	37,492
		November 1, 2017[3]	10 years from the date of grant	US$7.10	N/A	US$6.84	226,356	–	–	–	226,356
		November 30, 2017[3]	10 years from the date of grant	US$6.38	N/A	US$6.15	10,764	–	–	–	10,764
		January 5, 2018[3]	10 years from the date of grant	US$7.72	N/A	US$7.58	19,071	–	–	–	19,071
		January 31, 2018[3]	10 years from the date of grant	US$9.52	US$12.79	US$10.44	84,385	–	3,393	–	80,992
		February 28, 2018[3]	10 years from the date of grant	US$11.61	N/A	US$11.04	7,904	–	–	–	7,904

							Number of options				
Name of grantee	Role	Date of grant	Option period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
	Other grantees										
		April 30, 2018[3]	10 years from the date of grant	US$13.37	N/A	US$13.04	17,407	–	–	11,258	6,149
		June 26, 2018[3]	10 years from the date of grant	US$12.70	US$14.86	US$12.34	935,961	–	18,252	3,042	914,667
		June 29, 2018[3]	10 years from the date of grant	US$11.90	N/A	US$11.83	12,103	–	–	–	12,103
		August 31, 2018[3]	10 years from the date of grant	US$13.67	N/A	US$13.66	13,741	–	–	–	13,741
		August 31, 2018[7]	10 years from the date of grant	US$13.67	N/A	US$13.66	108,537	–	–	–	108,537
		September 28, 2018[3]	10 years from the date of grant	US$13.28	N/A	US$13.25	65,433	–	–	–	65,433
		September 28, 2018[8]	10 years from the date of grant	US$13.28	N/A	US$13.25	39,260	–	–	–	39,260
		November 30, 2018[3]	10 years from the date of grant	US$11.07	N/A	US$11.79	11,028	–	–	–	11,028
		December 31, 2018[3]	10 years from the date of grant	US$10.53	US$19.73	US$10.79	144,053	–	1,989	–	142,064
		December 31, 2018[8]	10 years from the date of grant	US$10.53	N/A	US$10.79	12,727	–	–	–	12,727
		January 25, 2019[3]	10 years from the date of grant	US$9.62	N/A	US$10.44	38,649	–	–	–	38,649
		February 28, 2019[3]	10 years from the date of grant	US$10.77	N/A	US$10.54	130,754	–	–	–	130,754
		March 5, 2019[3]	10 years from the date of grant	US$11.68	N/A	US$11.51	78,494	–	–	–	78,494
		May 10, 2019[3]	10 years from the date of grant	US$9.33	N/A	US$10.32	44,213	–	–	–	44,213
		June 5, 2019[3]	10 years from the date of grant	US$9.25	US$15.20	US$9.23	3,074,162	–	91,871	85,644	2,896,647
		June 28, 2019[3]	10 years from the date of grant	US$9.67	N/A	US$9.53	38,714	–	–	24,609	14,105
		August 30, 2019[3]	10 years from the date of grant	US$11.14	N/A	US$11.06	97,201	–	–	–	97,201
		November 29, 2019[3]	10 years from the date of grant	US$15.71	N/A	US$15.83	39,221	–	–	–	39,221
		December 31, 2019[3]	10 years from the date of grant	US$12.80	N/A	US$12.92	29,523	–	–	–	29,523
		March 3, 2020[3]	10 years from the date of grant	US$12.62	N/A	US$12.19	20,657	–	–	–	20,657
		March 31, 2020[3]	10 years from the date of grant	US$9.65	N/A	US$9.67	294,775	–	–	–	294,775
		May 12, 2020[3]	10 years from the date of grant	US$12.56	N/A	US$12.18	38,597	–	–	–	38,597
		May 29, 2020[3]	10 years from the date of grant	US$12.49	N/A	US$12.73	21,281	–	–	–	21,281
		June 17, 2020[3]	10 years from the date of grant	US$13.33	US$16.54	US$13.42	2,220,140	–	143	96,148	2,123,849
		June 30, 2020[3]	10 years from the date of grant	US$14.55	N/A	US$14.66	212,771	–	–	–	212,771
		August 7, 2020[3]	10 years from the date of grant	US$17.24	N/A	US$16.99	40,248	–	–	–	40,248
		August 31, 2020[3]	10 years from the date of grant	US$18.69	N/A	US$18.85	14,040	–	–	8,528	5,512
		September 30, 2020[3]	10 years from the date of grant	US$21.65	N/A	US$22.03	8,021	–	–	–	8,021
		November 6, 2020[3]	10 years from the date of grant	US$23.08	N/A	US$23.07	175,708	–	–	–	175,708
		November 30, 2020[3]	10 years from the date of grant	US$21.99	N/A	US$20.99	26,962	–	–	8,034	18,928
		January 22, 2021[5]	10 years from the date of grant	US$27.46	N/A	US$28.81	64,441	–	–	9,178	55,263
		February 26, 2021[3]	10 years from the date of grant	US$25.36	N/A	US$25.81	6,331	–	–	–	6,331
		March 31, 2021[3]	10 years from the date of grant	US$25.61	N/A	US$26.78	158,834	–	–	10,010	148,824
		May 7, 2021[3]	10 years from the date of grant	US$24.15	N/A	US$24.78	84,240	–	–	–	84,240
		May 28, 2021[3]	10 years from the date of grant	US$27.00	N/A	US$27.58	121,485	–	–	–	121,485
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	2,333,955	–	–	70,161	2,263,794
		June 30, 2021[3]	10 years from the date of grant	US$27.48	N/A	US$27.28	88,829	–	–	29,432	59,397
		August 6, 2021[3]	10 years from the date of grant	US$25.84	N/A	US$25.61	158,262	–	–	–	158,262
		August 31, 2021[3]	10 years from the date of grant	US$23.22	N/A	US$23.72	153,322	–	–	–	153,322
		September 30, 2021[3]	10 years from the date of grant	US$27.81	N/A	US$28.73	61,230	–	–	–	61,230
		November 5, 2021[3]	10 years from the date of grant	US$28.38	N/A	US$28.08	45,786	–	–	–	45,786
		November 30, 2021[3]	10 years from the date of grant	US$26.40	N/A	US$26.85	64,649	–	–	–	64,649
		December 31, 2021[3]	10 years from the date of grant	US$21.03	N/A	US$20.84	59,332	–	–	–	59,332
		January 27, 2022[3]	10 years from the date of grant	US$17.27	N/A	US$18.61	–	371,059	–	–	371,059
		February 28, 2022[3]	10 years from the date of grant	US$16.47	N/A	US$16.22	–	171,626	–	–	171,626

							Number of options				
Name of grantee	Role	Date of grant	Option period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
	Other grantees										
		March 31, 2022[3]	10 years from the date of grant	US$15.85	N/A	US$15.46	–	135,694	–	–	135,694
		May 6, 2022[3]	10 years from the date of grant	US$12.27	N/A	US$12.50	–	80,821	–	–	80,821
		May 31, 2022[3]	10 years from the date of grant	US$10.30	N/A	US$10.56	–	123,604	–	–	123,604
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	–	6,122,831	–	–	6,122,831
		June 30, 2022[3]	10 years from the date of grant	US$12.48	N/A	US$12.81	–	77,974	–	–	77,974
Total							54,065,073	12,159,745	2,342,418	392,702	63,489,698

(1) The stated price was the closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the grant date.

(2) The stated price was the weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the options were exercised.

(3) 25% of the options become exercisable on the first anniversary of the grant date or, for new employees, the first anniversary of the last trading day of the month following the date on which such grantee starts his or her service relationship with the Company or its subsidiaries. The remaining 75% become exercisable in 36 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 25%. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(4) One-third of the options become exercisable on each anniversary of the grant date.

(5) 100% of the options become exercisable on the earlier of the 1st anniversary of the grant date or the date of the next annual general meeting. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(6) 20% of the options become exercisable on the first anniversary of the grant date. The remaining 80% become exercisable in 48 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 20%. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(7) The options become exercisable in 48 equal monthly installments, beginning on the last day of the first month after grant.

(8) The options become exercisable upon satisfaction of specified performance targets.

Grants of RSU to Directors under the 2016 Plan

On June 22, 2022, the Company also granted RSUs to the Directors. As previously disclosed in the Company's announcement dated April 19, 2022 in relation to the proposed grants of RSU to the Directors and following the approval of the independent shareholders at the 2022 annual general meeting held on June 22, 2022, the Board granted RSUs representing 25,693 ADSs to Mr. John V. Oyler, RSUs representing 6,423 ADSs to Dr. Xiaodong Wang, and RSUs representing 1,284 ADSs to each of the non-executive Director and independent non-executive Directors, namely, Mr. Anthony C. Hooper, Dr. Margaret Han Dugan, Mr. Donald W. Glazer, Mr. Michael Goller, Mr. Ranjeev Krishana, Mr. Thomas Malley, Dr. Alessandro Riva, Dr. Corazon (Corsee) D. Sanders and Mr. Qingqing Yi, the total number of such underlying Shares amounting to 567,736 Shares.

3. Third Amended and Restated 2018 Employee Share Purchase Plan

The 2018 ESPP was approved by our Board on November 7, 2018 and by our shareholders on December 7, 2018 to amend and restate the 2018 Employee Share Purchase Plan originally adopted by the Company on June 6, 2018. On June 5, 2019, the Board approved Amendment No. 1 to the 2018 ESPP. In June 2021, our Board adopted the third amended and restated 2018 ESPP to include some technical amendments under U.S. tax rules and to consolidate the changes in the prior amendment, which became effective on September 1, 2021. The 2018 ESPP is not a share option scheme subject to the provisions of Chapter 17 of the HK Listing Rules.

As of June 30, 2022, 2,827,929 Shares had been granted, exercised, cancelled or lapsed pursuant to the 2018 ESPP.

Summary

The 2018 ESPP allows eligible employees to purchase our Shares (including in the form of ADSs) at a 15% discount to the market price of our Shares or ADSs. Employees would purchase our Shares or ADSs at the end of an offering period using funds deducted from their payroll during the offering period.

The 2018 ESPP is administered under the direction of our Compensation Committee, which has the authority to interpret the provisions of the 2018 ESPP and to make all other determinations necessary or advisable in administering it.

All employees of our Company and participating subsidiaries who are employed as of the first day of the applicable offering and have been employed as of the commencement of the enrollment period for such offering are eligible to participate in the 2018 ESPP, other than employees who would own 5% or more of the voting power of our Shares after exercising their rights to purchase Shares under the 2018 ESPP.

To participate in the 2018 ESPP, an eligible employee authorizes payroll deductions in an amount not less than 1% nor greater than 10% of his or her "eligible earnings" (i.e., gross cash compensation, including regular base pay (including overtime pay and commissions, to the extent determined by our Compensation Committee) to a maximum of US$25,000 per year, but excluding incentive or bonus awards, allowances and reimbursements for expenses such as relocation allowances or travel expenses, income or gain on the exercise of share options, and similar items) for each full payroll period in the offering period.

Eligible employees enroll in an offering period (which generally will begin on each March 1 and September 1 and last for six months unless otherwise determined by our Compensation Committee in advance) during the open enrollment period prior to the start of that offering period. Shares are purchased at a price equal to 85% of the fair market value of our ordinary shares on either the first local business day of the offering period or the last local business day of the offering period, whichever is lower.

If a participating employee voluntarily resigns or is terminated by us prior to the last day of an offering period, the employee's option to purchase terminates and the cash amount in the employee's account is returned to the employee.

In the event of a recapitalization, reclassification, share split, reverse split, combination of shares, exchange of shares, share dividend, or similar event, the number and kind of shares that may be purchased under the 2018 ESPP will be adjusted proportionately such that the proportionate interest of participating employees remains the same, to the extent practicable. In the event of a change in control, each outstanding option will be assumed or an equivalent option will be substituted. In the event outstanding options are not assumed or substituted, the offering period with respect to which such outstanding option relates will be shortened by setting a new exercise date prior to the date of the change in control.

4. Amended and Restated 2018 Inducement Equity Plan

On June 6, 2018, the Company adopted the 2018 Inducement Plan and reserved 12,000,000 Shares to be used exclusively for grants of awards to individuals that were not previously employees of the Company or its subsidiaries, as an inducement to the individual's entry into employment with the Company or its subsidiaries. The 2018 Inducement Plan was approved by the Board upon recommendation of our Compensation Committee. On August 7, 2018, the Company amended the 2018 Inducement Plan to comply with Chapter 17 of the HK Listing Rules.

As of June 30, 2022, the Company has conditionally granted options to 2 participants under the 2018 Inducement Plan. All the options under the 2018 Inducement Plan were granted on August 31, 2018. The exercise price of all the options granted under the 2018 Inducement Plan was US$13.66. As of December 31, 2021, the total number of Shares available for option grants under the 2018 Inducement Plan was 9,334,659 Shares, representing 0.7% of the issued capital of the Company.

During the six months ended June 30, 2022, the Company did not grant any options under the 2018 Inducement Plan. As of June 22, 2022, the total number of Shares available for option grants under the 2018 Inducement Plan was 9,372,895 Shares, representing 0.7% of the issued share capital of the Company as of June 30, 2022.

Upon the effectiveness of Amendment No. 2 to the 2016 Plan, on June 22, 2022, the 2018 Inducement Plan was terminated to the effect that no new equity awards shall be granted under the plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms.

Further details of the 2018 Inducement Plan are set out in Note 16 to the consolidated financial statements.

As of January 1, 2022, 30,901 Shares were outstanding pursuant to options granted under the 2018 Inducement Plan, and as of June 30, 2022, 30,901 Shares were outstanding pursuant to options granted under the 2018 Inducement Plan. Details of the movements of the options granted during the Reporting Period were as follows:

							Number of options				
Name of grantee	Role	Date of grant	Option period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise price	Outstanding as of January 1, 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2022
	Grantees										
In aggregate		August 31, 2018[3]	10 years from the date of grant	US$13.67	US$25.49	US$13.66	30,901	–	–	–	30,901
Total							30,901	–	–	–	30,901

(1) The stated price was the closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the grant date.

(2) The stated price was the weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the options were exercised.

(3) 25% of the options become exercisable on the first anniversary of the last trading day of the month following the date on which such grantee starts his or her service relationship with the Company or its subsidiaries. The remaining 75% become exercisable in 36 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 25%.

Purpose

The 2018 Inducement Plan provides the Company with the flexibility to grant equity awards to induce highly-qualified prospective officers and employees who are not currently employed by the Company or its subsidiaries to accept employment and to provide them with a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company will assure a closer identification of their interests with those of the Company and its shareholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

Eligible Participants

Full-time and part-time employees of the Company and its subsidiaries for whom the Company may issue securities without shareholder approval in accordance with Rule 5635 (c) (4) of the Marketplace Rules of the NASDAQ Stock Market, Inc., as selected from time to time by our Compensation Committee, are eligible to participate in the 2018 Inducement Plan.

Maximum Number of Shares

The maximum number of Shares reserved and available for issuance under the 2018 Inducement Plan is 12,000,000.

Expiration of the 2018 Inducement Plan

The 2018 Inducement Plan remains in effect until discontinued by the Board.

Upon the effectiveness of Amendment No. 2 to the 2016 Plan, on June 22, 2022, the 2018 Inducement Plan was terminated to the effect that no new equity awards shall be granted under the plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms.

Limit of Each Grantee

Unless approved by our shareholders in a general meeting, the total number of Shares issued and to be issued upon the exercise of share options granted and to be granted under the 2018 Inducement Plan and any other equity plans of the Company to a grantee within any 12-month period shall not exceed 1% of the Shares in issue at the date of any grant.

Option Period

Our Compensation Committee may determine at the time of grant any minimum period(s) for which a share option must be held and/or any minimum performance target(s) that must be achieved, before the share option can be exercised in whole or in part, and may include at the discretion of our Compensation Committee such other terms either on a case by case basis or generally.

The term of each share option will be fixed by our Compensation Committee and may not exceed 10 years from the date of grant. Any share option granted but not exercised by the end of its option term will automatically lapse and be cancelled. Our Compensation Committee will determine at what time or times each option may be exercised.

Exercise Price

The exercise price of each share option will be determined by our Compensation Committee but may not be less than the higher of: (i) 1/13th of the closing price of one ADS on the NASDAQ on the date of grant; and (ii) 1/13th of the average closing price of one ADS on the NASDAQ for the five business days immediately preceding the date of grant.

Consideration

No consideration is required to be paid by the grantees for the grant of options under the 2018 Inducement Plan.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility, and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations, and to enhance the transparency and accountability of the Board to the Company's shareholders.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value and formulate its business strategies and policies.

During the Reporting Period, the Company has applied the principles in the Corporate Governance Code as set out in Appendix 14 to the HK Listing Rules (the "Corporate Governance Code") which are applicable to the Company.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the HKEX are expected to comply with, but may choose to deviate from, the requirement that the responsibilities of the Chairman and the Chief Executive Officer should be segregated and should not be performed by the same individual. We do not have a separate Chairman and Chief Executive Officer and Mr. John V. Oyler currently performs these two roles. Our Board believes that Mr. John V. Oyler is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as a Co-Founder and our Chief Executive Officer. Our Board also believes that the combined role of Chairman and Chief Executive Officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Our Board will continue to review and consider splitting the roles of Chairman and the Chief Executive Officer at a time when it is appropriate by taking into account the circumstances of our Company as a whole. Our Corporate Governance Guidelines provide the Board with the flexibility to choose the appropriate Board leadership structure of the Company based upon its view of what is in the best interest of the Company. Our Corporate Governance Guidelines also provide that if the same person holds the Chairman and Chief Executive Officer roles or if the Chairman does not otherwise qualify as independent, the independent Directors may elect a lead director. Mr. Ranjeev Krishana, an independent non-executive Director of the Company, currently serves as the lead director. The Board believes our current Board leadership structure will help ensure continuity of strong and effective leadership. The lead director has responsibilities that are set forth in our Corporate Governance Guidelines, including presiding at meetings of the Board at which the Chairman is not present, and executive sessions of the independent directors; consulting with management regarding Board meeting schedules, locations, agendas, and materials; and calling meetings of the independent and non-management Directors, when appropriate.

Our Audit Committee is in compliance with Rule 3.21 of the HK Listing Rules and the Corporate Governance Code, except for the terms of reference required by paragraphs D.3.3 and D.3.7 of the Corporate Governance Code. However, the charter of our Audit Committee complies with the NASDAQ Listing Rules and the rules of the SEC. The primary duties of the Audit Committee are, among other things, to monitor the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters, review the adequacy of our internal control over financial reporting, and review all related party transactions for potential conflict of interest situations and approving all such transactions. The Audit Committee currently comprises two independent non-executive Directors, namely Mr. Thomas Malley and Dr. Corazon (Corsee) D. Sanders and one non-executive Director, namely Mr. Anthony C. Hooper. Mr. Thomas Malley, being the chairman of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the HK Listing Rules.

Our Compensation Committee is in compliance with Rule 3.25 of the HK Listing Rules and the Corporate Governance Code, except for the terms of reference required by paragraph E.1.2 of the Corporate Governance Code. However, the charter of the Compensation Committee complies with the NASDAQ Listing Rules. The primary duties of the Compensation Committee are to review and make recommendations to the Board with respect to director compensation, evaluate the performance of our Chief Executive Officer, President, Chief Operating Officer and General Manager of China, and Chief Financial Officer and review and make recommendations to the Board regarding the terms of their compensation, and review and approve the compensation of our other executive officers and senior management. The Compensation Committee currently comprises three independent non-executive Directors, namely Dr. Margaret Han Dugan, Mr. Qingqing Yi and Mr. Ranjeev Krishana. Dr. Margaret Han Dugan is the chair of the Compensation Committee. On June 22, 2022, Mr. Timothy Chen resigned from the Board. In connection with his resignation from the Board, Mr. Chen also resigned from the Compensation Committee. Effective September 13, 2022, Dr. Margaret Han Dugan has been appointed as a member and chair of the Compensation Committee.

Our nominating and corporate governance committee (the "Nominating and Corporate Governance Committee") complies with the Corporate Governance Code, except for the terms of reference required by paragraph B.3.1 of the Corporate Governance Code. However, the charter of the Nominating and Corporate Governance Committee complies with the NASDAQ Listing Rules. The primary duties of the Nominating and Corporate Governance Committee are to develop and recommend to the Board criteria for board and committee membership, recommend to the Board the persons to be nominated for election as directors and to each of the Board's committees, and develop and recommend to the Board a set of corporate governance guidelines. The Nominating and Corporate Governance Committee currently comprises three independent non-executive Directors, namely Mr. Donald W. Glazer, Mr. Michael Goller and Dr. Alessandro Riva and one non-executive Director, namely Mr. Anthony C. Hooper. Mr. Donald W. Glazer is the chairman of the Nominating and Corporate Governance Committee.

OTHER INFORMATION

Except as disclosed above, the Company has complied with all of the provisions set out in the Corporate Governance Code during the Reporting Period.

The Board will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH POLICIES EQUIVALENT TO THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Except as disclosed below, the Company has adopted its own insider dealing policies on terms no less exacting than those in the Model Code regarding the directors' dealings in the securities of the Company.

Pursuant to Rule B.8 of the Model Code, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement. Under the Company's insider dealing policies, the General Counsel of the Company, has been designated as the insider trading compliance officer whom a director who intends to deal in the Company's securities must notify. Our Board believes that our insider trading compliance officer, despite not being a member of the Board, is able to carry out his duties properly and competently in accordance with the Company's insider dealing policies, the terms of which are otherwise no less exacting than those in the Model Code.

Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Company's own insider dealing policies throughout the period from January 1, 2022 up to the date of this interim report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE OF CHANGES IN DIRECTORS' INFORMATION PURSUANT TO HK LISTING RULE 13.51(B)(1)

Upon specific enquiry by the Company and following confirmations from Directors, save as disclosed hereunder, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the HK Listing Rules during the Reporting Period. The change of Director's information is set out below.

Directors	Changes in Positions held with the Company
Mr. Jing-Shyh (Sam) Su	Resigned as an independent non-executive Director and a member of the Nominating and Corporate Governance Committee and the commercial and medical affairs advisory committee of the Board (the "Commercial and Medical Affairs Advisory Committee") on January 31, 2022.
Dr. Margaret Han Dugan *(Note)*	Appointed as an independent non-executive Director and a member of the scientific advisory committee of the Board (the "Scientific Advisory Committee") effective February 1, 2022; appointed as a member of the Commercial and Medical Affairs Advisory Committee effective February 25, 2022.
Dr. Alessandro Riva	Appointed as an independent non-executive Director and a member of the Nominating and Corporate Governance Committee and the Scientific Advisory Committee effective February 1, 2022.
Mr. Timothy Chen	Resigned as an independent non-executive director and a member of the Compensation Committee and the Commercial and Medical Affairs Advisory Committee on June 22, 2022.

Note: Effective September 13, 2022, Dr. Margaret Han Dugan has been appointed as a member and chair of the Compensation Committee.

USE OF NET PROCEEDS

Use of Net Proceeds from Amgen

On January 2, 2020, the Company sold 15,895,001 ADSs, representing 206,635,013 ordinary shares of the Company and approximately 20.5% ownership stake in the Company's outstanding shares as at the same date, to Amgen for aggregate cash proceeds of US$2,779,241,000, or US$174.85 per ADS, pursuant to the Amgen SPA (as amended) executed in connection with the Amgen Collaboration Agreement. The subscription price represents: (a) a 36% premium to the 30-day volume weighted average price of the Company's ADSs as of October 30, 2019, the day prior to the date of the Amgen SPA; (b) assuming a conversion rate of US$1.00: HK$7.84, a 26% premium to the closing price of the Company's ordinary shares as quoted on the HKEX on October 31, 2019, the date of the Amgen SPA; and (c) a 26% premium to the closing price of the Company's ADSs on the NASDAQ on October 31, 2019.

OTHER INFORMATION

The net proceeds from the sale of the shares have been and will be utilized in accordance with the purposes set out in the proxy statement/circular of the Company dated November 29, 2019. The table below sets out the planned applications of the net proceeds and actual usage up to June 30, 2022:

Use of proceeds	Planned applications (US dollars in thousands)	Percentage of total net proceeds (%)	Actual usage up to December 31, 2021 (US dollars in thousands)	Actual usage up to June 30, 2022 (US dollars in thousands)	Unutilized net proceeds as of June 30, 2022 (US dollars in thousands)
To fund business operations[(a)]	2,779,241	100%	1,869,643	1,984,939	794,302

Note (a): To fund the Company's development obligations under the Amgen Collaboration Agreement by contributing cash and development services up to a total cap of approximately US$1.25 billion, the development, manufacturing and commercialization of the Company's internally developed drug candidates, expansion of the Company's commercialization activities, and for future capacity expansion and general corporate use, as appropriate, as previously disclosed in the Company's proxy statement/circular dated November 29, 2019.

The Company plans to gradually utilize the remaining net proceeds in accordance with such intended purposes depending on actual business, which is expected to be fully utilized by the end of year 2025. For further details, please refer to the announcements of the Company dated November 1, 2019, December 9, 2019, and January 3, 2020.

On September 24, 2020, the Company entered into the Restated Second Amendment to amend the Amgen SPA. Pursuant to the Restated Second Amendment, the Company granted Amgen the Direct Purchase Option to subscribe for Additional Shares in an amount necessary to enable it to increase (and subsequently maintain) its ownership at approximately 20.6% of the Company's outstanding share capital. The Direct Purchase Option is exercisable on a monthly basis but only if Amgen's interest in the outstanding share capital of the Company at the monthly reference date drops below 20.4% solely as a result of dilution arising from issuance of new shares by the Company under its equity incentive plans from time to time. The aggregate number of Additional Shares shall not exceed 75,000,000 shares during the term of the Direct Purchase Option.

The purchase price for the Additional Shares will be the volume-weighted average price of the Company's ADSs for the 90 days preceding the last trading day of the prior month. The exercise period of the Direct Purchase Option commenced on December 1, 2020 and will terminate on the earliest of: (a) the date on which Amgen owns less than 20% of the outstanding share capital of the Company as a result of Amgen's sale of shares; (b) at least 60-day advance written notice from either Amgen or the Company that such party wishes to terminate the Direct Purchase Option; or (c) the third anniversary of the date on which the exercise period of the Direct Purchase Option commences. The Direct Purchase Option has no vesting period.

For further details, please refer to the announcements of the Company dated March 18, 2020, September 25, 2020 and the Company's proxy statement/circular dated October 9, 2020.

In September 2021, upon Amgen's exercise of its Direct Purchase Option, the Company issued an aggregate of 165,529 ADSs, representing 2,151,877 ordinary shares, to Amgen for a total consideration of US$50,000,000 in a private placement pursuant to the Restated Second Amendment. As of June 30, 2022, none of the proceeds of approximately US$50,000,000 had been utilized, and the Company plans to gradually utilize the net proceeds in accordance with such intended purposes as described above depending on actual business needs, which is expected to be fully utilized in the next three years.

Use of Net Proceeds from Share Subscription in July 2020

On July 15, 2020, the Company allotted and issued 145,838,979 ordinary shares of the Company to eight existing investors for an aggregate cash consideration of approximately US$2.08 billion at a purchase price of US$14.2308 per ordinary share of the Company (equivalent to US$185 per ADS), in accordance with a share purchase agreement dated July 12, 2020 pursuant to the general mandate granted to the Board pursuant to an ordinary resolution of the shareholders passed at the 2020 annual general meeting of shareholders to allot, issue and deal with up to 202,995,338 ordinary shares.

The net proceeds from the sale of the shares are being used to: (a) fund the Company's research and clinical development activities, including expanding indications of its approved products, advancing its pipeline assets, including both internally developed molecules and in-licensed compounds, and progressing and expanding its preclinical programs; (b) advance business development activities to expand the Company's commercial and development-stage portfolio through in-licensing or acquisitions, as applicable, of additional technologies, drugs or drug candidates, other assets or businesses, both within oncology and outside of oncology, or for other strategic investments or opportunities; (c) invest in the commercialization of the Company's approved products in China, the United States and potentially other geographical markets; and (d) expand and further build out the Company's global organization and capabilities in areas including commercialization, manufacturing, and research and development. For further details, please refer to the announcements of the Company dated July 13, 2020 and July 16, 2020.

As of June 30, 2022, net proceeds amounting to approximately US$1.92 billion had been utilized, and the remaining US$0.15 billion will be gradually utilized in accordance with such intended purposes depending on actual business needs, and are expected to be fully utilized within one year.

OTHER INFORMATION

Use of Net Proceeds from STAR Offering

On December 15, 2021, the Company completed an initial public offering ("STAR Offering") on the STAR Market of the SSE. The shares offered in the STAR Offering were issued to and subscribed for by permitted investors in China in Renminbi ("RMB Shares") pursuant to the general mandate to issue shares, which was approved by the shareholders at the Company's 2021 annual general meeting of shareholders held on June 16, 2021. The public offering price of the RMB Shares was RMB192.60 per RMB Share, which equates to HK$234.89 per ordinary share and US$391.68 per ADS. In this offering, the Company sold 115,055,260 RMB Shares. The RMB Shares are not fungible with the ordinary shares of the Company listed on the HKEX or with the ADSs representing the Company's ordinary shares listed on the NASDAQ Global Select Market. Net proceeds after deducting underwriting commission and offering expenses were US$3,392,616,000. The net proceeds from the STAR Offering have been and will be utilized in accordance with the purposes set out in the prospectus of the Company for the STAR Offering ("STAR Prospectus"), including (i) clinical development and research project, (ii) research and development center construction, (iii) bio-manufacturing plant construction, (iv) sales and marketing force expansion, and (v) working capital and general corporate purposes. As required by the PRC securities laws, the net proceeds from the STAR Offering must be used in strict compliance with the planned uses as disclosed in the STAR Prospectus as well as the Company's proceeds management policy for the STAR Offering approved by the Board.

For details, please refer to the Company's announcements dated November 16, 2020, January 29, 2021, April 20, 2021, May 14, 2021, June 1, 2021, June 21, 2021, June 28, 2021, June 30, 2021, July 9, 2021, July 28, 2021, October 15, 2021, November 16, 2021, November 23, 2021, November 24, 2021, November 29, 2021, November 30, 2021, December 2, 2021, December 6, 2021, December 7, 2021, December 13, 2021, December 21, 2021, December 28, 2021, April 29, 2022 and the circular dated April 30, 2021 of the Company.

As of June 30, 2022, net proceeds amounting to RMB4.7 billion had been utilized, and the remaining RMB16.9 billion will be gradually utilized in accordance with such intended purposes depending on actual business needs, and are expected to be fully utilized in the next three to five years. The table below sets out the planned applications of the net proceeds and actual usage up to June 30, 2022:

Use of proceeds	Planned applications RMB'000	Actual usage up to December 31, 2021 RMB'000	Actual usage up to June 30, 2022 RMB'000	Unutilized net proceeds as of June 30, 2022 RMB'000
Clinical Development and Research Projects	13,245,940	–	3,309,549	9,936,391
R&D Center Construction	467,700	–	348,120	119,580
Bio-Manufacture Plant Construction	150,000	–	91,092	58,908
Sales & Marketing Force Expansion	136,360	–	62,207	74,153
Replenishment of Working Capital	6,000,000	–	913,798	5,086,202
Excess of Proceeds	1,630,155	–	–	1,630,155
Total	21,630,155	–	4,724,766	16,905,389

The remaining balance of the net proceeds was placed in short-term deposits with banks. The Company plans to gradually apply the remaining net proceeds in the manner set out in the STAR Prospectus.

DIFFERENCES BETWEEN U.S. GAAP AND IFRS

The interim financial statements for the six months ended June 30, 2022 is prepared by the Directors of the Company under U.S. GAAP, and the differences between U.S. GAAP and IFRS have been disclosed in the Note 23 to such interim financial statements.

Basis of Preparation

Disclosure is set out by providing a comparison (the "GAAP Difference Reconciliation") between the Company's relevant financial information as extracted from the Company's interim financial statements on the one hand, and adjustments of such financial information had they instead been prepared in accordance with the IFRS. The process applied in the preparation of such GAAP Difference Reconciliation is also set out below.

OTHER INFORMATION

Reconciliation Process

The GAAP Difference Reconciliation has been prepared by the Directors by comparing the differences between the "Amounts as reported under U.S. GAAP" for each of the six months ended 30 June 2022 and 2021 on the one hand, and the "Amounts under IFRS" on the other hand in respect of each of the six months ended 30 June 2022 and 2021, as appropriate, and quantifying the relevant financial effects of such differences, if any. Attention is drawn to the fact that as the GAAP Difference Reconciliation has not been subject to an independent audit and accordingly, no opinion is expressed by an auditor on whether the financial information in the GAAP Difference Reconciliation presents a true and fair view or not.

Assurance engagement and results

Ernst & Young was engaged by the Company to conduct work in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or reviews of Historical Financial Information" ("HKSAE 3000") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") on the GAAP Difference Reconciliation. The work consisted primarily of:

(i) Comparing the financial information in the columns "Amounts as reported under U.S. GAAP" as disclosed in the Note 23 to the Company's unaudited interim condensed consolidated financial statements (the "Note 23") with the respective line items in the Company's unaudited interim condensed consolidated statements of operations for the six months ended June 30, 2022 and 2021 and the unaudited condensed consolidated balance sheets as of June 30, 2022 and December 31, 2021 (collectively the "Financial statements Line Items"), as appropriate;

(ii) Considering the adjustments made and evidence supporting the adjustments made in arriving at the columns "IFRS adjustments" as disclosed in the Note 23; and

(iii) Checking the arithmetic accuracy of the computation of the Company's financial information in the columns"Amounts under IFRS" as disclosed in the Note 23.

Ernst & Young's engagement did not involve independent examination of any of the underlying financial information. The work carried out in accordance with HKSAE 3000 is different in scope from an audit or a review conducted in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA and consequently, Ernst & Young did not express an audit opinion nor a review conclusion on the GAAP Difference Reconciliation. Ernst & Young's engagement was intended solely for the use of the Directors in connection with the above purpose for this interim report and may not be suitable for another purpose. Based on the work performed, Ernst & Young has concluded that nothing has come to their attention that causes them to believe:

(i) The amounts in the columns "Amounts as reported under U.S. GAAP" as disclosed in the Note 23 are not in agreement with the respective Financial Statement Line Items amounts;

(ii) The IFRS adjustments as disclosed in the Note 23 are not prepared, in all material respects, in accordance with the basis of preparation and reconciliation process as set out above; and

(iii) The computation of the amounts in the columns "Amounts under IFRS" as disclosed in the Note 23 are not arithmetically accurate.

AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

Our Audit Committee reviews the adequacy of our internal controls to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee currently consists of three members, namely Mr. Thomas Malley, Mr. Anthony C. Hooper and Dr. Corazon (Corsee) D. Sanders. Mr. Thomas Malley and Dr. Corazon (Corsee) D. Sanders are independent non-executive Directors and Mr. Anthony C. Hooper is a non-executive Director. Mr. Thomas Malley is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements, interim results and interim report of the Company for the six months ended June 30, 2022. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with members of senior management and the external auditor of the Company, Ernst & Young.

OTHER INFORMATION

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has a Nominating and Corporate Governance Committee, a Compensation Committee, a Scientific Advisory Committee and a Commercial and Medical Affairs Advisory Committee.

IMPORTANT EVENTS AFTER THE REPORTING DATE

Except as disclosed in this interim report, no important events affecting the Company occurred since June 30, 2022 and up to the date of this interim report.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE HK LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the HK Listing Rules.

On behalf of the Board
John V. Oyler
Chairman

Hong Kong
August 26, 2022

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Six Months Ended June 30, 2022 US$'000	2021 US$'000
Revenues			
Product revenue, net	13	**566,084**	244,741
Collaboration revenue	3	**82,114**	511,123
Total revenues		**648,198**	755,864
Expenses			
Cost of sales – product		**136,410**	68,948
Research and development		**768,122**	676,817
Selling, general and administrative		**625,976**	414,395
Amortization of intangible assets		**376**	375
Total expenses		**1,530,884**	1,160,535
Loss from operations		**(882,686)**	(404,671)
Interest income (expense), net		**21,502**	(9,045)
Other expense, net		**(117,650)**	(4,990)
Loss before income taxes		**(978,834)**	(418,706)
Income tax expense (benefit)	9	**26,889**	(4,860)
Net loss		**(1,005,723)**	(413,846)
Net loss per share (in US$)		**(0.75)**	(0.35)
Weighted-average shares outstanding-basic and diluted	15	**1,334,252,648**	1,191,521,766
Net loss per American Depositary Share ("ADS") (in US$)		**(9.80)**	(4.52)
Weighted-average ADSs outstanding-basic and diluted		**102,634,819**	91,655,520

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Net loss	**(1,005,723)**	(413,846)
Other comprehensive income (loss), net of tax of nil:		
Foreign currency translation adjustments	**(88,085)**	5,864
Pension liability adjustments	**–**	361
Unrealized holding loss, net	**(12,315)**	(1,072)
Comprehensive loss	**(1,106,123)**	(408,693)

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As of June 30, 2022 US$'000 (unaudited)	As of December 31, 2021 US$'000 (audited)
Assets			
Current assets:			
Cash and cash equivalents		**4,531,137**	4,375,678
Short-term restricted cash	4	**333**	328
Short-term investments	4	**1,172,554**	2,241,962
Accounts receivable, net	5	**172,259**	483,113
Inventories	6	**262,210**	242,626
Prepaid expenses and other current assets	10	**207,383**	270,173
Total current assets		**6,345,876**	7,613,880
Non-current assets:			
Long-term restricted cash	4	**3,939**	6,881
Property, plant and equipment, net	7	**633,100**	587,605
Operating lease right-of-use assets		**117,583**	117,431
Intangible assets, net	8	**43,325**	46,679
Deferred tax assets	9	**103,429**	110,424
Other non-current assets	10	**130,955**	163,049
Total non-current assets		**1,032,331**	1,032,069
Total assets		**7,378,207**	8,645,949
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable	11	**234,355**	262,400
Accrued expenses and other payables	10	**454,183**	558,055
Deferred revenue, current portion	3	**163,396**	187,414
Tax payable	9	**15,564**	21,395
Operating lease liabilities, current portion		**24,788**	21,925
Research and development cost share liability, current portion	3	**125,394**	120,801
Short-term debt	12	**380,729**	427,565
Total current liabilities		**1,398,409**	1,599,555

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As of June 30, 2022 US$'000 (unaudited)	As of December 31, 2021 US$'000 (audited)
Non-current liabilities:			
Long-term bank loans	12	**185,207**	202,113
Deferred revenue, non-current portion	3	**167,570**	220,289
Operating lease liabilities, non-current portion		**41,921**	43,041
Deferred tax liabilities	9	**14,739**	14,169
Research and development cost share liability, non-current portion	3	**219,385**	269,561
Other long-term liabilities	10	**48,432**	54,234
Total non-current liabilities		**677,254**	803,407
Total liabilities		**2,075,663**	2,402,962
Commitments and contingencies	20		
Equity:			
Ordinary shares, US$0.0001 par value per share; 9,500,000,000 shares authorized; 1,349,639,439 and 1,334,804,281 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively		**134**	133
Additional paid-in capital		**11,356,686**	11,191,007
Accumulated other comprehensive income (loss)	17	**(82,450)**	17,950
Accumulated deficit		**(5,971,826)**	(4,966,103)
Total equity		**5,302,544**	6,242,987
Total liabilities and equity		**7,378,207**	8,645,949

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Capital	Income/(loss)	Deficit	Total
		US$'000	US$'000	US$'000	US$'000	US$'000
Balance at December 31, 2021	**1,334,804,281**	**133**	**11,191,007**	**17,950**	**(4,966,103)**	**6,242,987**
Cost from issuance of ordinary shares	**–**	**–**	**(152)**	**–**	**–**	**(152)**
Use of shares reserved for share option exercises	**2,165,904**	**–**	**–**	**–**	**–**	**–**
Exercise of options, ESPP and release of Restricted Share Units ("RSUs")	**12,669,254**	**1**	**18,971**	**–**	**–**	**18,972**
Share-based compensation	**–**	**–**	**146,860**	**–**	**–**	**146,860**
Other comprehensive loss	**–**	**–**	**–**	**(100,400)**	**–**	**(100,400)**
Net loss	**–**	**–**	**–**	**–**	**(1,005,723)**	**(1,005,723)**
Balance at June 30, 2022	**1,349,639,439**	**134**	**11,356,686**	**(82,450)**	**(5,971,826)**	**5,302,544**
Balance at December 31, 2020	1,190,821,941	118	7,414,932	6,942	(3,552,749)	3,869,243
Use of shares reserved for share option exercises	(1,722,773)	–	–	–	–	–
Exercise of options, ESPP and release of Restricted Share Units ("RSUs")	15,467,855	2	35,599	–	–	35,601
Share-based compensation	–	–	110,624	–	–	110,624
Other comprehensive income	–	–	–	5,153	–	5,153
Net loss	–	–	–	–	(413,846)	(413,846)
Balance at June 30, 2021	1,204,567,023	120	7,561,155	12,095	(3,966,595)	3,606,775

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Six Months Ended June 30, 2022	2021
		US$'000	US$'000
Operating activities:			
Net loss		**(1,005,723)**	(413,846)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense		**32,061**	21,159
Share-based compensation expenses	16	**146,860**	110,624
Unrealized losses on equity investments	4	**23,529**	6,033
Acquired in-process research and development		**–**	53,500
Amortization of research and development cost share liability	3	**(45,583)**	(53,902)
Deferred income tax benefits		**7,550**	(12,311)
Other items, net		**6,360**	11,212
Changes in operating assets and liabilities:			
Accounts receivable		**307,430**	(13,338)
Inventories		**(31,633)**	(28,294)
Other assets		**32,315**	(77,204)
Accounts payable		**(30,362)**	(42,558)
Accrued expenses and other payables		**19,525**	1,688
Deferred revenue		**(76,737)**	138,877
Other liabilities		**(2,114)**	3,189
Net cash used in operating activities		**(616,522)**	(295,171)
Investing activities:			
Purchases of property, plant and equipment		**(95,421)**	(80,920)
Purchases of investments		**(11,504)**	(1,357,051)
Proceeds from sale or maturity of investments		**1,051,028**	1,997,515
Purchase of in-process research and development		**(75,000)**	(8,500)
Other investing activities		**–**	(7,500)
Net cash provided by investing activities		**869,103**	543,544

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Six Months Ended June 30, 2022 US$'000	2021 US$'000
Financing activities:			
Proceeds from long-term loan	12	**–**	10,819
Proceeds from short-term loans	12	**67,586**	112,589
Repayment of short-term loans	12	**(115,405)**	(15,959)
Proceeds from option exercises and employee share purchase plan		**18,972**	35,601
Net cash (used in) provided by financing activities		**(28,847)**	143,050
Effect of foreign exchange rate changes, net		**(71,212)**	5,257
Net increase in cash, cash equivalents, and restricted cash		**152,522**	396,680
Cash, cash equivalents, and restricted cash at beginning of period		**4,382,887**	1,390,005
Cash, cash equivalents, and restricted cash at end of period		**4,535,409**	1,786,685
Supplemental cash flow information:			
Cash and cash equivalents		**4,531,137**	1,776,448
Short-term restricted cash		**333**	310
Long-term restricted cash		**3,939**	9,927
Income taxes paid		**24,436**	14,527
Interest paid		**12,899**	14,267
Supplemental non-cash information:			
Acquisitions of equipment included in accounts payable		**58,676**	28,885
Acquired in-process research and development included in accrued expenses		**–**	45,000

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of business

BeiGene, Ltd. (the "Company", "BeiGene", "it", "its") is a global biotechnology company focused on developing and commercializing innovative affordable oncology medicines to improve treatment outcomes and expand access for patients worldwide.

The Company currently has three approved medicines that were discovered and developed in its own labs, including BRUKINSA®, a small molecule inhibitor of Bruton's Tyrosine Kinase (BTK) for the treatment of various blood cancers, tislelizumab, an anti-PD-1 antibody immunotherapy for the treatment of various solid tumor and blood cancers, and pamiparib, a selective small molecule inhibitor of PARP1 and PARP2. The Company has obtained approvals to market BRUKINSA® in the United States, China, the EU, the UK, Canada, Australia and additional international markets, and tislelizumab and pamiparib in China. By leveraging its China commercial capabilities, the Company has in-licensed the rights to distribute 13 approved medicines for the China market. Supported by its global clinical development and commercial capabilities, the Company has entered into collaborations with world-leading biopharmaceutical companies such as Amgen and Novartis to develop and commercialize innovative medicines.

The Company is committed to advancing best and first-in-class clinical candidates internally or with like-minded partners to develop impactful and affordable medicines for patients across the globe. Its internal clinical development capabilities are deep, including a more than 2,500-person global clinical development and medical affairs team that is running close to 80 ongoing or planned clinical trials in over 40 medicines and drug candidates. This includes more than 30 pivotal or potentially registration-enabling trials across its portfolio, including three internally discovered, approved medicines. The Company has enrolled in its clinical trials more than 16,000 subjects, of which approximately one-half have been outside of China.

The Company has built, and is expanding, its internal manufacturing capabilities, through its state-of-the-art biologic and small molecule manufacturing facilities in China to support current and potential future demand of its medicines, and is building a commercial-stage biologics manufacturing and clinical R&D center in New Jersey. The Company also works with high quality CMOs to manufacture its internally developed clinical and commercial products.

Since its inception in 2010, the Company has become a fully integrated global organization of over 8,600 employees in 29 countries and regions, including China, the United States, Europe and Australia.

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

As of June 30, 2022, the Company had the following 45 subsidiaries:

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene 101	Cayman Islands	–	100%	Inactive
BeiGene AUS Pty Ltd ("BeiGene Australia")	Australia	USD56,947,230	100%	Medical, pharmaceutical research and development and commercial, Australia
BeiGene (Beijing) Co., Ltd. ("BeiGene Beijing")	PRC*	RMB902,345,067	100%	Medical and pharmaceutical research and development, PRC
BeiGene Biologics Co., Ltd. ("BeiGene Biologics")	PRC*	RMB10,450,000,000	100%	Medical and pharmaceutical research and development and manufacturing, PRC
BeiGene (Canada) ULC	Canada	CAD100	100%	Medical, pharmaceutical research and development and commercial, Canada
BeiGene ESP, S.L.	Spain	EUR3,000	100%	Medical, pharmaceutical research and development and commercial, Spain
BeiGene France Sarl	France	EUR7,500	100%	Medical, pharmaceutical research and development and commercial, France
BeiGene Guangzhou Biologics Manufacturing Co., Ltd. ("BeiGene Guangzhou Factory")	PRC*	RMB8,870,000,000	100%	Medical and pharmaceutical research and development and manufacturing, PRC
BeiGene (Guangzhou) Innovation Technology Co., Ltd. ("BeiGene Guangzhou", formerly known as BeiGene (Guangzhou) Co., Ltd.	PRC*	USD263,000,000	100%	Medical and pharmaceutical research and development, PRC
BeiGene Germany GmbH	Germany	EUR25,000	100%	Medical, pharmaceutical research and development and commercial, Germany
BeiGene (Hong Kong) Co., Limited ("BeiGene HK")	Hong Kong, China	HKD1 and RMB7,700,000,000	100%	Investment holding
Beijing Innerway Bio-tech Co., Ltd. ("Innerway")	PRC*	USD4,000,000	100%	No substantial business activities, holding property for company operations, PRC

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene International GmbH	Switzerland	CHF20,000	100%	Medical, pharmaceutical research and development and commercial, Switzerland
BeiGene (Italy) S.R.L	Italy	EUR10,000	100%	Medical, pharmaceutical research and development and commercial, Italy
BeiGene Brazil Ltda.	Brazil	BRL2,450,190	100%	Medical, pharmaceutical research and development and commercial, Brazil
BeiGene Poland sp. z o.o.	Poland	PLN5,000	100%	Medical, pharmaceutical research and development and commercial, Poland
BeiGene Sweden AB	Sweden	SEK25,000	100%	Medical, pharmaceutical research and development and commercial, Sweden
BeiGene Turkey Medical Products Trade Limited Company	Turkey	TRY10,000	100%	Medical, pharmaceutical research and development and commercial, Turkey
BeiGene Ireland Limited ("BeiGene Ireland")	Republic of Ireland	–	100%	Medical, pharmaceutical research and development and commercial, Republic of Ireland
BeiGene Japan, Ltd.	Japan	JPY1,781,660	100%	Medical, pharmaceutical research and development and commercial, Japan
BeiGene Korea Y.H.	South Korea	KRW100,000,000	100%	Medical, pharmaceutical research and development and commercial, South Korea
BeiGene Netherlands B.V	Netherlands	–	100%	Medical, pharmaceutical research and development and commercial, Netherlands
BeiGene NZ Unlimited (formerly known as BeiGene NZ, Limited)	New Zealand	NZD100,000	100%	Medical, pharmaceutical research and development and commercial, New Zealand
BeiGene Pharmaceuticals GmbH	Switzerland	CHF20,000	100%	Medical, pharmaceutical research and development and commercial, Switzerland

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene Pharmaceuticals (Guangzhou) Co., Ltd. ("BeiGene Pharmaceutical (Guangzhou)")	PRC*	RMB3,800,000	100%	Drug commercialization, PRC
BeiGene Pharmaceuticals Israel Limited	Israel	–	100%	Medical, pharmaceutical research and development and commercial, Israel
SuGene Pharmaceuticals (Suzhou) Co., Ltd. (formerly known as BeiGene Pharmaceuticals (Suzhou) Co., Ltd.)	PRC*	RMB7,000,000	100%	Drug commercialization, PRC
BeiGene Pharmaceutical (Shanghai) Co., Ltd. ("BeiGene Pharmaceutical (Shanghai)")	PRC*	USD1,000,000	100%	Drug commercialization, PRC
BeiGene (Shanghai) Co., Ltd. ("BeiGene Shanghai")	PRC *	RMB934,344,311	100%	Medical and pharmaceutical research and development, PRC
BeiGene (Shanghai) Management Consulting Co., Ltd.	PRC*	–	100%	Business management and consulting, PRC
BeiGene (Shanghai) Research & Development Co., Ltd.	PRC*	RMB270,000,000	100%	Medical and pharmaceutical research, PRC
BeiGene Singapore Pte. Ltd.	Singapore	SGD1	100%	Medical, pharmaceutical research and development and commercial, Singapore
BeiGene (Suzhou) Co., Ltd. ("BeiGene Suzhou")	PRC*	RMB2,673,218,389	100%	Medical and pharmaceutical research and manufacturing and commercial, PRC
BeiGene Switzerland GmbH ("BeiGene Switzerland")	Switzerland	CHF20,000	100%	Medical, pharmaceutical research and development and commercial, Switzerland

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene (Taiwan) Limited	Taiwan, China	TWD168,000,000	100%	Medical, pharmaceutical research and development and commercial, Taiwan, China
BeiGene UK, Ltd. ("BeiGene UK")	United Kingdom	GBP142	100%	Medical, pharmaceutical research and development and commercial, United Kingdom
BeiGene United Kingdom, Ltd.	United Kingdom	GBP110	100%	Investment holding
BeiGene USA, Inc.("BeiGene USA")	Delaware, United States	USD1	100%	Medical, pharmaceutical research and development and commercial, U.S.
BeiGene US Holdings, LLC	Delaware, United States	–	100%	Investment holding, U.S.
BeiGene US Manufacturing Co., Inc.	Delaware, United States	USD156,000,000	100%	Medical and pharmaceutical research and development and manufacturing. U.S.
BeiGene Hopewell Urban Renewal, LLC	New Jersey, United States	USD115,000,000	100%	Medical and pharmaceutical research and development and manufacturing. U.S.
Pi Health, Ltd.	Cayman Islands	USD12,000,000	100%	Health technology research and development, Cayman Islands
Pi Health USA, LLC	Delaware, United States	USD5,000,000	100%	Health technology research and development, U.S.
B10 Health Technologies Private Limited	India	–	100%	Health technology research and development, India
Newco 101	Cayman Islands	–	100%	Medical and pharmaceutical research and development, Cayman Islands

* Limited liability company established in PRC

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of presentation and consolidation

The accompanying condensed consolidated balance sheet as of June 30, 2022, the condensed consolidated statements of operations and comprehensive loss for the six months ended June 30, 2022 and 2021, the condensed consolidated statements of cash flows for the six months ended June 30, 2022 and 2021, and the condensed consolidated statements of shareholders' equity for the six months ended June 30, 2022 and 2021, and the related footnote disclosures are unaudited. The accompanying unaudited interim condensed financial statements were prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), including guidance with respect to interim financial information and in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X and the disclosure requirements of the Rules Governing the listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time (the "HK Listing Rules"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. These financial statements should be read in conjunction with the consolidated financial statements and related footnotes included in the Company's HK Annual Report and Annual Report on Form 10-K for the year ended December 31, 2021 (the "Annual Report").

The unaudited interim condensed consolidated interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all normal recurring adjustments, necessary to present a fair statement of the results for the interim periods presented. Results of operations for the six months ended June 30, 2022 are not necessarily indicative of the results expected for the full fiscal year or for any future annual or interim period.

The unaudited interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets, estimating variable consideration in product sales and collaboration revenue arrangements, identifying separate accounting units and determining the standalone selling price of each performance obligation in the Company's revenue arrangements, assessing the impairment of long-lived assets, valuation and recognition of share-based compensation expenses, realizability of deferred tax assets, estimating uncertain tax positions, valuation of inventory, estimating the allowance for credit losses, determining defined benefit pension plan obligations, measurement of right-of-use assets and lease liabilities and the fair value of financial instruments. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from these estimates.

Recent accounting pronouncements

New accounting standards which have not yet been adopted

In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance. This update requires certain annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. This update is effective for annual periods beginning after December 15, 2021, and early application is permitted. This guidance should be applied either prospectively to all transactions that are reflected in financial statements at the date of initial application and new transactions that are entered into after the date of initial application or retrospectively to those transactions. The Company does not expect the adoption of this guidance to have a material impact on the Company's consolidated financial statements.

Significant accounting policies

For a more complete discussion of the Company's significant accounting policies and other information, the unaudited interim condensed consolidated financial statements and notes thereto should be read in conjunction with the consolidated financial statements included in the Company's Annual Report for the year ended December 31, 2021.

There have been no material changes to the Company's significant accounting policies as of and for the six months ended June 30, 2022, as compared to the significant accounting policies described in the Annual Report.

2. FAIR VALUE MEASUREMENTS

The Company measures certain financial assets and liabilities at fair value. Fair value is determined based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy, as follows:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

The Company considers an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and considers an inactive market to be one in which there are infrequent or few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers.

The following tables present the Company's financial assets and liabilities measured and recorded at fair value on a recurring basis using the above input categories as of June 30, 2022 and December 31, 2021:

As of June 30, 2022	Quoted Price in Active Market for Identical Assets (Level 1) US$'000	Significant Other Observable Inputs (Level 2) US$'000	Significant Unobservable Inputs (Level 3) US$'000
Cash equivalents			
U.S. Treasury securities	384,121	–	–
Money market funds	257,614	–	–
Short-term investments (Note 4):			
U.S. Treasury securities	1,172,554	–	–
Other non-current assets (Note 4):			
Equity securities with readily determinable fair values	8,451	3,003	–
Convertible debt instrument	–	–	5,000
Total	1,822,740	3,003	5,000

2. FAIR VALUE MEASUREMENTS *(Continued)*

As of December 31, 2021	Quoted Price in Active Market for Identical Assets (Level 1) US$'000	Significant Other Observable Inputs (Level 2) US$'000	Significant Unobservable Inputs (Level 3) US$'000
Cash equivalents			
U.S. Treasury securities	107,855	–	–
Money market funds	315,564	–	–
Short-term investments (Note 4):			
U.S. Treasury securities	2,241,962	–	–
Other non-current assets (Note 4):			
Equity securities with readily determinable fair values	23,809	10,306	–
Total	2,689,190	10,306	–

The Company's cash equivalents are highly liquid investments with original maturities of 3 months or less. Short-term investments represent the Company's investments in available-for-sale debt securities. The Company determines the fair value of cash equivalents and available-for-sale debt securities using a market approach based on quoted prices in active markets.

The Company's equity securities carried at fair value consist of holdings in common stock and warrants to purchase additional shares of common stock of Leap Therapeutics, Inc. ("Leap"), which were acquired in connection with a collaboration and license agreement entered into in January 2020 and in Leap's underwritten public offering in September 2021. The common stock investment in Leap, a publicly-traded biotechnology company, is measured and carried at fair value and classified as Level 1. The warrants to purchase additional shares of common stock in Leap are classified as a Level 2 investment and are measured using the Black-Scholes option-pricing valuation model, which utilizes a constant maturity risk-free rate and reflects the term of the warrants, dividend yield and stock price volatility, that is based on the historical volatility of similar companies. Refer to Note 4, Restricted Cash and Investments for details of the determination of the carrying amount of private equity investments without readily determinable fair values and equity method investments.

The Company holds a convertible note of a private biotech company. The Company has elected the fair value option method of accounting for the convertible note. Accordingly, the convertible note is remeasured at fair value on a recurring basis using Level 3 inputs, with any changes in the fair value option recorded in other income (loss).

As of June 30, 2022 and December 31, 2021, the fair values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and short-term debt approximated their carrying values due to their short-term nature. Long-term bank loans approximate their fair value due to the fact that the related interest rates approximate the rates currently offered by financial institutions for similar debt instrument of comparable maturities.

3. COLLABORATIVE AND LICENSING ARRANGEMENTS

The Company has entered into collaborative arrangements for the research and development, manufacture and/or commercialization of medicines and drug candidates. To date, these collaborative arrangements have included out-licenses of and options to out-license internally developed products and drug candidates to other parties, in-licenses of products and drug candidates from other parties, and profit-and cost-sharing arrangements. These arrangements may include non-refundable upfront payments, contingent obligations for potential development, regulatory and commercial performance milestone payments, cost-sharing and reimbursement arrangements, royalty payments, and profit sharing.

Out-Licensing Arrangements

For the six months ended June 30, 2022 and 2021, the Company's collaboration revenue consisted entirely of upfront license fees, research and development services revenue and right to access intellectual property revenue from its collaboration agreements with Novartis for tislelizumab and ociperlimab.

The following table summarizes total collaboration revenue recognized for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,	
	2022	2021
Revenue from Collaborators	**US$'000**	US$'000
License revenue	**–**	484,646
Research and development service revenue	**24,240**	26,477
Right to access intellectual property revenue	**52,497**	–
Other	**5,377**	–
Total	**82,114**	511,123

Novartis

Tislelizumab Collaboration and License

In January 2021, the Company entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in North America, Europe, and Japan ("Novartis Territory"). The Company and Novartis have agreed to jointly develop tislelizumab in these licensed countries, with Novartis responsible for regulatory submissions after a transition period and for commercialization upon regulatory approvals. In addition, both companies may conduct clinical trials globally to explore combinations of tislelizumab with other cancer treatments, and the Company has an option to co-detail the product in North America, funded in part by Novartis.

3. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Tislelizumab Collaboration and License (Continued)

Under the agreement the Company received an upfront cash payment of US$650,000,000 from Novartis. The Company is eligible to receive up to US$1,300,000,000 upon the achievement of regulatory milestones, US$250,000,000 upon the achievement of sales milestones, and royalties on future sales of tislelizumab in the licensed territory. Under the terms of the agreement, the Company is responsible for funding ongoing clinical trials of tislelizumab, Novartis has agreed to fund new registrational, bridging, or post-marketing studies in its territory, and each party will be responsible for funding clinical trials evaluating tislelizumab in combination with its own or third party products. Each party retains the worldwide right to commercialize its propriety products in combination with tislelizumab.

The Company evaluated the Novartis agreement under ASC 606 as all the material units of account within the agreement represented transactions with a customer. The Company identified the following material components under the agreement: (1) exclusive license for Novartis to develop, manufacture, and commercialize tislelizumab in the Novartis Territory, transfer of know-how and use of the tislelizumab trademark; (2) conducting and completing ongoing trials of tislelizumab ("tislelizumab R&D services"); and (3) supplying Novartis with required quantities of the tislelizumab drug product, or drug substance, upon receipt of an order from Novartis.

The Company determined that the license, transfer of know-how and use of trademarks are not distinct from each other and represent a single performance obligation. The tislelizumab R&D services represent a material promise and were determined to be a separate performance obligation at the outset of the agreement as the promise is distinct and has standalone value to Novartis. The Company evaluated the supply component of the contract and noted the supply will not be provided at a significant incremental discount to Novartis. The Company concluded that, for the purpose of ASC 606, the provision related to providing clinical and commercial supply of tislelizumab in the Novartis Territory was an option but not a performance obligation of the Company at the outset of the Novartis collaboration agreement. A performance obligation for the clinical and commercial supply will be established as quantities of drug product or drug substance are ordered by Novartis.

3. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Tislelizumab Collaboration and License (Continued)

The Company determined that the transaction price as of the outset of the arrangement was the upfront payment of US$650,000,000. The potential milestone payments that the Company is eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained due to uncertainty of achievement. The transaction price was allocated to the two identified performance obligations based on a relative fair value basis. The standalone selling price of the license, transfer of know-how and use of trademarks performance obligation was determined using the adjusted market assessment approach. Based on the valuation performed by the Company, the standalone selling price of the license, transfer of know-how and use of trademarks was valued at US$1,231,000,000. The standalone selling price of the tislelizumab R&D services was valued at US$420,000,000 using a cost plus margin valuation approach. Based on the relative standalone selling prices of the two performance obligations, US$484,646,000 of the total transaction price was allocated to the license and US$165,354,000 was allocated to the tislelizumab R&D services.

The Company satisfied the license performance obligation at a point in time when the license was delivered and the transfer of know-how completed which occurred during the six months ended June 30, 2021. As such, the Company recognized the entire amount of the transaction price allocated to the license as collaboration revenue during the six months ended June 30, 2021. The portion of the transaction price allocated to the tislelizumab R&D services was deferred and is being recognized as collaboration revenue as the tislelizumab R&D services are performed using a percentage-of-completion method. Estimated costs to complete are reassessed on a periodic basis and any updates to the revenue earned are recognized on a prospective basis. The Company recognized R&D service revenue of US$20,656,000 during the six months ended June 30, 2022, and US$26,477,000 during the six months ended June 30, 2021. The Company also recognized other collaboration revenue of US$5,377,000 related to the sale of tislelizumab clinical supply to Novartis in conjunction with the collaboration during the six months ended June 30, 2022.

3. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Ociperlimab Option, Collaboration and License Agreement and China Broad Market Development Agreement

In December 2021, the Company expanded its collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize the Company's investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, the Company and Novartis entered into an agreement granting the Company rights to market, promote and detail five approved Novartis oncology products, TAFINLAR® (dabrafenib), MEKINIST® (trametinib), VOTRIENT® (pazopanib), AFINITOR® (everolimus), and ZYKADIA® (ceritinib), across designated regions of China referred to as "broad markets." In the first quarter of 2022, the Company initiated marketing and promotion of these five products.

Under the terms of the option, collaboration and license agreement, the Company received an upfront cash payment of US$300,000,000 in January 2022 from Novartis and will receive an additional payment of US$600,000,000 or US$700,000,000 in the event Novartis exercises its exclusive time-based option prior to mid-2023 or between then and late-2023, respectively. Following option exercise, the Company is eligible to receive up to US$745,000,000 upon the achievement of regulatory approval milestones, US$1,150,000,000 upon the achievement of sales milestones, and royalties on future sales of ociperlimab in the Novartis Territory. Subject to the terms of the option, collaboration and license agreement, during the option period, Novartis has agreed to initiate and fund additional global clinical trials with ociperlimab and the Company has agreed to expand enrollment in two ongoing trials. Following the option exercise, Novartis has agreed to share development costs of global trials. Following approval, the Company has agreed to provide 50 percent of the co-detailing and co-field medical efforts in the United States, and has an option to co-detail up to 25 percent in Canada and Mexico, funded in part by Novartis. Each party retains the worldwide right to commercialize its propriety products in combination with ociperlimab, as is the case with tislelizumab under the tislelizumab collaboration and license agreement. The existing tislelizumab collaboration and license agreement was not modified as a result of the ociperlimab option, collaboration and license agreement.

The Company evaluated the Novartis agreements under ASC 606 as the units of account within the agreement represented transactions with a customer. The Company identified the following material promises under the agreement: (1) exclusive option for Novartis to license the rights to develop, manufacture, and commercialize ociperlimab in the Novartis Territory; (2) Novartis' right to access ociperlimab in its own clinical trials during the option period; (3) initial transfer of BeiGene know-how; and (4) conducting and completing ongoing trials of ociperlimab during the option period ("ociperlimab R&D Services", together with "tislelizumab R&D services", "R&D services"). The market development activities are considered immaterial in the context of the contracts.

3. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Ociperlimab Option, Collaboration and License Agreement and China Broad Market Development Agreement (Continued)

The Company concluded that, at the inception of the agreement, the option for the exclusive product license constitutes a material right as it represents a significant and incremental discount to the fair value of the exclusive product license that Novartis would not have received without entering into the agreement and is therefore considered a distinct performance obligation. The Company determined that Novartis' right to access ociperlimab in its own trials over the option period and the initial transfer of know-how were not distinct from each other, as the right to access ociperlimab has limited value without the corresponding know-how transfer, and therefore should be combined into one distinct performance obligation. The ociperlimab R&D Services represent a material promise and were determined to be a separate performance obligation at the outset of the agreement as the promise is distinct and has standalone value to Novartis.

The Company determined the transaction price at the outset of the arrangement as the upfront payment of US$300,000,000. The option exercise fee is contingent upon Novartis exercising its right and is considered fully constrained until the option is exercised. Additionally, the milestone and royalty payments are not applicable until after the option is exercised, at which point the likelihood of meeting milestones, regulatory approval and meeting certain sales thresholds will be assessed. The transaction price was allocated to the three identified performance obligations based on a relative fair value basis. The standalone selling price of the material right for the option to the exclusive product license was calculated as the incremental discount between (i) the value of the license determined using a discounted cash flow method adjusted for probability of the option being exercised and (ii) the expected option exercise fee using the most-likely-amount method at option exercise. The standalone selling price of the combined performance obligation for Novartis' right to access ociperlimab for its own clinical trials during the option period and the initial transfer of BeiGene know-how was determined using a discounted cash flow method. The standalone selling price of the ociperlimab R&D Services was determined using an expected cost plus margin approach. Based on the relative standalone selling prices of the three performance obligations, US$71,980,000 of the total transaction price was allocated to the material right, US$213,450,000 was allocated to Novartis' right to use ociperlimab in its own clinical trials during the option period and the transfer of BeiGene know-how, and US$14,570,000 was allocated to the ociperlimab R&D Services.

3. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Ociperlimab Option, Collaboration and License Agreement and China Broad Market Development Agreement (Continued)

The Company will satisfy the material right performance obligation at a point in time at the earlier of when Novartis exercises the option and the license is delivered or the expiration of the option period. As such, the entire amount of the transaction price allocated to the material right was deferred. The portion of the transaction price allocated to Novartis' right to access ociperlimab in its own clinical trials during the option period and the initial transfer of BeiGene know-how was deferred and is being recognized over the expected option period. The portion of the transaction price allocated to the ociperlimab R&D Services was deferred and is being recognized as collaboration revenue as the ociperlimab R&D Services are performed over the expected option period. The Company recognized collaboration revenue of US$52,497,000 related to Novartis right to access ociperlimab in clinical trials and the transfer of know how performance obligation during the six months ended June 30, 2022, and R&D service revenue of US$3,584,000 during the six months ended June 30, 2022.

In-Licensing Arrangements

Amgen

In October 2019, the Company entered into a global strategic oncology collaboration with Amgen ("Amgen Collaboration Agreement") for the commercialization and development in China, excluding Hong Kong, Taiwan and Macau, of Amgen's XGEVA®, KYPROLIS®, and BLINCYTO®, and the joint global development of a portfolio of oncology assets in Amgen's pipeline, with BeiGene responsible for development and commercialization in China. The agreement became effective on January 2, 2020, following approval by the Company's shareholders and satisfaction of other closing conditions.

Under the agreement, the Company is responsible for the commercialization of XGEVA®, KYPROLIS® and BLINCYTO® in China for five or seven years. Amgen is responsible for manufacturing the products globally and will supply the products to the Company at an agreed upon price. The Company and Amgen will share equally in the China commercial profits and losses during the commercialization period. Following the commercialization period, the Company has the right to retain one product and is entitled to receive royalties on sales in China for an additional five years on the products not retained. XGEVA® was approved in China in 2019 for patients with giant cell tumor of the bone and in November 2020 for the prevention of skeletal-related events in cancer patients with bone metastases. In July 2020, the Company began commercializing XGEVA® in China. In December 2020, BLINCYTO® was approved in China for injection for the treatment of adult patients with relapsed or refractory (R/R) B-cell precursor acute lymphoblastic leukemia (ALL). In July 2021, KYPROLIS® was conditionally approved in China for injection in combination with dexamethasone for the treatment of adult patients with R/R multiple myeloma. In April 2022, BLINCYTO® was conditionally approved for injection for the treatment of pediatric patients with R/R CD19-positive B-cell precursor ALL.

3. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

In-Licensing Arrangements *(Continued)*

Amgen (Continued)

Amgen and the Company are also jointly developing a portfolio of Amgen oncology pipeline assets under the collaboration. The Company is responsible for conducting clinical development activities in China and co-funding global development costs by contributing cash and development services up to a total cap of US$1,250,000,000. Amgen is responsible for all development, regulatory and commercial activities outside of China. For each pipeline asset that is approved in China, the Company will receive commercial rights for seven years from approval. The Company has the right to retain approximately one out of every three approved pipeline assets, other than LUMAKRAS™ (sotorasib), Amgen's KRAS G12C inhibitor, for commercialization in China. The Company and Amgen will share equally in the China commercial profits and losses during the commercialization period. The Company is entitled to receive royalties from sales in China for pipeline assets returned to Amgen for five years after the seven-year commercialization period. The Company is also entitled to receive royalties from global sales of each product outside of China (with the exception of LUMAKRAS™).

The Amgen Collaboration Agreement is within the scope of ASC 808, as both parties are active participants and are exposed to the risks and rewards dependent on the commercial success of the activities performed under the agreement. The Company is the principal for product sales to customers in China during the commercialization period and recognizes 100% of net product revenue on these sales. Amounts due to Amgen for its portion of net product sales will be recorded as cost of sales. Cost reimbursements due to or from Amgen under the profit share will be recognized as incurred and recorded to cost of sales; selling, general and administrative expense; or research and development expense, based on the underlying nature of the related activity subject to reimbursement. Costs incurred for the Company's portion of the global co-development funding are recorded to research and development expense as incurred.

On April 20, 2022, the parties entered into the First Amendment to Amgen Collaboration Agreement, which amends certain terms and conditions relating to the financial responsibilities of the parties in connections with the development and commercialization of certain Amgen proprietary products for the treatment of oncology-related diseases and conditions.

3. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

In-Licensing Arrangements *(Continued)*

Amgen (Continued)

In connection with the Amgen Collaboration Agreement, a Share Purchase Agreement ("Amgen SPA") was entered into by the parties in October 2019. On January 2, 2020, the closing date of the transaction, Amgen purchased 15,895,001 of the Company's ADSs for US$174.85 per ADS, representing a 20.5% ownership stake in the Company. Per the Amgen SPA, the cash proceeds shall be used as necessary to fund the Company's development obligations under the Amgen Collaboration Agreement. Pursuant to the Amgen SPA, Amgen also received the right to designate one member of the Company's board of directors, and Anthony Hooper joined the Company's board of directors as the Amgen designee in January 2020.

In determining the fair value of the common stock at closing, the Company considered the closing price of the common stock on the closing date of the transaction and included a lack of marketability discount because the shares are subject to certain restrictions. The fair value of the shares on the closing date was determined to be US$132.74 per ADS, or US$2,109,902,000 in the aggregate. The Company determined that the premium paid by Amgen on the share purchase represents a cost share liability due to the Company's co-development obligations. The fair value of the cost share liability on the closing date was determined to be US$601,857,000 based on the Company's discounted estimated future cash flows related to the pipeline assets. The total cash proceeds of US$2,779,241,000 were allocated based on the relative fair value method, with US$2,162,407,000 recorded to equity and US$616,834,000 recorded as a research and development cost share liability. The cost share liability is being amortized proportionately as the Company contributes cash and development services to its total co-development funding cap.

Amounts recorded related to the Company's portion of the co-development funding on the pipeline assets for the six months ended June 30, 2022 and 2021 were as follows:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Research and development expense	**46,789**	55,330
Amortization of research and development cost share liability	**45,583**	53,903
Total amount due to Amgen for BeiGene's portion of the development funding	**92,372**	109,233

	As of June 30, 2022 US$'000
Remaining portion of development funding cap	**698,687**

3. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

In-Licensing Arrangements *(Continued)*

Amgen (Continued)

As of June 30, 2022 and December 31, 2021, the research and development cost share liability recorded in the Company's balance sheet was as follows:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Research and development cost share liability, current portion	**125,394**	120,801
Research and development cost share liability, non-current portion	**219,385**	269,561
Total research and development cost share liability	**344,779**	390,362

The total reimbursement due under the commercial profit-sharing agreement for product sales is classified in the income statement for the six months ended June 30, 2022 and 2021 as follows:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Cost of sales – product	**3,478**	678
Research and development	**898**	63
Selling, general and administrative	**(26,642)**	(15,917)
Total	**(22,266)**	(15,176)

The Company purchases commercial inventory from Amgen to distribute in China. Inventory purchases amounted to US$30,061,000 during the six months ended June 30, 2022. Inventory purchases amounted to US$18,854,000 during the six months ended June 30, 2021. Net amounts payable to Amgen as of June 30, 2022 and December 31, 2021 were US$101,580,000 and US$106,790,000, respectively.

4. RESTRICTED CASH AND INVESTMENTS

Restricted Cash

The Company's restricted cash balance of US$4,272,000 and US$7,209,000 as of June 30, 2022 and December 31, 2021, respectively, primarily consists of RMB-denominated cash deposits held in designated bank accounts for collateral for letters of credit. The Company classifies restricted cash as current or non-current based on the term of the restriction.

Short-Term Investments

Short-term investments as of June 30, 2022 consisted of the following available-for-sale debt securities:

	Amortized Cost US$'000	Gross Unrealized Gains US$'000	Gross Unrealized Losses US$'000	Fair Value (Net Carrying Amount) US$'000
U.S. Treasury securities	1,184,869	–	12,315	1,172,554
Total	1,184,869	–	12,315	1,172,554

Short-term investments as of December 31, 2021 consisted of the following available-for-sale debt securities:

	Amortized Cost US$'000	Gross Unrealized Gains US$'000	Gross Unrealized Losses US$'000	Fair Value (Net Carrying Amount) US$'000
U.S. Treasury securities	2,245,662	–	3,700	2,241,962
Total	2,245,662	–	3,700	2,241,962

As of June 30, 2022, the Company's available-for-sale debt securities consisted entirely of short-term U.S. treasury securities, which were determined to have zero risk of expected credit loss. Accordingly, no allowance for credit loss was recorded as of June 30, 2022.

4. RESTRICTED CASH AND INVESTMENTS *(Continued)*

Equity Securities with Readily Determinable Fair Values

Leap Therapeutics, Inc. (Leap)

In January 2020, the Company purchased US$5,000,000 of Series B mandatorily convertible, non-voting preferred stock of Leap in connection with a strategic collaboration and license agreement the Company entered into with Leap. The Series B shares were subsequently converted into shares of Leap common stock and warrants to purchase additional shares of common stock upon approval of Leap's shareholders in March 2020. In September 2021, the Company purchased US$7,250,000 of common stock in Leap's underwritten public offering. As of June 30, 2022, the Company's ownership interest in the outstanding common stock of Leap was 8.3% based on information from Leap. Inclusive of the shares of common stock issuable upon the exercise of the currently exercisable warrants, the Company's interest is approximately 13.1% based on information from Leap. The Company measures the investment in the common stock and warrants at fair value, with changes in fair value recorded to other income (expense), net. The Company recorded unrealized losses of US$22,661,000 for the six months ended June 30, 2022, and US$5,376,000 for the six months ended June 30, 2021, in the consolidated statements of operations. As of June 30, 2022 and December 31, 2021, the fair value of the common stock and warrants was as follows:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Fair value of Leap common stock	**8,451**	23,809
Fair value of Leap warrants	**3,003**	10,306

Private Equity Securities without Readily Determinable Fair Values

The Company invests in equity securities of certain companies whose securities are not publicly traded and fair value is not readily determinable and where the Company has concluded it does not have significant influence based on its ownership percentage and other factors. These investments are recorded at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The Company held investments of US$44,033,000 and US$43,722,000 in equity securities without readily determinable fair values as of June 30, 2022 and December 31, 2021, respectively. The Company recorded a gain of US$366,000 related to an observable price change in an orderly transaction for a similar investment of the same issuer for the six months ended June 30, 2022, to other income (expense), net in the consolidated statements of operations.

4. RESTRICTED CASH AND INVESTMENTS *(Continued)*

Equity-Method Investments

The Company records equity-method investments at cost and subsequently adjusts the basis based on the Company's ownership percentage in the investee's income and expenses, as well as dividends, if any. The Company holds equity-method investments totaling US$27,100,000 and US$22,955,000 as of June 30, 2022 and December 31, 2021, respectively, that it does not consider to be individually significant to its financial statements. The Company recorded unrealized losses of US$1,234,000 for the six months ended June 30, 2022, and US$657,000 for the six months ended June 30, 2021, respectively, to other income (expense), net in the consolidated statements of operations.

5. ACCOUNTS RECEIVABLE

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Accounts receivable	**172,467**	483,528
Impairment	**(208)**	(415)
Total	**172,259**	483,113

The Company's trading terms with its customers are mainly on credit and the credit period generally ranges from 45 to 90 days. The Company seeks to maintain strict control over its outstanding receivables and overdue balances are regularly reviewed. The Company does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

An aging analysis of the accounts receivable, based on the invoice date, is as follows:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Within 3 months	**171,294**	483,058
3 months to 6 months	**965**	55
Total	**172,259**	483,113

5. ACCOUNTS RECEIVABLE *(Continued)*

The roll-forward of the allowance for credit losses related to trade accounts receivable for the six months ended June 30, 2022 and 2021 consists of the following activity:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Balance at beginning of the period	**415**	112
Current period provision for expected credit losses	**(210)**	(46)
Amounts written-off	**–**	–
Exchange rate changes	**3**	1
Balance at end of the period	**208**	67

6. INVENTORIES

The Company's inventory balance consisted of the following:

	As of	
	June 30,	December 31,
	2022	2021
	US$'000	US$'000
Raw materials	**82,848**	78,140
Work in process	**37,992**	9,397
Finished goods	**141,370**	155,089
Total inventories	**262,210**	242,626

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost and consisted of the following:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Land	**65,485**	65,485
Laboratory equipment	**131,885**	118,203
Leasehold improvements	**50,878**	50,288
Building	**179,495**	144,083
Manufacturing equipment	**138,478**	119,585
Software, electronics and office equipment	**36,473**	27,404
Property, plant and equipment, at cost	**602,694**	525,048
Less: accumulated depreciation	**(142,561)**	(124,286)
Construction in progress	**172,967**	186,843
Property, plant and equipment, net	**633,100**	587,605

In November 2021, the Company purchased a 42-acre site located in Hopewell, NJ for US$75,197,000. The total purchase price was allocated between the land and an existing building on the property based on their relative fair values. The Company is constructing a biologics manufacturing facility and research and development center on the land.

Depreciation expense was US$30,041,000 for the six months ended June 30, 2022, and US$20,667,000 for the six months ended June 30, 2021.

8. INTANGIBLE ASSETS

Intangible assets as of June 30, 2022 and December 31, 2021 are summarized as follows:

	As of					
	June 30, 2022			December 31, 2021		
	Gross carrying amount US$'000	Accumulated amortization US$'000	Intangible assets, net US$'000	Gross carrying amount US$'000	Accumulated amortization US$'000	Intangible assets, net US$'000
Finite-lived intangible assets:						
Product distribution rights	7,500	(3,625)	3,875	7,500	(3,250)	4,250
Developed product	42,016	(2,566)	39,450	43,394	(965)	42,429
Trading license	816	(816)	–	816	(816)	–
Total finite-lived intangible assets	50,332	(7,007)	43,325	51,710	(5,031)	46,679

Product distribution rights consist of distribution rights on the approved cancer therapies licensed from Bristol Myers Squibb ("BMS") as part of the BMS collaboration. The Company is amortizing the product distribution rights, as a single identified asset, over a period of 10 years from the date of acquisition. Developed products represent the post-approval milestone payments under license and commercialization agreements. The Company is amortizing the developed products over the remainder of the respective product patent or the term of the commercialization agreements. Trading license represents the Guangzhou drug distribution license acquired in September 2018. The Company amortized the drug distribution trading license over the remainder of the initial license term through February 2020. The trading license has been renewed through February 2024.

Amortization expense for developed product is included in cost of sales-product in the accompanying consolidated statements of operations. Amortization expense for product distribution rights and the trading licenses is included in operating expenses in the accompanying consolidated statements of operations.

8. INTANGIBLE ASSETS *(Continued)*

The weighted-average life for each finite-lived intangible assets is approximately 12 years. Amortization expense was as follows:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Amortization expense – Cost of sales – product	**1,644**	117
Amortization expense – Operating expense	**376**	375
	2,020	492

Estimated amortization expense for each of the five succeeding years and thereafter, as of June 30, 2022 is as follows:

Year Ending December 31,	Cost of Sales – Product US$'000	Operating Expenses US$'000	Total US$'000
2022 (remainder of year)	1,614	375	1,989
2023	3,222	750	3,972
2024	3,222	750	3,972
2025	3,222	750	3,972
2026	3,222	750	3,972
2027 and thereafter	24,948	500	25,448
Total	39,450	3,875	43,325

9. INCOME TAXES

Income tax expense was US$26,889,000 for the six months ended June 30, 2022. Income tax benefit was US$4,860,000 for the six months ended June 30, 2021. The income tax expense for the six months ended June 30, 2022 relating to income reported by certain subsidiaries was primarily attributable to China tax expense determined after certain non-deductible expenses and U.S. tax expense determined after research and development tax credits, other special tax deductions and non-deductible U.S. stock compensation. The income tax benefit for the six months ended June 30, 2021 was primarily attributable to the deferred tax benefit of U.S. stock-based compensation deductions in excess of tax expense on income reported in certain China subsidiaries as adjusted for certain non-deductible expenses.

On a quarterly basis, the Company evaluates the realizability of deferred tax assets by jurisdiction and assesses the need for a valuation allowance. In assessing the realizability of deferred tax assets, the Company considers historical profitability, evaluation of scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. Valuation allowances have been provided on deferred tax assets where, based on all available evidence, it was considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. After consideration of all positive and negative evidence, the Company believes that as of June 30, 2022, it is more likely than not that deferred tax assets will not be realized for the Company's subsidiaries in Australia and Switzerland, in certain subsidiaries in China and for all U.S. tax credit carryforwards.

As of June 30, 2022, the Company had gross unrecognized tax benefits of US$11,765,000. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly change within the next 12 months. The Company's reserve for uncertain tax positions increased by US$1,840,000, in the six months ended June 30, 2022 primarily due to U.S. federal and state tax credits and incentives.

The Company has elected to record interest and penalties related to income taxes as a component of income tax expense. As of June 30, 2022 and December 31, 2021, the Company's accrued interest and penalties, where applicable, related to uncertain tax positions were not material.

The Company conducts business in a number of tax jurisdictions and, as such, is required to file income tax returns in multiple jurisdictions globally. As of June 30, 2022, Australia tax matters are open to examination for the years 2013 through 2022, China tax matters are open to examination for the years 2012 through 2022, Switzerland tax matters are open to examination for the years 2018 through 2022, and U.S. federal tax matters are open to examination for years 2015 through 2022. Various U.S. states and other non-US tax jurisdictions in which the Company files tax returns remain open to examination for 2011 through 2022.

10. SUPPLEMENTAL BALANCE SHEET INFORMATION

Prepaid expenses and other current assets consist of the following:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Prepaid research and development costs	**72,474**	87,239
Prepaid manufacturing cost	**59,291**	78,538
Prepaid taxes	**18,627**	58,579
Other receivables	**17,409**	12,010
Interest receivable	**2,611**	5,052
Prepaid insurance	**8,462**	1,695
Other current assets	**28,509**	27,060
Total	**207,383**	270,173

Other non-current assets consist of the following:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Goodwill	**109**	109
Prepayment of property and equipment	**14,412**	14,140
Prepayment of facility capacity expansion activities [(1)]	**21,473**	24,237
Prepaid VAT	**29**	17,162
Rental deposits and other	**7,345**	6,609
Long-term investments (Note 4)	**87,587**	100,792
Total	**130,955**	163,049

(1) Represents payments for facility expansions under commercial supply agreements. The payments are providing future benefit to the Company through credits on commercial supply purchases.

10. SUPPLEMENTAL BALANCE SHEET INFORMATION *(Continued)*

Accrued expenses and other payables consist of the following:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Compensation related	**124,565**	139,966
External research and development activities related	**151,321**	213,922
Commercial activities	**55,366**	71,560
Employee tax withholdings	**23,525**	45,661
Sales rebates and returns related	**71,512**	59,639
Professional fees and other	**27,894**	27,307
Total	**454,183**	558,055

Other long-term liabilities consist of the following:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Deferred government grant income	**40,835**	46,352
Pension liability	**7,484**	7,814
Other	**113**	68
Total	**48,432**	54,234

11. ACCOUNTS PAYABLE

An aging analysis of the accounts payable as of the end of the reporting period, based on the invoice date, is as follows:

	As of	
	June 30, 2022	December 31, 2021
	US$'000	US$'000
Within 3 months	**229,217**	257,977
3 to 6 months	**1,725**	3,210
6 months to 1 year	**3,137**	1,110
Over 1 year	**276**	103
Total	**234,355**	262,400

12. DEBT

The following table summarizes the Company's short-term and long-term debt obligations as of June 30, 2022 and December 31, 2021:

Lender	Agreement Date	Line of Credit US$'000/ RMB'000	Term	Maturity Date	Interest Rate	June 30, 2022		December 31, 2021	
						US$'000	RMB'000	US$'000	RMB'000
China Construction Bank	April 4, 2018	RMB580,000	9-year	April 4, 2027	(1)	**4,330**	**29,000**	1,255	8,000
China Merchants Bank	January 22, 2020	(2)	9-year	January 20, 2029	(2)	**1,493**	**10,000**	1,569	10,000
China Merchants Bank	November 9, 2020	RMB378,000	9-year	November 8, 2029	(3)	**2,613**	**17,500**	–	–
China Minsheng Bank (the "Senior Loan")	September 24, 2020	US$200,000		(4)	4.5%	**200,000**	**1,339,585**	200,000	1,274,535
Zhuhai Hillhouse (the "Related Party Loan")	September 24, 2020	RMB500,000		(5)	4.5%	**14,930**	**100,000**	15,693	100,000
Shanghai Pudong Development Bank	February 25, 2022	$50,000	1-year	February 25, 2023	2.2%	**50,000**	**334,896**	–	–
Other short-term debt (6)						**107,363**	**719,115**	209,048	1,332,197
Total short-term debt						**380,729**	**2,550,096**	427,565	2,724,732
China Construction Bank	April 4, 2018	RMB580,000	9-year	April 4, 2027	(1)	**81,368**	**545,000**	89,444	570,000
China Merchants Bank	January 22, 2020	(2)	9-year	January 20, 2029	(2)	**50,016**	**335,000**	53,353	340,000
China Merchants Bank	November 9, 2020	RMB378,000	9-year	November 8, 2029	(3)	**53,823**	**360,500**	59,316	378,000
Total long-term bank loans						**185,207**	**1,240,500**	202,113	1,288,000

12. DEBT *(Continued)*

1. The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 4.9% as of June 30, 2022. The loan is secured by BeiGene Guangzhou Factory's land use right and certain Guangzhou Factory fixed assets in the first phase of the Guangzhou manufacturing facility's build out. The Company repaid US$598,000 (RMB4,000,000) during the six months ended June 30, 2022.

2. On January 22, 2020, BeiGene Guangzhou Biologics Manufacturing Co., Ltd. ("BeiGene Guangzhou Factory") entered into a nine-year bank loan with China Merchants Bank to borrow up to RMB1,100,000,000 at a floating interest rate benchmarked against prevailing interest rates of certain PRC financial institutions. The loan is secured by Guangzhou Factory's second land use right and fixed assets placed into service upon completion of the second phase of the Guangzhou manufacturing facility's build out. In connection with the Company's short-term loan agreements with China Merchants Bank entered into during the year ended December 31, 2020, the borrowing capacity was reduced from RMB1,100,000,000 to RMB350,000,000. The loan interest rate was 4.4% as of June 30, 2022. The Company repaid US$771,000 (RMB5,000,000) during the six months ended June 30, 2022. BeiGene Guangzhou Biologics Manufacturing Co., Ltd. is a company incorporated under the laws of the PRC on March 3, 2017 and a wholly owned subsidiary of BeiGene Biologics.

3. The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 4.3% as of June 30, 2022. The loan is secured by fixed assets placed into service upon completion of the third phase of the Guangzhou manufacturing facility's build out.

4. In September 2020, the Company entered into a loan agreement with China Minsheng Bank for a total loan facility of up to US$200,000,000 ("Senior Loan"), of which US$120,000,000 was designated to fund the purchase of non-controlling equity interest in BeiGene Biologics Co., Ltd. ("BeiGene Biologics") from Guangzhou GET Technology Development Co., Ltd. (now Guangzhou High-tech Zone Technology Holding Group Co., Ltd.) ("GET") and repayment of the loan provided by GET ("Shareholder Loan") and US$80,000,000 was designated for general working capital purposes. The Senior Loan had an original maturity date of October 8, 2021, which was the first anniversary of the first date of utilization of the loan. The Company may extend the original maturity date for up to two additional 12-month periods. On October 8, 2021, the Company extended the maturity date for twelve months to October 8, 2022 and repurposed the Senior Loan for general working capital purposes. BeiGene Biologics Co., Ltd. is a company incorporated under the laws of the PRC on January 25, 2017 and an indirectly wholly owned subsidiary of the Company.

5. In September 2020, the Company entered into a loan agreement with Zhuhai Hillhouse Zhaohui Equity Investment Partnership (Zhuhai Hillhouse) for a total loan facility of US$73,640,000 (RMB500,000,000) ("Related Party Loan"), of which US$14,728,000 (RMB100,000,000) can be used for general corporate purposes and US$58,912,000 (RMB400,000,000) can only be applied towards the repayment of the Senior Loan facility, including principal, interest and fees. The loan maturity was the earlier of: (i) November 9, 2021, which is one month after the Senior Loan maturity date, if not extended, or (ii) 10 business days after the Senior Loan is fully repaid. On October 8, 2021, the Company extended the maturity date of the Related Party Loan to the earlier of: (i) November 9, 2022, which is one month after the Senior Loan maturity date, if not extended, or (ii) 10 business days after the Senior Loan is fully repaid. Zhuhai Hillhouse is a related party of the Company, as it is an affiliate of Hillhouse Capital. Hillhouse Capital is a shareholder of the Company, and a Hillhouse Capital employee is a member of the Company's board of directors.

6. During the year ended December 31, 2021 and 2020, the Company entered into additional short-term working capital loans with China Industrial Bank and China Merchants Bank to borrow up to RMB1,760,000,000 in aggregate, with maturity dates ranging from April 19, 2021 to May 24, 2023. The Company drew down US$17,586,000 (RMB117,000,000) and repaid US$114,036,000 (RMB730,082,000) of the short-term loans in the six months ended June 30, 2022. The weighted average interest rate for the short-term working capital loans was approximately 4.1% as of June 30, 2022.

12. DEBT *(Continued)*

Interest Expense

Interest expense recognized for the six months ended June 30, 2022 was US$10,984,000, among which US$1,935,000 was capitalized. Interest expense recognized for the six months ended June 30, 2021 was US$14,577,000, among which US$251,000 was capitalized.

13. PRODUCT REVENUE

The Company's product revenue is primarily derived from the sale of its internally developed products BRUKINSA® in the United States and China, and tislelizumab and pamiparib in China; REVLIMID® and VIDAZA® in China under a license from BMS; XGEVA®, BLINCYTO® and KYPROLIS® in China under a license from Amgen; and POBEVCY® in China under a license from Bio-Thera.

The table below presents the Company's net product sales for the six months ended June 30, 2022 and 2021.

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Product revenue – gross	**638,273**	291,794
Less: Rebates and sales returns	**(72,189)**	(47,053)
Product revenue – net	**566,084**	244,741

The following table disaggregates net product sales by product for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
BRUKINSA®	**233,072**	64,513
Tislelizumab	**192,522**	123,758
REVLIMID®	**41,576**	26,775
XGEVA®	**29,008**	17,792
POBEVCY®	**19,798**	–
BLINCYTO®	**21,396**	–
KYPROLIS®	**8,405**	–
VIDAZA®	**8,946**	6,961
Pamiparib	**4,577**	2,221
Other	**6,784**	2,721
Total product revenue – net	**566,084**	244,741

13. PRODUCT REVENUE *(Continued)*

The following table presents the roll-forward of accrued sales rebates and returns for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Balance at beginning of the period	**59,639**	11,874
Accrual	**72,189**	47,053
Payments	**(60,316)**	(33,355)
Balance at end of the period	**71,512**	25,572

14. LOSS BEFORE INCOME TAX EXPENSE

The Company's loss before income tax expense is arrived at after charging/(crediting):

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Cost of inventories sold	**136,410**	68,948
Depreciation and amortization expense	**30,041**	20,784
Research and development costs (note)	**768,122**	676,817
Amortization of operating lease right-of-use assets	**13,366**	10,141
Amortization of license rights	**2,020**	375
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and other benefits	**489,416**	316,935
Share-based compensation expenses	**146,860**	110,632
Pension scheme contributions (defined contribution scheme)	**25,966**	17,523
	662,242	445,090
Foreign exchange differences, net	**118,355**	2,460
Bank interest income	**(32,520)**	(5,534)
Loss on disposal of property and equipment	**73**	–

Note:

During the six months ended June 30, 2022 and 2021, research and development costs of approximately US$293,291,000 and US$220,110,000 were also included in employee benefit expense.

15. LOSS PER SHARE

The following table reconciles the numerator and denominator in the computations of basic and diluted loss per share:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Numerator:		
Net loss	**(1,005,723)**	(413,846)
Denominator:		
Weighted average shares outstanding-basic and diluted	**1,334,252,648**	1,191,521,766

For the six months ended June 30, 2022 and 2021, the computation of basic loss per share using the two-class method was not applicable as the Company was in a net loss position, and the effects of all share options, restricted shares, restricted share units and ESPP shares were excluded from the calculation of diluted loss per share, as their effect would have been anti-dilutive.

16. SHARE-BASED COMPENSATION EXPENSE

2016 Share Option and Incentive Plan

In January 2016, in connection with the Company's initial public offering ("IPO") on the Nasdaq Stock Market, the board of directors and shareholders of the Company approved the 2016 Share Option and Incentive Plan (the "2016 Plan"), which became effective in February 2016. The Company initially reserved 65,029,595 ordinary shares for the issuance of awards under the 2016 Plan, plus any shares available under the 2011 Option Plan (the "2011 Plan"), and not subject to any outstanding options as of the effective date of the 2016 Plan, along with underlying share awards under the 2011 Plan that are cancelled or forfeited without issuance of ordinary shares. As of June 30, 2022, ordinary shares cancelled or forfeited under the 2011 Plan that were carried over to the 2016 Plan totaled 5,166,510. In December 2018, the shareholders approved an amended and restated 2016 Plan to increase the number of shares authorized for issuance by 38,553,159 ordinary shares, as well as amend the cap on annual compensation to independent directors and make other changes. In June 2020, the shareholders approved an Amendment No. 1 to the 2016 Plan to increase the number of shares authorized for issuance by 57,200,000 ordinary shares and to extend the term of the plan through April 13, 2030. The number of shares available for issuance under the 2016 Plan is subject to adjustment in the event of a share split, share dividend or other change in the Company's capitalization.

During the six months ended June 30, 2022, the Company granted options for 12,159,745 ordinary shares and restricted share units for 33,193,771 ordinary shares under the 2016 Plan. As of June 30, 2022, options and restricted share units for ordinary shares outstanding under the 2016 Plan totaled 63,489,649 and 57,144,906, respectively. As of June 30, 2022, share-based awards to acquire 74,479,333 ordinary shares were available for future grant under the 2016 Plan.

16. SHARE-BASED COMPENSATION EXPENSE *(Continued)*

2016 Share Option and Incentive Plan *(Continued)*

In order to continue to provide incentive opportunities under the 2016 Plan, the Board of Directors and shareholders of the Company approved an amendment to the 2016 Plan (the "Amendment No. 2"), which became effective as of June 22, 2022, to increase the number of authorized shares available for issuance under the 2016 Plan by 66,300,000 ordinary shares, or 5% of the Company's outstanding shares as of March 31, 2022.

2018 Inducement Equity Plan

In June 2018, the board of directors of the Company approved the 2018 Inducement Equity Plan (the "2018 Plan") and reserved 12,000,000 ordinary shares to be used exclusively for grants of awards to individuals that were not previously employees of the Company or its subsidiaries, as a material inducement to the individual's entry into employment with the Company or its subsidiaries within the meaning of Rule 5635(c)(4) of the NASDAQ Listing Rules. The 2018 Plan was approved by the board of directors upon recommendation of the compensation committee, without shareholder approval pursuant to Rule 5635(c)(4) of the NASDAQ Listing Rules. The terms and conditions of the 2018 Plan, and the forms of award agreements to be used thereunder, are substantially similar to the 2016 Plan and the forms of award agreements thereunder. In August 2018, in connection with the Hong Kong IPO, the board of directors of the Company approved an amended and restated 2018 Plan to implement changes required by the HK Listing Rules.

During the six months ended June 30, 2022, the Company did not grant any options or restricted share units under the 2018 Plan. As of June 30, 2022, options and restricted share units for ordinary shares outstanding under the 2018 Plan totaled 30,901 and 408,408, respectively.

Upon the effectiveness of Amendment No. 2 to the 2016 Plan, on June 22, 2022, the 2018 Plan was terminated to the effect that no new equity awards shall be granted under the plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms.

16. SHARE-BASED COMPENSATION EXPENSE *(Continued)*

2018 Employee Share Purchase Plan

In June 2018, the shareholders of the Company approved the 2018 Employee Share Purchase Plan (the "ESPP"). Initially, 3,500,000 ordinary shares of the Company were reserved for issuance under the ESPP. In December 2018, the board of directors of the Company approved an amended and restated ESPP to increase the number of shares authorized for issuance by 3,855,315 ordinary shares to 7,355,315 ordinary shares. In June 2019, the board of directors adopted an amendment to revise the eligibility criteria for enrollment in the plan. In June 2021, the board of directors of the Company adopted the third amended and restated ESPP to include certain technical amendments under U.S. tax rules and to consolidate the changes in the prior amendment, to be effective on September 1, 2021. The ESPP allows eligible employees to purchase the Company's ordinary shares (including in the form of ADSs) at the end of each offering period, which will generally be six months, at a 15% discount to the market price of the Company's ADSs at the beginning or the end of each offering period, whichever is lower, using funds deducted from their payroll during the offering period. Eligible employees are able to authorize payroll deductions of up to 10% of their eligible earnings, subject to applicable limitations.

As of June 30, 2022, 4,527,386 ordinary shares were available for future issuance under the ESPP.

The following tables summarizes the shares issued under the ESPP:

		Market Price[1]		Purchase Price[2]		
Issuance Date	Number of Ordinary Shares Issued	ADS US$	Ordinary US$	ADS US$	Ordinary US$	Proceeds US$'000
February 28, 2022	667,160	210.52	16.19	178.94	13.76	9,183
August 31, 2021	425,386	308.30	23.72	262.06	20.16	8,575
February 26, 2021	436,124	236.30	18.18	200.86	15.45	6,738

1. The market price is the lower of the closing price on the Nasdaq Stock Market on the issuance date or the offering date, in accordance with the terms of the ESPP.

2. The purchase price is the price which was discounted from the applicable market price, in accordance with the terms of the ESPP.

16. SHARE-BASED COMPENSATION EXPENSE *(Continued)*

The following table summarizes total share-based compensation expense recognized for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Research and development	**67,965**	52,082
Selling, general and administrative	**78,895**	58,542
Total	**146,860**	110,624

17. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The movement of accumulated other comprehensive income (loss) was as follows:

	Foreign Currency Translation Adjustments US$'000	Unrealized Gains/(Losses) on Available-for-Sale Securities US$'000	Pension Liability Adjustments US$'000	Total US$'000
Balance as of December 31, 2021	27,898	(3,700)	(6,248)	17,950
Other comprehensive loss before reclassifications	(88,085)	(12,315)	–	(100,400)
Amounts reclassified from accumulated other comprehensive income (loss)	–	–	–	–
Net-current period other comprehensive loss	(88,085)	(12,315)	–	(100,400)
Balance as of June 30, 2022	**(60,187)**	**(16,015)**	**(6,248)**	**(82,450)**

18. SHAREHOLDERS' EQUITY

Share Purchase Agreement

In September 2021, the Company issued an aggregate of 165,529 ADSs, representing 2,151,877 ordinary shares, to Amgen for a total consideration of US$50,000,000, in a private placement pursuant to a Share Purchase Agreement dated October 31, 2019, as amended on December 6, 2019 and September 24, 2020 by and between Amgen and Company.

STAR Offering

In December 2021, the Company completed STAR Offering on the STAR Market of the SSE. The shares offered in the STAR Offering were issued to and subscribed for by permitted investors in the PRC in Renminbi ("RMB Shares"). The public offering price of the RMB Shares was RMB192.60 per ordinary share, or US$391.68 per ADS. In this offering, the Company sold 115,055,260 ordinary shares. Net proceeds after deducting underwriting discounts and commission and offering expenses were US$3,392,616,000. As required by the PRC securities laws, the net proceeds from the STAR Offering must be used in strict compliance with the planned uses as disclosed in the STAR Prospectus as well as the Company's proceeds management policy for the STAR Offering approved by the board of directors.

19. RESTRICTED NET ASSETS

The Company's ability to pay dividends may depend on the Company receiving distributions of funds from its PRC subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company's PRC subsidiaries only out of the subsidiary's retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the condensed consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's PRC subsidiaries.

In accordance with the company law of the PRC, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the board of directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company's PRC subsidiaries were established as domestic enterprises and therefore are subject to the above-mentioned restrictions on distributable profits.

19. RESTRICTED NET ASSETS *(Continued)*

As a result of these PRC laws and regulations, including the requirement to make annual appropriations of at least 10% of after-tax income and set aside as general reserve fund prior to payment of dividends, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

Foreign exchange and other regulations in the PRC may further restrict the Company's PRC subsidiaries from transferring funds to the Company in the form of dividends, loans and advances. As of June 30, 2022 and December 31, 2021, the net assets of the Company's PRC subsidiaries amounted to US$2,448,530,000 and US$799,574,000, respectively.

20. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of June 30, 2022, the Company had purchase commitments amounting to US$109,700,000, of which US$65,020,000 related to minimum purchase requirements for supply purchased from contract manufacturing organizations and US$44,680,000 related to binding purchase obligations of inventory from BMS and Amgen. The Company does not have any minimum purchase requirements for inventory from BMS or Amgen.

Capital Commitments

The Company had capital commitments amounting to US$308,141,000 for the acquisition of property, plant and equipment as of June 30, 2022, which were mainly for the Company's manufacturing and clinical R&D campus in Hopewell, NJ, and additional capacity at the Guangzhou and Suzhou manufacturing facilities.

Co-Development Funding Commitment

Under the Amgen Collaboration Agreement, the Company is responsible for co-funding global development costs for the Amgen oncology pipeline assets up to a total cap of US$1,250,000,000. The Company is funding its portion of the co-development costs by contributing cash and development services. As of June 30, 2022, the Company's remaining co-development funding commitment was US$698,687,000.

20. COMMITMENTS AND CONTINGENCIES *(Continued)*

Research and Development Commitment

The Company entered into a long-term research and development agreement in June 2021, which includes obligations to make an upfront payment and fixed quarterly payments over the next four years. As of June 30, 2022, the total research and development commitment amounted to US$25,173,000.

Funding Commitment

The Company had committed capital related to an equity method investment in the amount of US$15,000,000. As of June 30, 2022, the remaining capital commitment was US$12,750,000 and is expected to be paid from time to time over the investment period.

Pension Commitment

The Company maintains a defined benefit pension plan in Switzerland. Funding obligations under the defined benefit pension plan are equivalent to US$1,536,000 per year based on annual funding contributions in effect as of June 30, 2022 to achieve fully funded status where the market value of plan assets equals the projected benefit obligations. Future funding requirements will be subject to change as a result of future changes in staffing and compensation levels, various actuarial assumptions and actual investment returns on plan assets.

Other Business Agreements

The Company enters into agreements in the ordinary course of business with CROs to provide research and development services. These contracts are generally cancellable at any time by us with prior written notice.

The Company also enters into collaboration agreements with institutions and companies to license intellectual property. The Company may be obligated to make future development, regulatory and commercial milestone payments and royalty payments on future sales of specified products associated with its collaboration agreements. Payments under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded on the Company's balance sheet because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales have occurred, the corresponding amounts are recognized in the Company's financial statements.

21. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in this financial information, the Company had the following related party transactions for the six months ended June 30, 2022 and 2021:

Xiaodong Wang, Chairman of Scientific Advisory Board, director and shareholder, provided consulting service to the Company, and the compensation received by Dr. Wang for consulting service for the six months ended June 30, 2022 and 2021 consisted of (i) US$50,000 (2021: US$50,000) in consulting fees, (ii) US$75,000 (2021: US$75,000) as a performance-based cash bonus, (iii) share-based compensation expenses for options and RSUs of US$2,141,000 (2021:US$2,271,000).

(b) Compensation of key management personnel of the Company:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
Short term employee benefits	**3,423**	2,945
Post-employment benefits	**37**	65
Share-based compensation expenses	**19,626**	17,635
Total compensation paid to key management personnel	**23,086**	20,645

22. SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates in one segment: pharmaceutical products. Its chief operating decision maker is the Chief Executive Officer, who makes operating decisions, assesses performance and allocates resources on a consolidated basis.

The Company's long-lived assets are primarily located in the PRC and the U.S.

Net product revenues by geographic area are based upon the location of the customer, and net collaboration revenue is recorded in the jurisdiction in which the related income is expected to be sourced from. Total net revenues by geographic area are presented as follows:

	Six Months Ended June 30,	
	2022	2021
	US$'000	US$'000
PRC	**403,164**	218,617
United States	**213,749**	383,809
Rest of world	**31,285**	153,438
Total	**648,198**	755,864

PRC revenues consisted entirely of product revenues for the six months ended June 30, 2022 and 2021. U.S. revenues for six months ended June 30, 2022 consisted of collaboration revenue of US$57,480,000, and BRUKINSA® product sales of US$156,269,000. U.S. revenues for the six months ended June 30, 2021 consisted of collaboration revenue of US$357,786,000, and BRUKINSA® product sales of US$26,023,000. Rest of world revenues for the six months ended June 30, 2022 consisted of collaboration revenue of US$24,634,000, and BRUKINSA® product sales of US$6,651,000. Rest of world revenues consisted entirely of collaboration revenues for the six months ended June 30, 2021.

23. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

The unaudited interim condensed consolidated financial statements are prepared in accordance with U.S. GAAP, which differ in certain respects from International Financial Reporting Standards ("IFRS"). The effects of material differences between the financial information of the Company prepared under U.S. GAAP and IFRS are as follows:

	Six months ended June 30, 2022			
	Amounts as reported under U.S. GAAP	IFRS adjustments		Amounts under IFRS
	US$'000	US$'000	US$'000	US$'000
Consolidated statement of operations data		Share-based compensation (note (i))	Tax benefit/ deficiency on share-based compensation (note (iii))	
Research and development	(768,122)	(5,520)	–	(773,642)
Selling, general and administrative	(625,976)	(4,044)	–	(630,020)
Loss before income tax	(978,834)	(9,564)	–	(988,398)
Income tax (expense) benefit	(26,889)	1,082	(11,385)	(37,192)
Net loss	(1,005,723)	(8,482)	(11,385)	(1,025,590)
Net loss attributable to BeiGene, Ltd.	(1,005,723)	(8,482)	(11,385)	(1,025,590)

23. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

	Six months ended June 30, 2021			
	Amounts as reported under U.S. GAAP	IFRS adjustments		Amounts under IFRS
	US$'000	US$'000	US$'000	US$'000
Consolidated statement of operations data		Share-based compensation (note (i))	Tax benefit/ deficiency on share-based compensation (note (iii))	
Research and development	(676,817)	34,210	–	(642,607)
Selling, general and administrative	(414,395)	18,197	–	(396,198)
Loss before income tax	(418,706)	52,407	–	(366,299)
Income tax (expense) benefit	4,860	(4,125)	(21,801)	(21,066)
Net loss	(413,846)	48,282	(21,801)	(387,365)
Net loss attributable to BeiGene, Ltd.	(413,846)	48,282	(21,801)	(387,365)

23. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

	As at June 30, 2022				
	Amounts as reported under U.S. GAAP	IFRS adjustments			Amounts under IFRS
	US$'000	US$'000	US$'000	US$'000	US$'000
Consolidated balance sheet data		Share-based compensation (note (i))	Preferred Shares (note (ii))	Tax benefit/ deficiency on share-based compensation (note (iii))	
Deferred tax assets	103,429	1,082	–	(9,662)	110,169
		15,320*	–	–	
Total assets	7,378,207	16,402	–	(9,662)	7,384,947
Additional paid-in capital	11,356,686	9,564	307,894*	1,723	11,985,971
		174,049*	–	136,055*	
Accumulated deficit	(5,971,826)	(9,564)	(307,894)*	(11,385)	(6,594,371)
		1,082	–	–	
		(158,729)*	–	(136,055)*	
Total equity	5,302,544	16,402	–	(9,662)	5,309,284

23. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

	As at December 31, 2021				
	Amounts as reported under U.S. GAAP	IFRS adjustments			Amounts under IFRS
	US$'000	US$'000	US$'000	US$'000	US$'000
Consolidated balance sheet data		Share-based compensation (note (i))	Preferred Shares (note (ii))	Tax benefit/ deficiency on share-based compensation (note (iii))	
Deferred tax assets	110,424	5,253	–	–	125,744
		10,067*	–	–	
Total assets	8,645,949	15,320	–	–	8,661,269
Additional paid-in capital	11,191,007	48,730	–	56,237	11,809,005
		125,319*	307,894*	79,818*	
Accumulated deficit	(4,966,103)	(48,730)	–	(56,237)	(5,568,781)
		5,253	–	–	
		(115,252)*	(307,894)*	(79,818)*	
Total equity	6,242,987	15,320	–	–	6,258,307

* IFRS adjustments brought forward from prior years.

Notes:

(i) Share based compensation

Under U.S. GAAP, the Company has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant date value of the options that are vested at that date.

Under IFRS, the accelerated method is required to recognize compensation expense for all employee equity awards granted with graded vesting.

A difference of US$9,564,000 arose between the amount of share-based compensation (included in research and development expenses, and selling, general and administrative expenses) recognized under U.S. GAAP and IFRS for the six months ended June 30, 2022 (June 30, 2021: US$52,407,000). The related income tax impact of this item was US$1,082,000 for the six months ended June 30, 2022 (June 30, 2021: US$4,125,000).

23. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

Notes *(Continued)*:

(i) Share based compensation *(Continued)*

The accumulated difference on share-based compensation recognized in expenses and additional paid in capital under U.S. GAAP and IFRS was US$174,049,000, the related income tax impact on above differences was US$15,320,000, and net impact on the accumulated deficit was US$158,729,000 as of December 31, 2021. The differences as of December 31, 2021 were all carried forward as opening IFRS adjustments to the balance sheet as of January 1, 2022.

(ii) Preferred Shares

Prior to the Company's US IPO, the Company had preferred shares, which were converted into ordinary shares at the time of the US IPO. Under U.S. GAAP, the preferred shares issued by the Company were classified as mezzanine equity, as these convertible preferred shares were redeemable upon the occurrence of a conditional event (i.e., Liquidation Transaction). The holders of the preferred shares had a liquidation preference upon the occurrence of the conditional event. The conversion options and contingent redemption options of the convertible preferred shares do not qualify for bifurcation accounting because the conversion options are clearly and closely related to the host instrument and the underlying ordinary shares of the conversion options and redemption options are not publicly traded nor readily convertible into cash. No beneficial conversion features are recognized for the convertible preferred shares, as the fair values per ordinary share at the respective commitment dates were less than the most favorable conversion prices. The Company concluded that the preferred shares were not redeemable currently and it was not probable that the preferred shares would become redeemable because the likelihood of the Liquidation Transaction was remote. Therefore, no adjustment was made to the initial carrying amount of the preferred shares.

Under IFRS, the preferred shares were regarded as a hybrid instrument consisting of a host debt instrument and a conversion option as a derivative. This was the result of certain redemption triggering events of the preferred shares being outside the control of the ordinary shareholders of the Company. In addition, the holders of the preferred shares were entitled to convert the preferred shares into a variable number of the Company's ordinary shares upon occurrence of certain anti-dilution events. Under IFRS, the Company initially recorded all of the preferred shares as financial liabilities at fair value, with subsequent changes in the amount of the fair value of the preferred shares recognized in the statement of operations in the year in which they arose. Hence, all the fair value changes in the preferred shares of US$307,894,000 prior to the conversion into the Company's ordinary shares in February 2016 was recognized in the statement of operations under IFRS, and the cumulative effect of such fair value changes was recognized in the additional paid in capital account upon the conversion of the preferred shares into the ordinary shares. The effect of such IFRS adjustments on accumulated deficit and additional paid-in capital was US$307,894,000, which was all carried forward to opening balance sheets of subsequent financial years/periods.

23. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

Notes *(Continued)*:

(iii) Tax benefit/deficiency on share-based compensation

Under U.S. GAAP, deferred taxes are calculated based on the cumulative share-based compensation expense recognized in the financial statements, and ASC 2016-09 required all excess tax benefits and tax deficiencies to be recorded as income tax expense or benefit in the statement of operations, rather than in shareholders' equity.

Under IFRS, deferred taxes are calculated based on the estimated tax deduction determined at each reporting date. If the tax deduction exceeds cumulative compensation cost for an individual award, deferred tax based on the excess is credited to shareholders' equity. If the tax deduction is less than or equal to cumulative compensation cost for an individual award, deferred taxes are recorded in statement of operations.

A difference of US$9,662,000 between the amount of deferred tax assets recognized under U.S. GAAP and IFRS as of June 30, 2022 (June 30, 2021: nil) is determined based on the estimated tax deduction on share-based compensation at period end.

In addition, the income tax benefit on excess tax deductions of US$1,723,000 for the six months ended June 30, 2022 (June 30, 2021: US$21,801,000) is recognized in equity under IFRS, rather than in the statement of operations under U.S. GAAP.

The accumulated difference of excess tax deduction of US$136,055,000 recognized in equity amounted to US$136,055,000 as of December 31, 2021, and are carried forward as opening adjustments to the balance sheet as of January 1, 2022 under IFRS.

(iv) Lease

Under U.S. GAAP, the Company used the modified retrospective method and did not restate historical comparative periods. As a lessee, the Company recognized a lease liability based on the present value of the total remaining lease payments, and a corresponding right of use asset under U.S. GAAP. The Company subsequently recognize an operating lease expense on straight line basis over the lease term.

IFRS 16, Lease requires entities to present interest expense on the lease liability and depreciation on the right of use assets separately in the statement of operations. This will change the allocation of expenses and the total amount of expenses recognized for each period of the lease term. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease terms, and a decreasing expense during the latter years of the lease terms.

Based on the Company's assessment, the differences on lease recognized under U.S. GAAP and IFRS did not have material impact on unaudited financial statements as of June 30, 2022 and for the six months ended June 30, 2022.

23. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

Notes *(Continued)*:

(v) Investment

Under U.S. GAAP, the Company elected to measure an equity security without a readily determinable fair value that does not qualify for the practical expedient to estimate fair value at its cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

Under IFRS, the Company measured the investments in equity instruments at fair value through profit or loss (FVTPL).

Based on the Company's assessment, the differences on investment recognized under U.S. GAAP and IFRS did not have material impact on unaudited financial statements as of June 30, 2022 and for the six months ended June 30, 2022.

24. DIVIDENDS

The board of directors of the Company did not recommend the distribution of any interim dividend for the six months ended June 30, 2022 (June 30, 2021: nil).

DEFINITIONS

"2011 Plan"	the 2011 Option Plan adopted by the Company on April 15, 2011 and most recently amended on April 17, 2015
"2016 Plan"	the Second Amended and Restated 2016 Share Option and Incentive Plan adopted by the Company on January 14, 2016, as amended from time to time, the principal terms of which were set out in the Company's Proxy Statement/ Circular dated April 29, 2022
"2018 ESPP"	the Second Amended and Restated 2018 Employee Share Purchase Plan approved by our Board on November 7, 2018, and by our Shareholders on December 7, 2018, to replace the Amended and Restated 2018 Employee Share Purchase Plan originally adopted by the Company on June 6, 2018 and most recently amended on June 16, 2021 (effective as of September 1, 2021)
"2018 Inducement Plan" or "2018 Plan"	the Amended and Restated 2018 Inducement Equity Plan adopted by the Company on June 6, 2018 and most recently amended on August 7, 2018
"ADS(s)"	American Depositary Shares (each representing 13 ordinary shares of the Company)
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Amgen"	Amgen Inc., a company incorporated under the laws of Delaware, US, on April 7, 1987
"Amgen Collaboration Agreement"	a Collaboration Agreement dated October 31, 2019, by and between BeiGene Switzerland and Amgen, which became effective on January 2, 2020
"Amgen SPA"	the share purchase agreement dated October 31, 2019, as amended, by and between BeiGene, Ltd. and Amgen
"Articles"	the fifth amended and restated memorandum and articles of association adopted by special resolution of the Shareholders passed on December 7, 2018, as amended from time to time

"associate(s)"	has the meaning ascribed to it under the HK Listing Rules
"BeiGene", "Company", "our Company" or "the Company"	BeiGene, Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on October 28, 2010
"BeiGene Biologics"	BeiGene Biologics Co., Ltd.* (百濟神州生物藥業有限公司), a company incorporated under the laws of the PRC on January 25, 2017 and an indirectly wholly owned subsidiary of the Company
"BeiGene Guangzhou Factory"	BeiGene Guangzhou Biologics Manufacturing Co., Ltd.* (廣州百濟神州生物製藥有限公司), a company incorporated under the laws of the PRC on March 3, 2017 and a wholly owned subsidiary of BeiGene Biologics
"BeiGene Switzerland"	BeiGene Switzerland GmbH, a company incorporated under the laws of Switzerland on September 1, 2017 and a wholly-owned subsidiary of the Company
"Board"	the board of directors of the Company
"China" or "PRC"	the People's Republic of China and, except where the context requires and only for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan. "Chinese" shall be construed accordingly
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the HK Listing Rules
"Corporate Governance Code"	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the HK Listing Rules

"Director(s)"	the director(s) of our Company
"FDA"	U.S. Food and Drug Administration
"GET"	Guangzhou GET Technology Development Co., Ltd. (now Guangzhou Hightech Zone Technology Holding Group Co., Ltd.), a limited liability company established under the laws of the PRC on November 27, 1998 and an Independent Third Party
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"HKEX"	The Stock Exchange of Hong Kong Limited
"HK Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollar" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards
"Independent Third Party(ies)"	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the HK Listing Rules
"IPO"	initial public offering

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the HK Listing Rules
"NASDAQ"	Nasdaq Stock Market
"NASDAQ Listing Rules"	the listing rules of the Nasdaq Stock Market
"NMPA"	National Medical Products Administration, successor to the China Food and Drug Administration
"Novartis"	Novartis Pharm AG
"Prospectus"	the prospectus of the Company dated July 30, 2018
"Reporting Period"	the six months ended June 30, 2022
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"RMB Share(s)"	the Shares subscribed for in RMB by target subscriber(s) in the PRC, which are listed on the STAR Market and traded in RMB
"SEC"	the Securities and Exchange Commission of the United States
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of the Share(s)

DEFINITIONS

"Share(s)"	ordinary share(s) in the share capital of the Company
"SSE"	Shanghai Stock Exchange
"STAR Market"	the Science and Technology Innovation Board of the Shanghai Stock Exchange
"STAR Offering"	issue of RMB Shares and listing on the STAR Market of the SSE
"STAR Prospectus"	the prospectus of the Company for the STAR Offering
"subsidiary(ies)"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the HK Listing Rules
"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. GAAP"	United States generally accepted accounting principles

"BLA"	means	biologics license application
"BRAF"	means	a human gene that makes the B-raf protein involved in sending internal cell signals that direct cell growth
"BTK"	means	Bruton's tyrosine kinase. BTK is a key component of the BCR signaling pathway and is an important regulator of cell proliferation and cell survival in various lymphomas
"CLL"	means	chronic lymphocytic leukemia
"ESCC"	means	esophageal squamous cell carcinoma
"Kinase"	means	a type of enzyme that catalyzes the transfer of phosphate groups from high-energy, phosphate-donating molecules to specific substrates. The protein kinases make up the majority of all kinases. Protein kinases act on proteins, phosphorylating them on their serine, threonine, tyrosine, or histidine residues. These kinases play a major role in protein and enzyme regulation as well as signaling in the cell
"MCL"	means	mantle cell lymphoma
"NDA"	means	new drug application
"PARP"	means	poly ADP ribose polymerase, a family of proteins involved in numerous cellular processes, mostly involving DNA replication and transcriptional regulation, which plays an essential role in cell survival in response to DNA damage
"PD-1"	means	programmed cell death protein 1, an immune checkpoint receptor expressed on T-cells and pro-B-cells that binds two ligands, PD-L1 and PD-L2. PD-1 is a cell surface receptor that plays an important role in down-regulating the immune system by preventing the activation of T-cells

GLOSSARY OF TECHNICAL TERMS

“pivotal trials”	means	a potentially registration-enabling trial or program that is intended to provide clinical data to support a regulatory approval for marketing the drug candidate
“RAF dimer”	means	a protein complex formed by two copies of RAF proteins. This could be a BRAF-BRAF complex, a BRAF-CRAF complex, or a CRAF-CRAF complex
"sBLA"	means	a supplemental biologics license application
“SLL”	means	small lymphocytic lymphoma
“sNDA”	means	supplemental new drug application
“T-Cell”	means	a type of white blood cell that play a large role in immune response and that differs from other white blood cells like B-cells by the presence of the T-cell receptor on the T-cell’s outer surface, which is responsible for recognizing antigens bound to major histocompatibility complex molecules
“TIM-3”	means	T-cell immunoglobulin and mucin-domain containing-3, a Th1-specific cell surface protein that functions as an immune checkpoint, regulating macrophage activation and enhancing the severity of experimental autoimmune encephalomyelitis in mice
“WM”	means	Waldenstrom macroglobulinemia