药明巨诺
JW Therapeutics

JW (Cayman) Therapeutics Co. Ltd

藥明巨諾(開曼)有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2126

2022 Interim Report

* For identification purpose only

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Director

Dr. Yiping James Li *(Chairman)*

Non-executive Directors

Dr. Krishnan Viswanadhan
Ms. Xing Gao (高星)
Dr. Ann Li Lee
Mr. Jinyin Wang (王金印)
Dr. Cheng Liu

Independent Non-executive Directors

Mr. Chi Shing Li (李志成)
Mr. Yiu Leung Andy Cheung (張耀樑)
Mr. Kin Cheong Kelvin Ho (何建昌)

AUDIT COMMITTEE

Mr. Yiu Leung Andy Cheung (張耀樑) *(Chairman)*
Ms. Xing Gao (高星)
Mr. Kin Cheong Kelvin Ho (何建昌)

REMUNERATION COMMITTEE

Mr. Chi Shing Li (李志成) *(Chairman)*
Mr. Yiu Leung Andy Cheung (張耀樑)
Dr. Ann Li Lee

NOMINATION COMMITTEE

Mr. Chi Shing Li (李志成) *(Chairman)*
Dr. Krishnan Viswanadhan
Mr. Kin Cheong Kelvin Ho (何建昌)

COMPANY SECRETARY

Ms. Ka Man Ng (吳嘉雯)

AUTHORIZED REPRESENTATIVES

Dr. Yiping James Li
Ms. Ka Man Ng (吳嘉雯)

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STOCK CODE

2126

COMPANY'S WEBSITE

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Financial Highlights

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**66,007**	—
Cost of sales	**(42,876)**	—
Gross profit	**23,131**	—
General and administrative expenses	**(90,922)**	(105,101)
Research and development expenses	**(195,887)**	(185,509)
Selling expense	**(84,447)**	(46,176)
Other income	**7,106**	3,933
Other gains/(losses), net	**(90,936)**	(725)
Operating loss	**(431,955)**	(333,578)
Finance income	**5,400**	1,934
Finance costs	**(2,699)**	(537)
Finance income/(costs) — net	**2,701**	1,397
Fair value changes of warrants	**—**	51,486
Loss before income tax	**(429,254)**	(280,695)
Income tax expense	**—**	—
Loss for the period	**(429,254)**	(280,695)
Non-IFRS measure:		
Adjusted loss for the period	**(289,204)**	(272,602)

- Revenue was RMB66.0 million for the six months ended June 30, 2022, compared to nil for the six months ended June 30, 2021, as we successfully commercialized our anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® (relmacabtagene autoleucel ("**relma-cel**"), R&D code: JWCAR029) for the treatment of adult patients with relapsed or refractory ("**r/r**") large B-cell lymphoma ("**LBCL**") after two or more lines of systemic therapy after we obtained the marketing approval for the product from the NMPA on September 1, 2021. We expect that the revenue will continue to increase from the sales of Carteyva® along with our commercialization progress as more patients are treated with Carteyva®.

- Cost of sales was RMB42.9 million for the six months ended June 30, 2022, compared to nil for the six months ended June 30, 2021. Our cost of sales primarily consists of raw material costs, staff costs, depreciation and amortization, manufacturing overhead and others.

- Gross profit was RMB23.1 million. With the implementation of our near-term cost reduction plan and more patients are treated with Carteyva®, our gross profit margin increased to 35.0% for the six months ended June 30, 2022.

- Research and development expenses increased by RMB10.4 million to RMB195.9 million for the six months ended June 30, 2022, compared to RMB185.5 million for the six months ended June 30, 2021. This increase was due to a range of factors, including primarily: (i) an increase in testing and clinical fees which resulted principally from our multiple clinical research and development activities and (ii) an increase in depreciation and amortization which resulted principally from depreciation of the Suzhou manufacturing facility and Shanghai Waigaoqiao upgraded manufacturing facility, which began from the fourth quarter of 2021. The effects of these factors were partially offset by a decrease in expenses for R&D materials.

- General and administrative expenses decreased by RMB14.2 million to RMB90.9 million for the six months ended June 30, 2022, compared to RMB105.1 million for the six months ended June 30, 2021, primarily due to a decrease in share-based compensation expenses.

- Selling expenses increased by RMB38.2 million to RMB84.4 million for the six months ended June 30, 2022, compared to RMB46.2 million for the six months ended June 30, 2021, primarily due to an increase in staff costs for commercial team, as well as an increase in business promotion fees as we carried out commercial activities comprehensively from the second half of 2021 to fully support the commercialization of Carteyva®.

- Loss for the period increased by RMB148.6 million to RMB429.3 million for the six months ended June 30, 2022, compared to RMB280.7 million for the six months ended June 30, 2021. This increase was primarily due to: (i) increased unrealized foreign exchange loss; (ii) increased research and development expenses and selling expenses; and (iii) the fact that we recognized one-time non-cash income in the first half of 2021 from de-recognition of "warrants of upfront payment" under our B Cell maturation antigen ("**BCMA**") License Agreement with Juno when Juno discontinued clinical development of orvacabtagene autoleucel ("**orva-cel**"), and this one-time non-cash income item did not recur in the first half of 2022. The effects of the foregoing factors were partially offset by revenue and gross profit generated from Carteyva® and a decrease in general and administrative expenses.

NON-IFRS MEASURE

To supplement the Group's consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss for the period as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(429,254)**	(280,695)
Added:		
Fair value changes of warrants	**—**	(51,486)
Share-based compensation expenses	**48,970**	63,983
Net foreign exchange losses	**91,080**	(4,404)
Adjusted loss for the period (Non-IFRS)	**(289,204)**	(272,602)

Adjusted loss[1] was RMB289.2 million for the six months ended June 30, 2022, representing an increase of RMB16.6 million from RMB272.6 million for the six months ended June 30, 2021. The increase was primarily due to: (i) increased selling expenses associated with headcount increase and commercial activities; (ii) increased cash expenses for staff allocated to research and development; and (iii) increased research and development expenses for testing and clinical trials and depreciation and amortization. The effects of the foregoing factors were partially offset by an increase in our gross profit and a decrease in general and administrative expenses.

[1] *Adjusted loss for the period is not a financial measure defined under IFRS. It represents the loss for the period excluding the effect of the following non-cash items: (a) fair value changes of warrants; (b) share-based compensation expenses; and (c) net foreign exchange losses. For the calculation and reconciliation of this non-IFRS measure, please refer to "Management Discussion and Analysis — Financial Review — 13. Non-IFRS Measure" in this report.*

In the first half of 2022, as an independent, innovative biotechnology company focused on the developing, manufacturing and commercializing cell immunotherapy products, we have made significant further progress in our business and achieved important milestones. The establishment of the commercial team and successful launch of Carteyva® brought the Company forward from its clinical development stage. In 2022, based on our outstanding clinical development and operational capabilities, we have made further progress of our pipeline candidates for hematological cancers such as filing the supplemental NDA for follicular lymphoma ("**FL**"), obtaining breakthrough therapy destination as a treatment for patients with mantle cell lymphoma ("**MCL**"), commencement of clinical trials for solid tumor and expanding our pipeline into autoinmmune disease. In addition, we have maintained manufacturing success rate for Carteyva® at the same high level as we had previously achieved; and we have successfully implemented the first stage of our cost reduction plan. We have also strengthened our in-house R&D capability with the appointment of a new chief scientific officer to provide strategic guidance in the development of a robust pipeline for the Company.

Since the beginning of 2022, we have achieved the following significant milestones in our business:

Commercialization of Carteyva® following successful launch:

On September 1, 2021, the NMPA approved the NDA relating to our anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® (relma-cel, R&D code: JWCAR029) for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and the sixth approved CAR-T product globally. Following receipt of this approval, we launched full-scale commercialization of Carteyva®, and since the beginning of 2022, we have achieved the following additional milestones through our commercialization efforts:

- In January 2022, the "Guiding Principles for the Clinical Application of relmacabtagene autoleucel injection (2021 version)" was published by the Lymphoma Expert Committee of the Chinese Society of Clinical Oncology, the Hematology Branch of the Chinese Medical Association and the Hematology Branch of the Chinese Medical Doctor Association. This is the first clinical guiding principle for a commercialized CAR-T product in China;

- In the first half of 2022, we generated 77 prescriptions of Carteyva® and completed 64 infusions for r/r LBCL patients. Among 69 assessable patients treated with Carteyva® since its commercialization, the best complete response rate ("**CRR**") was 56.5% according to reports from treating physicians regarding their assessment of best response. This remains at or above the level of the CRR that Carteyva® demonstrated in the registrational clinical trial;

- As of June 30, 2022, we have completed training, dry-run and evaluation for the top 83 hospitals in China, and we certified those hospitals as being qualified to administer Carteyva®;

- As of June 30, 2022, Carteyva® has been listed in 52 commercial insurance products and 28 local governmental complementary medical insurance programs, 12 patients received support from those insurance programs; and

- We have established a commercial team of around 100 employees with different specialties including Sales, Marketing, CAR-T Consultant, Innovative Payment, Channel Management and Hospital Access as of August 2022. These teams are led by experienced business leaders with a clear business model.

Continued progress in clinical development:

- In February 2022, we submitted to the NMPA, and the NMPA accepted for review, our supplemental NDA ("**sNDA**") relating to Carteyva® as a treatment for third-line FL;

- In March 2022, the NMPA approved our IND application for a pivotal clinical trial of Carteyva® in the treatment of second-line LBCL;

- In April 2022:

  - The NMPA granted Breakthrough Therapy designation for Carteyva® as a treatment for patients with MCL; and

  - The NMPA approved our IND application with respect to our Phase I/II registrational clinical trial of Carteyva® as a third-line treatment for acute lymphoblastic leukemia ("**ALL**") in pediatric and young adult patients;

- In June 2022, at the Annual Meeting of the American Society of Clinical Oncology held in Chicago, Illinois, we presented:

  - Updated efficacy and safety data from our Phase II registrational clinical trial of Carteyva® as third-line treatment for LBCL;

  - Updated efficacy and safety data from our Phase II registrational clinical trial of Carteyva® as third-line treatment for FL; and

  - Initial efficacy and safety data from our Phase I clinical trial of Carteyva® as a second-line treatment for LBCL;

- In addition, in June 2022, we commenced an investigator-initiated clinical trial ("**IIT**") of JWATM204 as a treatment for patients with advanced hepatocellular carcinoma ("**HCC**"), and we have already administered JWATM204 to the first patient in this trial.

Enhancement of our manufacturing capability and implementation of our cost reduction plan:

- We continued to maintain the manufacturing success rate of 99% for Carteyva®, which we have maintained since commencement of our LBCL registrational clinical trial;

- In the first quarter of 2022, we completed the technical transfer of the JWATM204 manufacturing process from the laboratory to our Waigaoqiao clinical manufacturing facility, and we qualified the facility for Good Manufacturing Practice ("**GMP**") manufacturing; and

- We successfully executed our near-term plans to reduce the cost of raw materials in the first half of 2022, and the gross profit margin increased to 35.0%.

Focus on the clear strategy to support the future growth of the Company:

- Drive full-scale commercialization of Carteyva® and build upon our significant first mover advantage;
- Solidify our leadership in hematological cancers by continuing to develop Carteyva® for earlier lines of treatment and additional indications, as well as clinical development of other new products;
- Leverage our integrated cell therapy platform to expand into the emerging solid tumor market;
- Continuously enhance our manufacturing capability and reduce cost through innovation and scale; and
- Grow our business through in-licensing opportunities, partnerships and selective acquisitions, as well as in-house R&D.

BUSINESS REVIEW

Overview

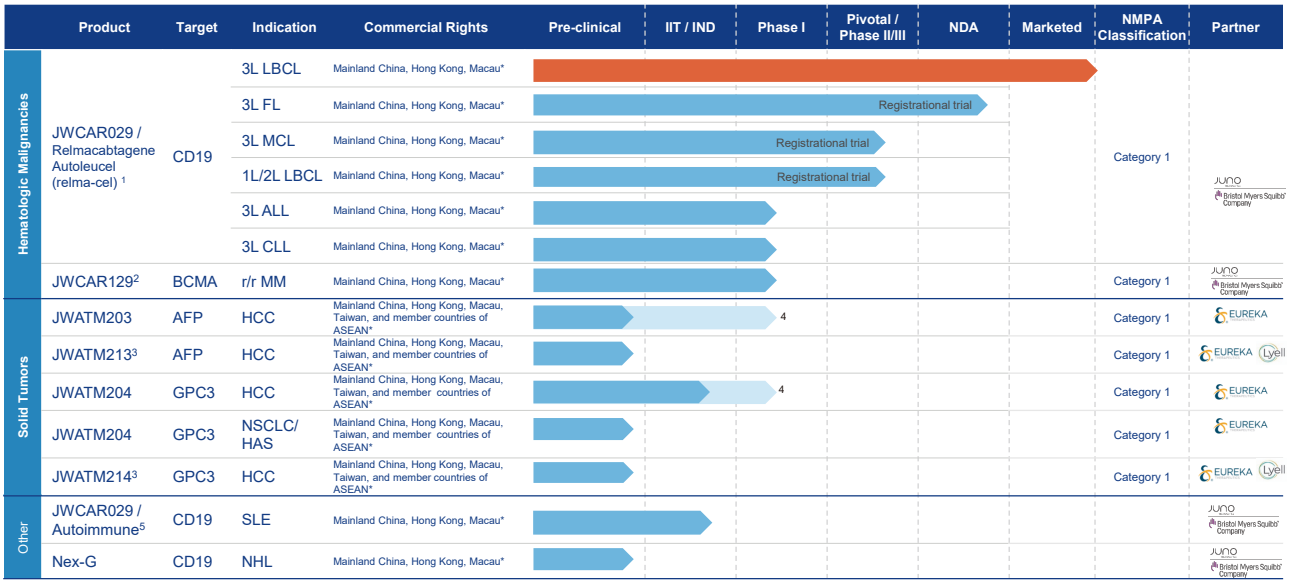
The Company is an independent, innovative biotechnology company focused on developing, manufacturing and commercializing cell immunotherapy products. Since our founding in 2016, we have built an integrated platform focused on developing, manufacturing and commercializing breakthrough cell-based immunotherapies for hematological cancers and solid tumors. Our vision is to become an innovation leader in cell immunotherapy.

We are an early entrant into the field of cell-based immunotherapy in China. Cell-based immunotherapies, including CAR-T treatments, are an innovative treatment method that uses human immune cells to fight cancer, representing a paradigm shift and the latest innovation in cancer treatment. On September 1, 2021, the NMPA approved our NDA for the Company's anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® (relma-cel, R&D code: JWCAR029) for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy, and we have commenced full-scale commercialization of Carteyva®. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and sixth approved CAR-T product globally. Currently, it is the only CAR-T product in China that has been simultaneously included in the National Significant New Drug Development Program and granted priority review and Breakthrough Therapy designations.

2022 is the first full year of CAR-T product commercialization in China. Given the unmet medical needs that can be effectively addressed by CAR-T therapies, the market for CAR-T therapies in China is expected to experience strong growth through 2030, according to Frost & Sullivan. We believe that we are well-positioned to take advantage of this growing market, based on our potential superior anti-CD19 CAR-T product; our robust and differentiated cell therapy pipeline covering both hematological cancers and solid tumors; our fully integrated cell therapy development platform; our leading commercial manufacturing infrastructure and supply chain; and our seasoned management and strong support from the Shareholders.

Our Product Pipeline

We have developed a robust and differentiated cell-based immunotherapy pipeline, with a risk-balanced approach that has shown clear benefit in the field of cell therapies for hematological cancers and provides an opportunity to expand into the nascent field of cell therapies for solid tumors. Our product pipeline features a mix of product candidates targeting both proven and novel tumor antigens. The following chart summarizes the current development status of each of our product candidates:



Abbreviations: LBCL = large B-cell lymphoma; FL = follicular lymphoma; MCL = mantle cell lymphoma; ALL = acute lymphoblastic leukemia; CLL = chronic lymphocytic leukemia; MM = multiple myeloma; NHL = non-Hodgkin lymphoma; HCC = hepatocellular carcinoma; NSCLC = non-small cell lung cancer; AFP = alpha-fetoprotein; GPC3 = glypican-3; r/r = relapsed or refractory; 3L = third-line; 2L = second-line; 1L = first-line; HAS = hepatoid adenocarcinoma of the stomach; SLE = systemic lupus erythematosus;

* Mainland China, Hong Kong, Macau and Taiwan refer to Mainland China, Hong Kong (China), Macau (China) and Taiwan (China), respectively.

1. Relma-cel is based on the same chimeric antigen receptor ("**CAR**") construct as the product lisocabtagene maraleucel (Breyanzi or lisocabtagene or liso-cel) of Juno, which was approved by the U.S. Food and Drug Administration ("**FDA**") in February 2021.
2. JWCAR129 is based on the same CAR construct as Juno's product orvacabtagene autoleucel (orva-cel).
3. Developing using Lyell technology.
4. JWATM204 is in a Phase I investigator-initiated trial in China. Eureka's products based on the CAR constructs underlying JWATM203 and JWATM204 are currently in Phase I/II trials in the US conducted by Eureka under an IND application. In November 2021, the U.S. FDA granted Fast Track Designation to Eureka's counterpart to JWATM203 for the treatment of hepatoblastoma ("**HB**") and HCC in pediatric patients, as well as "rare pediatric disease designation" for the treatment of HB. In February 2022, the U.S. FDA granted Orphan Drug Designation to Eureka's counterparts to JWATM203 and JWATM204.
5. SLE is a chronic autoimmune disease characterized by the production of autoantibodies and abnormal B-lymphocyte function. To further extend Relma-cel's potential in broader disease area, we are planning a study to evaluate the safety, tolerability, and pharmacokinetic profile of Relma-cel in Chinese patients with moderately or severely active SLE.

Our Core Product Candidate — Carteyva® (relma-cel, R&D code: JWCAR029)

Carteyva®, our lead product candidate, has the potential to be a superior CAR-T therapy. It targets an antigen called CD19, which is expressed in a broad range of hematological cancers, including LBCL. Lymphomas are hematological cancers involving lymphoceles of the immune system, and LBCL is one of several types of non-Hodgkin's lymphoma ("**NHL**") that affect B-cells within the immune system. In addition to marketing Carteyva® as a third-line treatment for LBCL, we are also exploring the further clinical potential for Carteyva® by developing relma-cel as a third-line treatment for other types of NHL, including FL, MCL, chronic lymphocytic leukemia ("**CLL**") and ALL, and moreover as a frontline and second-line treatment for LBCL.

Carteyva® is based on a CAR construct that we have in-licensed from Juno for Mainland China, Hong Kong and Macau[2]. Juno's biologics license application for its product based on that same CAR construct ("**Breyanzi**" or "**lisocabtagene**" or "**liso-cel**") was approved by the U.S. FDA for third-line LBCL in February 2021 and for second-line LBCL in June 2022.

Third-line LBCL

On September 1, 2021, the NMPA approved our NDA for the Company's anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and sixth approved CAR-T product globally.

Carteyva®'s potential to be a superior CAR-T therapy is based on its potential best-in-class safety profile and competitive efficacy. Our Phase II registrational clinical trial of Carteyva® as a third-line treatment for LBCL demonstrated efficacy results of best overall response rate ("**ORR**") of 77.6% and best CRR of 53.5%. In the same trial, severe cytokine release syndrome ("**sCRS**") was observed in 5.1% of treated patients, severe neurotoxicity ("**sNT**") was observed in 3.4% of treated patients, and no treatment-related deaths were reported. In addition, the two-year overall survival ("**OS**") rate was 69.0%, and there were no new safety signals. We reported these two years of follow-up results at the Annual Meeting of the American Society of Clinical Oncology held in Chicago, Illinois in June 2022. Although head-to-head studies with comparable products have not been conducted, we believe that these data demonstrate a potential best-in-class safety profile and competitive efficacy of Carteyva® and its ability to provide unique benefit to patients.

Third-line FL

In September 2020, the NMPA granted Breakthrough Therapy Designation for Carteyva® as a treatment for third-line FL. We currently are conducting a single-arm Phase II registrational trial to evaluate Carteyva® in low-grade FL (Grades 1 to 3a) patients, and we reported the primary clinical response in December 2021 at the 63rd Annual Meeting of the American Society of Hematology.

[2] *Mainland China, Hong Kong and Macau refer to Mainland China, Hong Kong (China) and Macau (China), respectively.*

As of the data cut-off of September 10, 2021, 28 patients were treated with Carteyva® with at least three months of follow-up. Of 27 efficacy evaluable patients, as assessed by the investigator, best ORR was 100% (27 out of 27) and best CRR was 92.6% (25 out of 27). With a median follow-up of 8.84 months, median duration of response ("**DOR**"), progression-free survival ("**PFS**") and OS were not reached. In 28 patients who received Carteyva®, any grade and severe (grade 3 or higher) CRS were 42.9% and 0%, respectively, and any grade and severe (grade 3 or higher) NT were 17.9% and 3.6%, respectively. Updated data with highly similar results were also presented at the 2022 Annual Meeting of the American Society of Clinical Oncology with at least six months of follow-up at the data cut-off in December 2021.

In February 2022 we submitted to the NMPA, and the NMPA has accepted for review, our sNDA relating to Carteyva® as a treatment for third-line FL. If approved on the timeline that we currently anticipate, Carteyva® would be the first CAR-T product approved for treatment of FL in China.

Third-line MCL

We are conducting a single-arm Phase II registrational trial in China to evaluate Carteyva® in MCL patients who previously received chemotherapy, anti-CD20 agent and Bruton tyrosine kinase inhibitors ("**BTKi**"). This is a phase II, open-label, single-arm, multicenter study which aims to assess the efficacy and safety of Carteyva® in adults with r/r MCL in China. The study will enroll a total of 59 r/r MCL patients either relapsed or refractory to second-line or more line regimens. Prior therapies must include an anti-CD20 monoclonal antibody, anthracycline-or bendamustine-containing chemotherapy, and BTKi therapy. These patients will be followed up for long-term survival in 2 years or above. Patient enrollment began in January 2021 and is currently on schedule, and we anticipate submitting a sNDA in 2023. In April 2022, the NMPA granted Breakthrough Therapy Designation for Carteyva® as a treatment for patients with MCL.

Third-line CLL

We will plan the appropriate time to commence this study to evaluate Carteyva® in high-risk r/r CLL patients.

Third-line ALL

We intend to conduct a single-arm Phase I/II registrational trial in China to evaluate Carteyva® in pediatric and young adult patients with r/r ALL after at least two prior lines of therapy. In April 2022, the NMPA approved our IND application with respect to this clinical trial, and we have commenced patient enrollment and administered the first dose of Carteyva® to a patient in this trial.

Frontline and Second-line LBCL

We have completed a single-arm Phase I trial in China to evaluate Carteyva® in LBCL high risk patients due to lack of response and thus refractory to primary treatment. This was an open-label, single-arm, multi-centre, phase I study, aiming to evaluate the safety and efficacy of relma-cel in patients with primary refractory disease after first-lines standard of care. A total of 12 patients received relma-cel infusion and completed 9 months follow-up. Data showed relma-cel was tolerable. No Grade ≥3 CRS or NT was observed. 6 patients had Grade ≤2 CRS, and 2 patients experienced NT (Grade 1). The most common treatment related Grade≥3 treatment emergent adverse events was cytopenia. The best ORR and CRR were 75.0% and 33.3%, respectively, 3-month ORR and CRR were 41.7% and 33.3%, respectively. Median duration of response and OS were not yet reached. We reported these findings at the Annual Meeting of the American Society of Clinical Oncology held in Chicago, Illinois in June 2022.

In December 2021, on the basis of data generated from this trial, we submitted to the NMPA, and the NMPA has approved, an IND application for a multi-center, randomized Phase III registrational clinical trial comparing Carteyva® to second-line LBCL standard of care therapy, including salvage chemotherapy +/- high dose chemotherapy followed by autologous stem cell transplant. The design will be similar to the TRANSFORM study evaluating Breyanzi, a CAR-T using the same CAR construct as Carteyva® in this indication, which demonstrated highly statistically significant improvement in Event Free Survival for Breyanzi and led to U.S. FDA approval of Breyanzi as a second-line treatment for LBCL.

In addition, recent reports have suggested anti-CD19 CAR-T therapy may be beneficial to individuals who have not fully responded to early frontline therapy. As a result and given Carteyva®'s low frequency of severe toxicity to date, we intend to begin a phase I IIT trial enrolling frontline or treatment-naive patients with LBCL. In the planned study, these patients will receive two cycles of conventional frontline therapy with R-CHOP[3] and if not achieving a complete response will then receive a single infusion of Carteyva® at a dose of 100 million cells. These trial data, if favorable, may then be used to design and conduct an expanded phase I trial of LBCL patients without prior chemotherapy or a larger registration trial in frontline LBCL similar to the approach described for the initial IIT in the frontline setting.

Systemic Lupus Erythematosus ("SLE")

SLE is a chronic autoimmune disease characterized by the production of autoantibodies and abnormal B-lymphocyte function. Prevalence of SLE in China mainland is about 30/100,000 or around 270,000 cases patient-year[4], 40% of SLE patients develop organ damage in the first year, and 50% of patients develop irreversible organ damage within 5 years of onset. Current standards of care ("**SOCs**") are neither effective nor safe, which addresses the big unmet medical needs.

B Cell Depletion Therapy ("**BCDT**") has now become one of main novel SLE targeted drug development.

CD19 is widely expressed at all differentiation stages from pre-B cells to plasma cells. Hence, CD19-targeted CAR-T cells may target and deplete B cells or plasma cells that are directly responsible for autoantibody production. Compared with antibodies, CAR-T cell therapy could retain potency over time and rapidly lead to lasting remission. We anticipate at least 15,000 patients are CAR-T eligible in the targeted setting with high treatment willingness.

To further extend relma-cel's potential in broader disease area, we are planning a study to evaluate the safety, tolerability, and pharmacokinetic profile of relma-cel in Chinese patients with moderately or severely active SLE. The efficacy of relma-cel in SLE will also be explored in the study. This study is now under review of site Ethical Committee ("**EC**") and Human Genetic Resource Administration of China ("**HGRAC**"), first patient enrollment is expected by the end of 2022.

[3] *R-CHOP is a cancer drug combination to treat NHL. It includes rituximab, cyclophosphamide, anthracycline, vincristine and corticosteroid.*

[4] *Rees F, Doherty M, Grainge MJ, et al. The Worldwide Incidence and Prevalence of Systemic Lupus Erythematosus: A Systematic Review of Epidemiological Studies. Rheumatology. 2017; 56(11): 1945-1961. Applied 30 cases/100,000 and assuming 900 million as China adult population in 2017.*

Cautionary Statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that we will be able to successfully develop or ultimately market Carteyva® in indications beyond the current NMPA-approved label. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the Shares.

Other Pipeline Products

JWCAR129[5]

JWCAR129 is an autologous CAR-T therapy that we are developing for the treatment of multiple myeloma ("**MM**"). MM is a cancer of plasma cells, which are an important part of the immune system formed from matured B-cells to produce antibodies that help the body to attack and kill germs. MM is a condition in which plasma cells become cancerous and grow out of control.

JWCAR129 targets the BCMA, a protein which is highly expressed in a number of hematological malignancies, including MM. In December 2021, the NMPA approved our IND application relating to JWCAR129 as a treatment for fourth-line or greater, r/r MM. We are continuing our previously commenced IIT of JWCAR129 for this disease setting. Clinical evaluation on JWCAR129 is ongoing in 2022.

Nex-G anti-CD19 Product Candidate

We are developing a set of new technologies and platforms to enable the next generation CAR-T product and manufacturing processes with shorter production cycle time, higher quality, better product characterization and improved product efficacy and safety, at a lower cost. We believe that this will establish a foundation for our next-generation autologous anti-CD19 product, as well as other products in our pipeline. We have established a manufacturing cost reduction development strategy that consists of the following elements: (1) near-term (1–2 years) — realize significant cost reduction by implementing technologies and procedures that reduce raw material wastes and scraps; (2) mid-term (2–3 years) — realize further cost reduction by replacing imported materials with domestic supplies; and (3) long-term (3–5 years) — implement new technologies that would simplify and/or replace/combine unit operations and thereby reduce raw material and labor costs; and potentially shorten production cycle time and possibly improve product characteristics and clinical outcome.

We have successfully executed our near-term cost reduction plans in the first half of 2022, and cost of sales per batch is lower compared to 2021 and the gross profit margin increased to 35.0%.

[5] *JWCAR129 is based on a CAR construct that we have in-licensed from Juno (the H125 vector). Juno's orva-cel is based on the same CAR construct. In February 2021, BMS announced that it would discontinue clinical development of orva-cel. We understand that this decision was driven by BMS' streamlining of its anti-BCMA product portfolio. On the other hand, we also understand that this decision was not related to the clinical profile of orva-cel, and BMS has stated that the orva-cel platform is an important part of their next generation strategy. We believe that orva-cel's clinical profile is competitive and intend to continue our development in MM with products using the orva-cel CAR construct in China to bring forward meaningful new options for patients in need.*

We have also made significant progress in developing foundational unit operations that would enable us to develop our next generation autologous CAR-T manufacturing process platform. Initial process and product characteristic information also enable us to develop a comprehensive Nex-G product development plan.

JWATM204/214

JWATM204 is a potentially superior autologous, non-HLA-restricted, TCR T-cell therapy candidate built on Eureka's ARTEMIS® and E-ALPHA® platforms and targeting glypican-3 ("**GPC3**") for the treatment of HCC. Treatment of HCC represents a huge unmet medical need in China, and we believe that JWATM204 has the potential to be a promising treatment for patients with GPC3-positive HCC. In June 2020, we in-licensed from Eureka the rights to develop, manufacture and commercialize JWATM204 in Mainland China, Hong Kong, Macau, Taiwan[6] and the member countries of the Association of Southeast Asian Nations (the "**JW Territory**"). We completed manufacturing process development for the JWATM204 in the third quarter of 2021 by leveraging our relma-cel manufacturing process platform. In the fourth quarter of 2021, we completed an upgrade of our clinical manufacturing facility in Shanghai Waigaoqiao to enhance our capabilities to manufacture multiple products concurrently. In the first quarter of 2022, we completed the technical transfer of JWATM204 manufacturing process from process development laboratory to our Waigaoqiao clinical manufacturing facility, and qualified the facility for GMP manufacturing. In June 2022, we announced the commencement of an IIT of JWATM204 as a treatment for patients with advanced HCC, and we have already administered JWATM204 to patients in connection with this trial.

Through our partnerships with Eureka and Lyell, we also plan to combine Lyell's technology in T-cell anti-exhaustion functionality with JWATM204 to create JWATM214, a next-generation innovative autologous cell therapy for HCC treatment. We are focused on vector manufacturing process development for the JWATM214 program in 2022, and we anticipate that vector manufacturing process development will be based entirely in China. We currently anticipate that clinical studies with respect to JWATM214 will commence in 2023.

JWATM203/213

JWATM203 is a potentially superior autologous T-cell receptor mimic ("**TCRm**") T-cell therapy targeting alpha-fetoprotein ("**AFP**") for the treatment of HCC. In June 2020, we in-licensed from Eureka the rights to develop, manufacture and commercialize JWATM203 in the JW Territory. As with JWATM204, we also plan to combine Lyell's technology in T-cell anti-exhaustion functionality with JWATM203 and Eureka's ARTEMIS® technology platform to create JWATM213, an additional autologous cell therapy for HCC treatment.

Cautionary Statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that we will be able to successfully develop or ultimately market our pipeline products. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the Shares.

[6] *Mainland China, Hong Kong, Macau and Taiwan refer to Mainland China, Hong Kong (China), Macau (China) and Taiwan (China), respectively.*

Manufacturing

In June 2020, we received a production license from Jiangsu Province authorities for our new commercial manufacturing facility in Suzhou. This facility provides approximately 10,000 square meters for commercial and clinical manufacturing in compliance with GMP and Quality Management System ("**QMS**") standards. It is designed to house four independent modules. The design of these modules can be adapted to support all cell platforms, including those using gene-modified autologous T-cells and natural killer ("**NK**") cells, gene-modified or non-gene-modified tumor-infiltrating lymphocyte and gene-modified allogeneic immune cells, as well as facilities to produce clinical grade viral vectors that are used to genetically modify these cells. Currently, two of these modules have been constructed and qualified and are in full GMP operations. With current regulatory approval, we are not operating at our designed capacity of supporting autologous CAR-T treatment up to 2,500 patients per year. However, we are diligently working with regulatory agency to increase our manufacturing capacity.

Our manufacturing facility is designed to address all of the major challenges associated with scaling up from clinical scale to commercial scale manufacturing, which represents a paradigm shift in which product quality, regulatory compliance, process reliability, scalability and cost of goods all become critical factors. We believe the degree of automation that we have designed into our commercial manufacturing processes positions us as a leader in terms of CAR-T manufacturing.

Our Suzhou operations have been executing according to our commercialization plans and have made significant achievements during the last year. In March 2021, we received and passed relma-cel PAI (Pre-approval Inspection) conducted jointly by the NMPA and Jiangsu Province FDA with no critical or major observations. In June 2021, our production license for Suzhou site was renewed with the license type changed from As to As+Cs (A as MAH (Marketing Authorization Holder) owner and manufacturer, C as CMO (contract manufacturing organization), s as bio products).

As a critical material, sustainable lentiviral vector supply is necessary to ensure our final product manufacturing and supply. We continuously invested resources in establishing our own capability in vector manufacturing. We have developed a platform process, and we are on target to manufacture clinical batches by the end of 2022.

Since the launch of our first commercial product Carteyva® in September 2021, we have maintained the high manufacturing success rate of 99%, which we have maintained since commencement of our LBCL registrational clinical trial. Relma-cel has demonstrated high rates of durable disease response and low rates of CAR-T associated toxicities.

Commercialization

2022 is the first full year of commercialization for cell therapy in China. We are excited to be part of the event to provide breakthrough product to serve Chinese patients. In the first half of 2022, we generated 77 prescriptions of Carteyva® and completed 64 infusions for r/r LBCL patients. Among 69 assessable patients from 94 infused patients who had been treated with Carteyva® since launch, CRR was 56.5% according to reports from treating physicians regarding their assessment of best response. This remains at or above the level of the CRR that Carteyva® demonstrated in the registrational clinical trial.

We have built a focused in-house sales and marketing team to market Carteyva® across China. We have established a commercial team of around 100 employees with different teams including Sales, Marketing, CAR-T Consultant, Innovative Payment, Channel Management and Hospital Access as of August 2022. These teams are led by experienced commercial leaders with a clear business model. To support hospitals ready to use our product, we conducted training, dry-run for each hospital to help physicians and nurses to have a comprehensive understanding about Carteyva® itself and the whole vein to vein process. Meanwhile, a systemic evaluation will be conducted to assess whether the hospitals meet our requirement to administer CAR-T products. As of June 30, 2022, we completed training, dry-run and evaluation for the top 83 hospitals in China, and we certified those hospitals as qualified to administer Carteyva®. Meanwhile, Shanghai Pharma KDL (上藥康德樂) continued working as our national distributor and will provide professional delivery service for each patient.

As CAR-T therapies are a new and comprehensive treatment process that is unlike any other treatment currently approved in the market, we have made significant efforts to educate physicians and patients on the potential benefits of CAR-T therapies, and to demonstrate the proper process in administering and monitoring the treatment as well as adverse effects management. In January 2022, the "Guiding Principles for the Clinical Application of relmacabtagene autoleucel injection (2021 version)" was published by the Lymphoma Expert Committee of the Chinese Society of Clinical Oncology, the Hematology Branch of the Chinese Medical Association and the Hematology Branch of the Chinese Medical Doctor Association. This Guiding Principle was formulated by combining the current status of CAR-T practice and published data from Carteyva® related studies, and it is the first clinical guiding principle for commercialized CAR-T product in China in order to further standardize the clinical application of Carteyva® and provide a reference for physicians.

To improve affordability, we also have upgraded our multi-layer medical care system by enlarging the listing into more local governmental complementary medical insurances and health insurances. Carteyva® has been listed in 52 commercial insurance products and 28 local governmental complementary medical insurance programs as of June 30, 2022. To further help patients relieve financial pressure, we continued cooperation with innovative payment platforms which are able to provide installment payment services or mortgage loans to potential recipients of Carteyva® as a treatment. We will keep on the enhancement of our multi-layer medical care system and improve affordability for patients who are eligible to be treated with Carteyva®.

With the proved efficacy, clear strategy and strong commercialization ability, we are confident that Carteyva® will benefit more patients in the medium and longer term.

Impact of the COVID-19 pandemic

We have taken a number of measures to address the challenge posed by the COVID-19 pandemic in the first half of 2022. We have continued to implement rigorous testing, reporting, ventilation and disinfection measures to manage risks for employees and contractors who are on-site. During the period in the second quarter of 2022 when restrictions on travel within Shanghai were put in place by the government to contain an outbreak of COVID-19, we implemented measures to promote frequent communications and maintain close connections among employees, and we sent small teams to manufacturing sites to ensure continued production. We experienced some delay in patient recruitment for some of our clinical trials (such as our Carteyva®/MCL trial and our JWATM204/HCC trial), yet we were also able to balance out resources in other cities to significantly mitigate the effects of the lockdown in Shanghai; for example, we were able to administer the first dose of JWATM204 to a patient largely on schedule. Overall we believe we have successfully addressed the challenge posed by the COVID-19 pandemic in the first half of 2022, and our revenue for the first half remains in line with previous expectations.

Future developments in the COVID-19 pandemic may have a potential impact on our operations, however, including but not limited to the enrollment of patients in clinical trials, regulatory reviews and approvals, recruitment of commercial patients, procurement of raw materials and delivery of finished products, etc. The extent to which future developments in the COVID-19 pandemic will affect our operations cannot be predicted at this stage. We will continue to monitor the situation and adopt various measures to mitigate the impact.

Future and Development

In addition to driving full-scale commercialization of Carteyva®, we intend to focus on pursuing the following strategies as we pursue our vision of becoming an innovation leader in cell immunotherapy:

Solidify our leadership in hematological cancers by continuing to develop Carteyva® for earlier lines of treatment and additional indications, as well as clinical development of other new products

Our approach to expand Carteyva®'s indications involves two key pillars: advancing Carteyva® into earlier lines of LBCL treatment and developing Carteyva® as a potential therapy for other hematological cancers that express the CD19 antigen. If our development plan is realized, we anticipate new sNDA approvals for Carteyva® in 2022 and 2023. Furthermore, to expand our product portfolio and solidify our leadership in hematological cancers, we intend to drive clinical development of cell therapy products for MM. As patients with MM are afflicted by frequent complications, for which there continues to be no viable cure, we believe that MM is a market with significant untapped potential.

Leverage our integrated cell therapy platform to expand into the solid tumor market

Our solid tumor portfolio is headlined by JWATM203 and JWATM204. We acquired the rights to develop, manufacture and commercialize these products in the JW Territory from Eureka in June 2020. Moreover, in August 2020, we entered into a collaboration agreement with Lyell pursuant to which we obtained the right to use Lyell's T-cell anti-exhaustion technology in conjunction with Eureka's ARTEMIS® platform to create JWATM213 and JWATM214 and to develop, commercialize and manufacture those products in the JW Territory. We believe there is an opportunity to use these technologies as a platform for multiple new cell therapies that can be applied across a broad range of rare and prevalent solid tumors, including HCC as well as others.

Continuously enhance our manufacturing capability and implement cost reduction plan through innovation and scale

We have had a 99% success rate for the manufacturing of Carteyva® since commencement of our LBCL registrational clinical trial. However, we intend to invest in further optimizing our manufacturing processes through technological enhancements and achieving economies of scale, with the ultimate goal of making the production of our cell therapies better, faster, and more cost effective.

Grow our business through in-licensing opportunities, partnerships and selective acquisitions, as well as in-house R&D

Since the establishment of the Company, we have used a mix of in-licensing opportunities, selective acquisitions and in-house R&D to fuel our growth into a leading cell therapy player in China. We leveraged our exclusive licenses of certain rights from Juno to introduce relma-cel and JWCAR129 into our pipeline, and we acquired rights from Eureka and Lyell that enabled us to introduce JWATM203/213 and JWATM204/214 into our pipeline.

In addition, in January 2022, we strengthened our in-house R&D capabilities with the appointment of Dr. Shaun Paul Cordoba ("**Dr. Cordoba**") as our chief scientific officer. Dr. Cordoba is a highly regarded scientist in driving new innovations in cell immunotherapy technology. He is ranked third in the world as patent holder in relation to CAR technology, with over 270 patent filings in relation to enhancing CAR activity, shielding CAR-T cells from immunosuppression, and improving CAR safety. He will oversee the early-stage R&D, and will provide scientific leadership and strategic guidance to develop a robust cell immunotherapy pipeline for the Company.

We believe we have established a reputation in China as a preferred partner in cell therapy due to our proprietary platform and clinical track record, and we plan to leverage our platform and network to focus on potential opportunities in the cell therapy space that we deem to possess high growth or breakthrough technology potential. These potential opportunities include but are not limited to growth opportunities in alternative allogeneic approaches and new cellular targets which we believe represent novel and groundbreaking approaches to the treatment of cancer.

Moreover, we significantly enhanced our discovery platform through acquisition in June 2020 of certain rights to use Eureka's ARTEMIS® and E-ALPHA® platforms, and we intend to leverage our enhanced discovery platform to potentially identify and develop the next groundbreaking solution in cell therapy.

Finally, we plan to continue to leverage our network of strategic partners, leaders in the cell therapy field and the contract research organization field, respectively, as we continue to advance into new, undiscovered cellular targets and treatment.

FINANCIAL REVIEW

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

IFRS Measure:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**66,007**	—
Cost of sales	**(42,876)**	—
Gross profit	**23,131**	—
General and administrative expenses	**(90,922)**	(105,101)
Research and development expenses	**(195,887)**	(185,509)
Selling expense	**(84,447)**	(46,176)
Other income	**7,106**	3,933
Other gains/(losses), net	**(90,936)**	(725)
Operating loss	**(431,955)**	(333,578)
Finance income	**5,400**	1,934
Finance costs	**(2,699)**	(537)
Finance income/(costs) — net	**2,701**	1,397
Fair value changes of warrants	**—**	51,486
Loss before income tax	**(429,254)**	(280,695)
Income tax expense	**—**	—
Loss for the period	**(429,254)**	(280,695)
Non-IFRS measure:		
Adjusted loss for the period	**(289,204)**	(272,602)

1. Overview

Our loss for the period increased from RMB280.7 million for the six months ended June 30, 2021 to RMB429.3 million for the six months ended June 30, 2022. This increase was primarily due to: (i) increased unrealized foreign exchange loss; (ii) increased research and development expenses and selling expenses; and (iii) the fact that we recognized one-time non-cash income in the first half of 2021 from de-recognition of "warrants of upfront payment" under our BCMA License Agreement with Juno when Juno discontinued clinical development of orva-cel, and this one-time non-cash income item did not recur in the first half of 2022. The effects of the foregoing factors were partially offset by revenue and gross profit generated from Carteyva® and a decrease in general and administrative expenses.

Our adjusted loss increased from RMB272.6 million for the six months ended June 30, 2021 to RMB289.2 million for the six months ended June 30, 2022, primarily as a result of (i) increased selling expenses associated with headcount increase and commercial activities carried out; (ii) increased cash expenses for staff allocated to research and development; and (iii) increased research and development expenses for testing and clinical trials and depreciation and amortization. The effects of these factors were partially offset by an increase in our gross profit and a decrease in general and administrative expenses.

2. Revenue

We successfully commercialized our anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® (relma-cel, R&D code: JWCAR029) for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy after obtaining the marketing approval for the product from the NMPA on September 1, 2021.

Our revenue was RMB66.0 million for the six months ended June 30, 2022, as compared to nil for the six months ended June 30, 2021. Revenue was recognized at the point of infusion. We expect that our revenue will continue to increase from the sales of Carteyva® along with our commercialization progress as more patients are treated with Carteyva®.

The following table sets forth a breakdown of revenue from our products for the period indicated.

	Six months ended June 30,			
	2022		2021	
	RMB'000 **(Unaudited)**	**%**	*RMB'000* (Unaudited)	*%*
Carteyva®	**66,007**	**100.0**	—	—
Total revenue	**66,007**	**100.0**	—	—

3. Cost of Sales

Our cost of sales was RMB42.9 million for the six months ended June 30, 2022, as compared to nil for the six months ended June 30, 2021. Our cost of sales primarily consists of raw material costs, staff costs, depreciation and amortization, manufacturing overhead and others.

The following table sets forth a breakdown of our cost of sales for the period indicated:

	Six months ended June 30,			
	2022		2021	
	RMB'000	**%**	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
Carteyva®	**42,876**	**100.0**	—	—
Total cost of sales	**42,876**	**100.0**	—	—

4. Gross Profit and Gross Profit Margin

Our gross profit represents our revenue minus our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue.

Our gross profit was RMB23.1 million and gross profit margin was 35.0% for the six months ended June 30, 2022, compared to nil for the six months ended June 30, 2021.

5. Research and Development Expenses

The following table provides a breakdown of our research and development expenses for the six months ended June 30, 2021 and 2022.

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**94,135**	93,104
— *Share-based compensation expenses*	***8,658***	*16,302*
R&D materials	**34,630**	42,715
Testing and clinical fees	**33,057**	25,830
Depreciation and amortization	**23,083**	13,674
Office expenses	**4,450**	5,272
Others	**6,532**	4,914
Research and development expenses	**195,887**	185,509

Our research and development expenses increased from RMB185.5 million for the six months ended June 30, 2021 to RMB195.9 million for the six months ended June 30, 2022. This increase was primarily due to an increase of approximately RMB9.4 million in depreciation and amortization, which resulted principally from depreciation of the Suzhou manufacturing facility and Shanghai Waigaoqiao upgraded manufacturing facility, which began from the fourth quarter of 2021. To a lesser extent, the increase in research and development expenses resulted from an increase of approximately RMB7.2 million in testing and clinical fees, which resulted from our multiple clinical research and development activities. The effects of the foregoing factors were partially offset by a decrease in expenses for R&D materials.

6. General and Administrative Expenses

The following table provides a breakdown of our general and administrative expenses for the six months ended June 30, 2021 and 2022.

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**56,462**	69,923
— *Share-based compensation expenses*	***32,859***	*43,774*
Professional service fees	**16,816**	21,326
Depreciation and amortization	**6,048**	2,074
Office expenses	**6,647**	4,758
Non-audit remuneration	**497**	589
Others	**4,452**	6,431
General and Administrative Expenses	**90,922**	105,101

Our general and administrative expenses decreased from RMB105.1 million for the six months ended June 30, 2021 to RMB90.9 million for the six months ended June 30, 2022. This decrease resulted primarily from a decrease of RMB13.5 million in staff costs, which in turn resulted primarily from a decrease in share-based compensation expenses.

7. Selling Expenses

The following table provides a breakdown of our selling expenses for the six months ended June 30, 2021 and 2022.

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**51,917**	37,187
— Share-based compensation expenses	***7,453***	*3,907*
Business promotion fees	**26,383**	5,492
Professional service fees	**4,590**	1,480
Office expenses	**968**	1,726
Others	**589**	291
Selling expenses	**84,447**	46,176

Our selling expenses increased from RMB46.2 million for the six months ended June 30, 2021 to RMB84.4 million for the six months ended June 30, 2022. This increase was primarily due to an increase of RMB14.7 million in staff costs for commercial team and an increase of RMB20.9 million in business promotion fees, as we carried out commercial activities comprehensively from the second half of 2021 to fully support the commercialization of Carteyva®.

8. Other Income

Our other income amounted to RMB7.1 million for the six months ended June 30, 2022, as compared to RMB3.9 million for the six months ended June 30, 2021. Our other income in both periods was related to government grants.

9. Other Gains and Losses

Our other gains and losses amounted to net other losses of RMB90.9 million for the six months ended June 30, 2022, as compared to net other losses of RMB0.7 million for the six months ended June 30, 2021. This change resulted primarily from a net foreign exchange loss of RMB91.1 million for the six months ended June 30, 2022, as compared to a net foreign exchange gain of RMB4.4 million for the six months ended June 30, 2021. The unrealized foreign exchange loss was the main factor of the changes in net foreign exchange loss, the unrealized foreign exchange loss in the first half of 2022 resulted from the changes in foreign currency exchange rates where the transactional currency was different from the functional currency of the operating subsidiary as a result of the weakening of the Renminbi against the U.S. dollars and the HK dollars in the first half of 2022. The unrealized foreign exchange gain in the first half of 2021 resulted from an exchange rate fluctuation in the opposite direction (appreciation of the Renminbi against the U.S. dollar and the Hong Kong dollar). These unrealized foreign exchange gains and losses are non-cash items.

10. Fair Value Changes of Warrants

Fair value changes of warrants changed from a gain of RMB51.5 million for the six months ended June 30, 2021 to nil for the six months ended June 30, 2022. In 2021, when Juno discontinued clinical development of orva-cel, we derecognized the "warrants of upfront payment" as defined in our BCMA License Agreement with Juno, leading to recognition of a gain of RMB5l.5 million from fair value changes of warrants for the first half of 2021. No income or loss from fair value changes of warrants occurred in the first half of 2022.

11. Income Tax Expense

For the six months ended June 30, 2021 and 2022, we did not incur any income tax expense, as we did not generate taxable income in either period.

12. Loss for the Period

As a result of the foregoing factors, our loss for the period increased from RMB280.7 million for the six months ended June 30, 2021 to RMB429.3 million for the six months ended June 30, 2022.

13. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss for the period as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

Adjusted loss for the period represents the loss for the period excluding the effect of certain non-cash items and one-time events, namely the loss on fair value changes of warrants, share-based compensation expenses and net foreign exchange losses. The term adjusted loss for the period is not defined under IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRS measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable. The table below sets forth a reconciliation of loss to adjusted loss for the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(429,254)**	(280,695)
Added:		
Fair value changes of warrants	**—**	(51,486)
Share-based compensation expenses	**48,970**	63,983
Net foreign exchange losses	**91,080**	(4,404)
Adjusted loss for the period (Non-IFRS)	**(289,204)**	(272,602)

Selected Data from Statement of Financial Position

	As at June 30, 2022 *RMB'000* (Unaudited)	As at December 31, 2021 *RMB'000* (Audited)
Total current assets	**1,636,650**	1,895,040
Total non-current assets	**1,258,368**	1,221,566
Total assets	**2,895,018**	3,116,606
Total current liabilities	**165,346**	198,900
Total non-current liabilities	**127,680**	126,849
Total liabilities	**293,026**	325,749
Net current assets	**1,471,304**	1,696,140

14. Liquidity and Sources of Funding and Borrowing

As at June 30, 2022, our current assets amounted to RMB1,636.7 million, including bank balances and cash of RMB1,519.7 million and other current assets of RMB117.0 million. As at the same date, our current liabilities amounted to RMB165.3 million, primarily including trade and other payables of RMB143.0 million and lease liabilities of RMB13.8 million. As at June 30, 2022 we have an unsecured bank borrowings in the amount of RMB97.5 million for the construction of our commercial manufacturing facility in Suzhou, PRC.

As of the date of this interim report, the Group has available unutilized bank loan facilities of RMB410.0 million.

15. Key Financial Ratios

The following table sets forth the key financial ratios of our Group as of the dates indicated:

	As at June 30, 2022	As at December 31, 2021
Current ratio[1]	**9.9**	9.5
Ratio of total liabilities to total assets[2]	**0.1**	0.1
Gearing ratio[3]	**N/A[4]**	N/A[4]

(1) Current ratio equals current assets divided by current liabilities as of the date indicated.

(2) Ratio of total liabilities to total assets equals total liabilities divided by total assets as of the date indicated.

(3) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by total equity and multiplied by 100%.

(4) Gearing ratio is not applicable as our interest-bearing borrowings less cash equivalents was negative.

16. Material Investments

We did not make any material investments during the six months ended June 30, 2022.

17. Material Acquisitions and Disposals

We did not engage in any material acquisitions or disposals during the six months ended June 30, 2022.

18. Pledge of Assets

As at June 30, 2022, the Group had no pledge of assets.

19. Contingent Liabilities

As at June 30, 2022, we did not have any material contingent liabilities.

20. Foreign Exchange Exposure

The Group mainly operated in Mainland China and a majority of its transactions were settled in Renminbi. We have financed our business principally through equity financings and the Global Offering with related proceeds denominated in U.S. dollars ultimately. We converted a portion of those U.S. dollar proceeds to Renminbi, with the remaining amounts reserved for additional conversions to Renminbi as needed. With the continuous appreciation of the U.S. dollar against the Renminbi, holding US dollar assets will enhance the purchasing power of the Group.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the Reporting Period. Differences arising on settlement or translation of monetary items are recognized in profit or loss. During the six months ended June 30, 2022, foreign exchange risk arises from the assets and liabilities denominated in the Renminbi which is different from the functional currency of the Company due to the weakening of the Renminbi against the U.S. dollars and the HK dollars in the first half of 2022. The management seeks to limit our exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

21. Employees and Remuneration

As at June 30, 2022, we had 589 employees. The following table sets forth the total number of employees by function as of June 30, 2022:

	Number of Employees	% of total
Technical operations	240	40.7
Quality	103	17.5
Medical	84	14.3
Commercial	105	17.8
Business development and general administrative	11	1.9
Support functions	46	7.8
Total	589	100.0

The total remuneration cost (including Directors' emoluments) incurred by the Group for the six months ended June 30, 2022 was RMB207.8 million, as compared to RMB200.2 million for the six months ended June 30, 2021.

The remuneration of the employees of the Group comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based compensation expenses. In accordance with applicable Chinese laws, the Group has made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for the Group's employees.

The Company has also adopted the Pre-IPO Incentivization Scheme, the Restricted Share Unit Schemes and the Post-IPO Incentivization Scheme. Please refer to the section headed "Statutory and General Information — D. Share Incentivization Schemes" in Appendix V to the prospectus dated October 22, 2020 (the "**Prospectus**") for further details.

To maintain the quality, knowledge and skill levels of the Group's workforce, the Group provides the employees with periodic training, including introductory training for new employees, technical training, professional and management training and health and safety training.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the end of the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance during the six months ended June 30, 2022.

Except as expressly described below, the Company has complied with all applicable code provisions of the CG Code during the six months ended June 30, 2022.

Separation of the Roles of the Chairman of the Board and CEO

Dr. Li is currently the Chairman and CEO. We consider that having Dr. Li acting as both the Chairman and CEO will provide a strong and consistent leadership to us and allow for more effective planning and management of our Group. Pursuant to code provision C.2.1 in Part 2 of the CG Code, the roles of the chairman of the Board and CEO should be separate and should not be performed by the same individual. However, in view of Dr. Li's extensive experience in the industry, personal profile and critical role in our Group and our historical development, we consider that it is beneficial to the business prospects of our Group that Dr. Li continues to act as both the Chairman and CEO.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding securities transactions, namely the Code for Securities Transactions by Directors (the "**Securities Transactions Code**"), which applies to all Directors on terms no less than the required standard indicated by the Model Code.

Specific enquiry has been made to all the Directors and they have confirmed that they have complied with the Securities Transactions Code during the six months ended June 30, 2022.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of interim dividend for the six months ended June 30, 2022.

AUDIT COMMITTEE

The Board has established the Audit Committee which is chaired by an independent non-executive Director, Mr. Yiu Leung Andy Cheung, and consists of another independent non-executive Director, Mr. Kin Cheong Kelvin Ho, and a non-executive Director, Ms. Xing Gao. The primary duties of the Audit Committee are to assist the Board by monitoring the Company's ongoing compliance with the applicable laws and regulations that governs its business operations, providing an independent view on the effectiveness of the Company's internal control policies, financial management processes and risk management systems.

The Audit Committee had, together with the management and external auditor of the Company, reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2022.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended June 30, 2022 have also been reviewed by PricewaterhouseCoopers in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties involved in our operations, some of which are beyond our control:

Risks Relating to Our Financial Position

- We have incurred significant losses since our inception, and we expect to continue to incur losses for the foreseeable future;
- We had net operating cash outflow during the six months ended June 30, 2019, 2020, 2021 and 2022;
- An impairment in the carrying value of intangible assets could have a material adverse effect on our financial condition and results of operations.

Risks Relating to Our Business

- Changes in international trade or investment policies and barriers to trade or investment, the ongoing conflict and trade tension war between the U.S. and China may have an adverse effect on our business and expansion plans;
- We operate in a rapidly changing industry and we face substantial competition, which may result in others discovering, developing or commercializing competing products before or more successfully than we do, or developing product candidates or treatments that are safer, more effective, more effectively marketed or cost less than ours, or receive regulatory approval or reach the market earlier. As a result, our product candidates may not achieve the sales we anticipate and could be rendered non-competitive or obsolete;
- Our proprietary CAR-T preparation technologies and the manufacturing platform for our CAR-T product candidates represent emerging approaches to cancer treatment that face significant challenges and hurdles;
- Clinical development of biopharmaceutical products 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 product 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 product candidates;

- We may not be successful in our efforts to build or in-license a pipeline of new product candidates. If we fail to do so, our commercial opportunity will be limited;

- We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or have a greater likelihood of success.

Risks Relating to Extensive Government Regulation

- All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products are heavily regulated. Any failure to comply with existing regulations and industry standards, or any adverse actions by the NMPA or other comparable regulatory authorities against us, could negatively impact our reputation and our business, financial condition, results of operations and prospects;

- The regulatory approval processes of the NMPA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are ultimately unable to obtain, or experience delays in obtaining, regulatory approval for our product candidates, our business will be substantially harmed;

- Changes in government regulations or in practices relating to the pharmaceutical and biopharmaceutical industries, including healthcare reform in China, and compliance with new regulations may result in additional costs;

- Even if we are able to commercialize any approved product candidates, the products may become subject to unfavorable pricing regulations, or to unfavorable changes in national or third-party reimbursement practices, which could harm our business.

Risks Relating to Manufacturing of Our Product Candidates

- Our product candidates are cell therapies. The manufacture of our product candidates is complex, and we may encounter difficulties in production, particularly with respect to development or scaling-out of our manufacturing capabilities. If we encounter such difficulties, our ability to provide supply of our product candidates for clinical trials or our products for patients, if approved, could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure;

- Cell-based therapies rely on the availability of reagents, specialized equipment, and other specialty materials, which may not be available to us on acceptable terms or at all. For some of these reagents, equipment, and materials, we rely or may rely on sole source vendors or a limited number of vendors, which could impair our ability to manufacture and supply our products.

Risks Relating to Commercialization of Our Product Candidates

- The market opportunities for our product candidates may be limited to those patients who are ineligible for or have failed prior treatments and may be small, and our projections regarding the size of the addressable market may be incorrect;

- We may not be successful in achieving cost of goods at commercial scale that provide for an attractive margin. We believe that our current, robust manufacturing processes are fit for commercial scale and we anticipate they will enable commercial supply at an economical cost. However, we have not yet established manufacturing capacity at sufficient commercial scale and may underestimate the cost and time required to do so, or overestimate cost reductions from economies of scale that can be realized with our manufacturing processes. We may ultimately be unable to manage the cost of goods for our product candidates to levels that will allow for a margin in line with our expectations and return on investment if and when those product candidates are commercialized;

- Product liability claims or lawsuits could cause us to incur substantial liabilities, and our insurance coverage may be inadequate to protect us from all the liabilities we may incur;

- The increasing use of social media platforms presents new risks and challenges.

Risks Relating to Our Intellectual Property Rights

- We depend on intellectual property licensed from third parties, and termination of any of these licenses or disruption to our business relationship with our licensors could result in monetary damages or the loss of significant rights, which would harm our business;

- If we or our licensors are unable to obtain and maintain adequate patent and other intellectual property protection for our product candidates and other intellectual property, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our product candidates or technologies may be adversely affected;

- If we determine that our intellectual property rights (including rights in-licensed from third parties) or other intangible assets are impaired, our results of operations and financial condition may be adversely affected;

- Even if we are able to obtain patent protection for our product candidates, the life of such protection, if any, is limited, and third parties could be able to circumvent our patents by developing similar or alternative products and technologies in a non-infringing manner, or develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially adversely affected.

Risks Relating to Our Doing Business in China

- The biopharmaceutical industry in China is highly regulated and such regulations are subject to change, which may affect approval and commercialization of our product candidates;

- Changes in the political and economic policies of the PRC government 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;

- Our business benefits from certain financial incentives and preferential policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

For further details, please refer to the section headed "Risk Factors" in the Prospectus.

CHANGES IN DIRECTORS' INFORMATION

The Company is not aware of any changes in the information of the Directors and chief executive of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

Neither the Company nor any of its subsidiaries have purchased, redeemed or sold any of the Company's listed securities during the six months ended June 30, 2022.

USE OF NET PROCEEDS FROM LISTING

Our shares were listed on the Main Board of the Stock Exchange on November 3, 2020. The Group received net proceeds (after deducting the underwriting fees and related costs and expenses) from the issue of new shares by the Company in its Listing and the subsequent over-allotment option partially exercised by the Joint Global Coordinators approximately HK$2,495.8 million. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus as follows and the Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purposes depending on actual business needs.

The net proceeds (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in accordance with the purposes set out in the Prospectus. The table below sets out the planned applications of the net proceeds and actual usage up to June 30, 2022:

Intended Applications	Amount of net proceeds *(HK$ million)*	Percentage of total net proceed	Net proceeds brought forward for the Reporting Period *(HK$ million)*	Actual usage up to June 30, 2022 *(HK$ million)*	Unutilized net proceeds as at June 30, 2022 *(HK$ million)*
Research and development activities relating to relma-cel	748.74	30%	338.64	190.96	147.68
Building a focused in-house sales and marketing team to market relma-cel across Mainland China	249.58	10%	58.01	58.01	—
Research and development activities relating to JWCAR129	149.75	6%	83.13	3.09	80.04
Research and development activities relating to our other pre-clinical product candidates including our JWATM203 Program, our JWATM204 Program and Nex-G	698.82	28%	617.02	61.82	555.20
Acquisition of the Acepodia license through exercising the Acepodia Option	99.83	4%	99.83	—	99.83
New potential acquisitions and in-licensing opportunities	299.50	12%	299.50	—	299.50
Working capital and general corporate purposes	249.58	10%	123.83	55.04	68.79
Total	2,495.80	100.0%	1,619.96	368.92	1,251.04

As of June 30, 2022, the net proceeds applied for building a focused in-house sales and marketing team to market relma-cel across Mainland China has been fully utilized and the rest of the planned applications of the net proceeds are expected to be fully utilized by June 30, 2024. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2022, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange 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 taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in Shares and underlying Shares

Name of Director	Capacity/nature of interest	Number of shares/ underlying shares	Approximate Percentage of Shareholding in the Company	Long position/ Short position/ Lending pool
Dr. Li[(1)]	Beneficial interest	18,623,515	4.54%	Long position
	Interest in controlled corporation	7,448,992	1.81%	Long position
	Founder and trustee of discretionary trust	1,757,468	0.43%	Long position
Mr. Liu Cheng	Beneficial interest	7,137,082	1.74%	Long position

Notes:

(1) Dr. Li held (i) 5,742,532 Shares through his direct interests in JDI Capital Management Limited, (ii) 1,706,460 Shares through his indirect interests in Park Place Capital Management & Consulting Limited and (iii) 1,757,468 Shares held by The Yiping James Li 2020 Grantor Retained Annuity Trust for Dr. Li, with annuity payments to Dr. Li and with remainder interests, if any, to his family members, with Dr. Li as founder and trustee. Park Place Capital Management & Consulting Limited is wholly-owned by JDI Capital Management Limited which in turn is wholly-owned by Dr. Li.

An aggregate total of 3,090,956 Restricted Share Units granted to Dr. Li, consisting of 2,586,670 Restricted Share Units granted on June 30, 2020 and 504,286 Restricted Share Units granted on September 30, 2021, was vested on April 1, 2022. As at June 30, 2022, Dr. Li is interested in a total of 7,053,489 underlying Shares in the Company, which comprises 3,035,740 Restricted Share Units granted to him pursuant to the Restricted Share Unit Scheme and 4,017,749 share options granted to him pursuant to the Post-IPO Incentivization Scheme.

Accordingly, Dr. Li is interested in an aggregate of 27,829,975 Shares in the Company.

(2) The calculation is based on the total number of 410,606,944 Shares in issue as at June 30, 2022.

Save as disclosed above, as at June 30, 2022, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange 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 taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

As at June 30, 2022, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as 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 Shareholding in the Company	Long position/ Short position/ Lending pool
Juno[1]	Beneficial interest	70,231,140	17.10%	Long position
Celgene Corporation[1]	Interest in controlled corporation	70,231,140	17.10%	Long position
BMS[1]	Interest in controlled corporation	70,231,140	17.10%	Long position
Dr. Li[2]	Beneficial interest, interest in a controlled corporation, founder and trustee of discretionary trust	27,829,975	6.78%	Long position
Li Dan[3]	Interest of spouse	27,829,975	6.78%	Long position

Notes:

(1) As at June 30, 2022, Juno directly held 70,231,140 Shares. Pursuant to the BCMA License Agreement, the 4,665,530 Juno Settlement Shares may be issued to Juno upon exercise of the second warrant as part of the second upfront payment in relation to Juno's orva-cel. In February 2021, BMS announced that it would discontinue clinical development of orva-cel and therefore, the 4,665,530 Juno Settlement Shares shall no longer be issued to Juno. Juno is wholly-owned by Celgene which is in turn wholly-owned by BMS. As such, under the SFO, BMS (through its interest in a controlled corporation) is deemed to be interested in 70,231,140 Shares held by Juno.

(2) As at June 30, 2022, Dr. Li held (i) 5,742,532 Shares through his direct interests in JDI Capital Management Limited, (ii) 1,706,460 Shares through his indirect interests in Park Place Capital Management & Consulting Limited and (iii) 1,757,468 Shares held by The Yiping James Li 2020 Grantor Retained Annuity Trust for Dr. Li, with annuity payments to Dr. Li and with remainder interests, if any, to his family members, with Dr. Li as founder and trustee. Park Place Capital Management & Consulting Limited is wholly-owned by JDI Capital Management Limited which in turn is wholly-owned by Dr. Li.

An aggregate total of 3,090,956 Restricted Share Units granted to Dr. Li, consisting of 2,586,670 Restricted Share Units granted on June 30, 2020 and 504,286 Restricted Share Units granted on September 30, 2021, was vested on April 1, 2022. As at June 30, 2022, Dr. Li is interested in a total of 7,053,489 underlying Shares in the Company, which comprises 3,035,740 Restricted Share Units granted to him pursuant to the Restricted Share Unit Scheme and 4,017,749 share options granted to him pursuant to the Post-IPO Incentivization Scheme.

Accordingly, Dr. Li is interested in an aggregate of 27,829,975 Shares in the Company.

(3) Li Dan's spouse, Dr. Li, was interested in 27,829,975 Shares and therefore Li Dan is deemed to be interested in the same number of Shares.

(4) The calculation is based on the total number of 410,606,944 Shares in issue as at June 30, 2022.

Save as disclosed above, as at June 30, 2022, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE INCENTIVIZATION SCHEMES

Pre-IPO Incentivization Scheme

In order to attract, retain and motivate employees, Directors and such other eligible persons and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group, our Company adopted the Pre-IPO Incentivization Scheme on September 4, 2019. The terms of the Pre-IPO Incentivization Scheme are not subject to the provisions of Chapter 17 of the Listing Rules. For more details of the Pre-IPO Incentivization Scheme, please refer to "Statutory and General Information — D. Share Incentivization Schemes — 1. Pre-IPO Incentivization Scheme" of Appendix V to the Prospectus.

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Incentivization Scheme and RSUs may be granted under the Restricted Share Unit Scheme shall not, in aggregate exceed 36,031,500 Shares (subject to possible adjustments) which is a shared common pool, which represents approximately 8.78% of the total issued share capital of the Company as at June 30, 2022. The Pre-IPO Incentivization Scheme will remain in force for a period of ten years unless terminated sooner, and has a remaining term of approximately 7.5 years as at the date of this interim report. No awards in the form of options under the Pre-IPO Incentivization Scheme shall be granted after the Listing Date.

Movement of the options, which were granted under the Pre-IPO Incentivization Scheme during the Reporting Period is as follows:

Category	Grant date	Exercise price (US$/share)	Vesting commencement date [(1) and (2)]	Outstanding as at January 1, 2022	Granted	Exercised	Cancelled	Lapsed	Outstanding as at June 30, 2022
1. Continuous Contract Employees	September 10, 2020	0.00001	July 1, 2020	3,529,840	0	0	0	14,660	3,515,180
	June 30, 2020	0.0001	between July 1, 2019 and July 1, 2020	1,327,950	0	32,220	0	77,280	1,218,450
	September 4, 2019	0.1	between April 1, 2016 and July 1, 2019	1,495,200	0	147,770	0	56,040	1,291,390
	September 4, 2019	0.655	between April 1, 2018 and April 1, 2019	386,730	0	0	0	4,360	382,370
Total				6,793,720	0	179,990	0	152,340	6,407,390

Notes:

(1) Options granted generally vest over a four-year period. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

(2) The respective offer letter sets out the option period of 10 years for each corresponding grantee.

(3) The closing price of the Shares immediately before the dates on which the options were granted was not applicable as the Company was not yet listed on the dates of grant during the Reporting Period.

(4) There are no grants to directors, chief executive or Substantial Shareholders of the Company, or their respective associates. There are no participants with options granted in excess of the individual limit. There are no grants to suppliers of goods and services.

Restricted Share Unit Schemes

In order to attract, retain and motivate employees, Directors and such other eligible persons and to provide a means of compensating them through the grant of RSUs for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group, our Company adopted the Restricted Share Unit Schemes on September 4, 2019 and October 14, 2020, respectively. The terms of the Restricted Share Unit Schemes are not subject to the provisions of Chapter 17 of the Listing Rules. For more details of the Restricted Share Unit Schemes, please refer to "Statutory and General Information — D. Share Incentivization Schemes — 2. Restricted Share Unit Schemes" of Appendix V to the Prospectus.

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Incentivization Scheme and RSUs may be granted under the Restricted Share Unit Scheme shall not, in aggregate exceed 36,031,500 Shares (subject to possible adjustments) which is a shared common pool, which represents approximately 8.78% of the total issued share capital of the Company as at June 30, 2022. The Restricted Share Unit Schemes will remain in force for a period of ten years unless terminated sooner, and has a remaining term of approximately 7.5 years as at the date of this interim report.

As at June 30, 2022, pursuant to the Restricted Share Unit Schemes, the Company had granted to directors, executives and employees of the Group outstanding RSUs representing an aggregate of 7,108,889 Shares, accounting for approximately 1.73% of the total issued share capital of the Company as at June 30, 2022.

Details of RSUs granted under the Pre-IPO Restricted Share Unit Scheme during the Reporting Period are as follows:

Category	Grant date	Outstanding as at January 1, 2022	Number of Shares underlying RSUs during the Reporting Period			Outstanding as at June 30, 2022
			Granted	Vested	Forfeited	
1. Directors						
Dr. Li	June 30, 2020	4,109,550	0	2,586,670	0	1,522,880
	September 30, 2021	2,017,146	0	504,286	0	1,512,860
Mr. Hans Edgar Bishop (resigned as a director on December 3, 2021 and remains as a senior advisor)	September 10, 2020	378,825	0	0	0	378,825
2. Continuous Contract Employees	September 4, 2019, June 30, 2020 and September 10, 2020	3,357,291	0	775,587	846,340	1,735,364
Total		9,862,812	0	3,866,543	846,340	5,149,929

Details of RSUs granted under the Post-IPO Restricted Share Unit Scheme during the Reporting Period are as follows:

Category	Grant date	Outstanding as at January 1, 2022	Number of Shares underlying RSUs during the Reporting Period			Outstanding as at June 30, 2022
			Granted	Vested	Forfeited	
Continuous Contract Employees	September 30, 2021	2,736,934	0	315,300	249,008	2,172,626
	December 17, 2021	472,182	0	0	0	472,182
	June 24, 2022	N/A	1,730,625	0	0	1,730,625
Total		3,209,116	1,730,625	315,300	249,008	4,375,433

Notes:

(1) RSUs granted generally vest over a four-year period. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

(2) There are no participants with options granted in excess of the individual limit. There are no grants to suppliers of goods and services.

Post-IPO Incentivization Scheme

The Company has adopted the Post-IPO Incentivization Scheme by resolutions passed by the Company on October 14, 2020, with effect upon completion of the Listing. For more details of the Post-IPO Incentivization Scheme, please refer to "Statutory and General Information — D. Share Incentivization Schemes — 3. Post-IPO Incentivization Scheme" of Appendix V to the Prospectus.

The purpose of the Post-IPO Incentivization Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Post-IPO Incentivization Scheme, with its broadened basis of participation, will enable our Group to reward our employees, our Directors and other selected participants for their contributions to our Group. Given that our Directors are entitled to determine the performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the options granted.

Under the Post-IPO Incentivization Scheme, the Company is authorized to issue up to 37,617,622 Shares (subject to possible adjustments), which represents approximately 9.16% of the total issued share capital of the Company as at the date of this interim report. The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Incentivization Scheme and any other share option scheme of our Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being (the "**Individual Limit**"). Any further grant of options in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our Shareholders and our Shareholders' approval in general meeting of our Company with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules. The Post-IPO Incentivization Scheme will remain in force for a period of ten years unless terminated sooner, and has a remaining term of approximately 7.5 years as at the date of this interim report.

The subscription price per Share under the Post-IPO Incentivization Scheme will be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five Business Days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five Business Days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Global Offering shall be used as the closing price for any Business Day falling within the period before Listing); and (iii) the nominal value of a Share on the date of grant. A nominal consideration of HK$1.00 is payable upon acceptance of the grant of an option.

Movement of the options, which were granted under the Post-IPO Incentivization Scheme during the Reporting Period is as follows:

Category	Grant date	Exercise price (HK$/ Share)	Closing price immediately before the date of grant (HK$/Share)	Outstanding as at January 1, 2022	Granted	Exercised	Cancelled	Lapsed	Outstanding as at June 30, 2022
Director									
Dr. Li	September 30, 2021	16.20	14.74	4,017,749	0	0	0	0	4,017,749
Continuous Contract Employees	September 30, 2021	16.20	14.74	2,841,579	0	0	0	429,117	2,412,462
	December 17, 2021	11.992	11.36	754,254	0	0	0	0	754,254
	June 24, 2022	8.94	8.26	N/A	2,282,395	0	0	0	2,282,395
Total				7,613,582	2,282,395	0	0	429,117	9,466,860

SIGNIFICANT LEGAL PROCEEDINGS

For the six months ended June 30, 2022, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report, the Group does not have other plans for material investments and capital assets.

Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2022

	Note	Six months ended June 30, 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	6	**66,007**	—
Cost of sales	9	**(42,876)**	—
Gross profit		**23,131**	—
Other income	7	**7,106**	3,933
Other losses — net	8	**(90,936)**	(725)
Selling expenses	9	**(84,447)**	(46,176)
General and administrative expenses	9	**(90,922)**	(105,101)
Research and development expenses	9	**(195,887)**	(185,509)
Operating loss		**(431,955)**	(333,578)
Finance income	10	**5,400**	1,934
Finance costs	10	**(2,699)**	(537)
Finance income — net	10	**2,701**	1,397
Fair values gain of warrants		**—**	51,486
Loss before income tax		**(429,254)**	(280,695)
Income tax expense	11	**—**	—
Loss for the period and attribute to the equity holders of the Company		**(429,254)**	(280,695)
Loss per share for the loss attributable to owners of the company			
— Basic and diluted (in RMB)	12	**(1.05)**	(0.71)

Condensed Consolidated Statement of Comprehensive Loss

For the six months ended June 30, 2022

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(429,254)**	(280,695)
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss		
— Exchange differences on translation	**191,324**	(36,562)
Other comprehensive income/(loss) for the period, net of tax	**191,324**	(36,562)
Total comprehensive loss for the period and attribute to the equity holders of the Company	**(237,930)**	(317,257)

Condensed Consolidated Balance Sheet

As at June 30, 2022

	Note	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	**320,878**	319,894
Right-of-use assets		**52,607**	45,784
Intangible assets	14	**849,802**	816,289
Prepayment for license	15	**6,711**	6,376
Other non-current assets	17	**28,370**	33,223
Total non-current assets		**1,258,368**	1,221,566
Current assets			
Inventories	16	**26,411**	31,402
Other current assets		**17,661**	17,405
Trade receivable	18	**6,048**	—
Other receivables and prepayments		**12,889**	11,834
Cash and cash equivalents		**1,519,731**	1,834,399
Financial assets at fair value through profit or loss		**30,223**	—
Amount due from related party	19	**23,687**	—
Total current assets		**1,636,650**	1,895,040
Total assets		**2,895,018**	3,116,606

Condensed Consolidated Balance Sheet

As at June 30, 2022

	Note	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
EQUITY			
Equity attribute to the owners of the Company			
Share capital	*20*	**27**	27
Reserves	*21*	**6,382,422**	6,142,033
Accumulated losses		**(3,780,457)**	(3,351,203)
Total equity		**2,601,992**	2,790,857
LIABILITIES			
Non-current liabilities			
Borrowings	*25*	**89,000**	95,000
Lease liabilities		**38,680**	31,849
Total non-current liabilities		**127,680**	126,849
Current liabilities			
Lease liabilities		**13,842**	15,186
Borrowings	*25*	**8,500**	5,000
Trade and other payables	*24*	**143,004**	178,714
Total current liabilities		**165,346**	198,900
Total liabilities		**293,026**	325,749
Total equity and liabilities		**2,895,018**	3,116,606

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2022

	Attributable to equity holders of the Company			
	Share capital *RMB'000*	Reserves *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
Balance at January 1, 2021	26	6,078,584	(2,648,875)	3,429,735
Loss for the period	—	—	(280,695)	(280,695)
Other comprehensive loss	—	(36,562)	—	(36,562)
Total comprehensive loss	—	(36,562)	(280,695)	(317,257)
Transactions with owners				
Issuance of ordinary shares	1	1,379	—	1,380
Share-based compensation expenses	—	63,983	—	63,983
Total transactions with owners	1	65,362	—	65,363
Balance at June 30, 2021 (Unaudited)	27	6,107,384	(2,929,570)	3,177,841
Balance at January 1, 2022	**27**	**6,142,033**	**(3,351,203)**	**2,790,857**
Loss for the period	**—**	**—**	**(429,254)**	**(429,254)**
Other comprehensive income	**—**	**191,324**	**—**	**191,324**
Total comprehensive income/(loss)	**—**	**191,324**	**(429,254)**	**(237,930)**
Transactions with owners				
Issuance of ordinary shares	**—**	**95**	**—**	**95**
Share-based compensation expenses	**—**	**48,970**	**—**	**48,970**
Total transactions with owners	**—**	**49,065**	**—**	**49,065**
Balance at June 30, 2022 (Unaudited)	**27**	**6,382,422**	**(3,780,457)**	**2,601,992**

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2022

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flows used in operating activities		
Cash used in operations	**(375,984)**	(283,053)
Interest received	**5,265**	1,934
Net cash used in operating activities	**(370,719)**	(281,119)
Cash flows used in investing activities		
Purchases of property, plant and equipment	**(26,974)**	(37,065)
Purchases of intangible assets	**(1,433)**	(54,857)
Payments for financial assets at fair value through profit or loss	**(30,000)**	—
Loans to related party	**(23,552)**	—
Net cash used in investing activities	**(81,959)**	(91,922)
Cash flows used in financing activities		
Proceeds from issuance of ordinary shares	**95**	1,380
Payment for listing expenses	**—**	(15,651)
Payment of lease liabilities	**(7,560)**	(5,240)
Interest paid for lease liabilities	**(345)**	(537)
Repayments of bank borrowings	**(2,500)**	—
Interest paid for bank borrowings	**(2,370)**	(2,350)
Net cash used in financing activities	**(12,680)**	(22,398)
Net decrease in cash and cash equivalents	**(465,358)**	(395,439)
Cash and cash equivalents at beginning of the period	**1,834,399**	2,630,598
Exchange gain/(loss) on cash and cash equivalents	**150,690**	(28,818)
Cash and cash equivalents at end of the period	**1,519,731**	2,206,341

1 GENERAL INFORMATION

JW (Cayman) Therapeutics Co. Ltd (the "**Company**") was incorporated in the Cayman Islands, with its registered office situate at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, on September 6, 2017 as an exempted company with limited liability.

The Company and its subsidiaries, hereinafter collectively referred to as the "**Group**" are primarily engaged in research and development ("**R&D**"), manufacturing, and marketing of anti-tumor drugs in the People's Republic of China (the "**PRC**").

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on November 3, 2020 (the "**Listing**").

The condensed interim financial information was approved for issue by the directors on August 30, 2022.

The condensed interim financial information has been reviewed, but not audited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed interim financial information for the six months ended June 30, 2022 has been prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**"). This Condensed Interim Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the IASB.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial liabilities at fair value through profit or loss, which are carried at fair value.

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

Except as described below and for the estimation of income tax using the tax rate that would be applicable to expected total annual earning, the significant accounting policies and methods of computation used in the preparation of the Condensed Interim Financial Information are consistent with the 2021 Annual Financial Statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New standard, amendments and interpretation adopted by the Group

A number of new standard, amendments and interpretation became applicable for the current reporting period and the Group changed its accounting policies and make adjustments as a result of adopting these new standard, amendments and interpretation set out below:

Amendments and improvement to existing standards

IAS 16 (Amendment)	Property, Plant and Equipment — Proceeds before Intended Use
IAS 37 (Amendment)	Onerous Contracts — Cost of Fulfilling a Contract
IFRSs	Annual Improvements 2018–2020 Reporting Cycle
IFRS 3 (Amendment)	Business Combinations
IFRS 16 (Amendment)	COVID-19 Related Rent Concessions beyond 30th June 2021

The adoption of the above new amendments to existing standards do not have a material impact on the Group.

2.3 New standards and interpretations not yet adopted

Certain new accounting standard, amendments and interpretation have been published but are not mandatory for the financial year beginning January 1, 2022 and have not been early adopted by the Group. These new accounting standard, amendments and interpretation are not expected to have a material impact on the Group's financial statements when they become effective.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cashflow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2021 Annual Financial Statements.

There have been no changes in the risk management policies since December 31, 2021.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the 2021 Annual Financial Statements.

5 SEGMENT INFORMATION

The Group's business activities are regularly reviewed and evaluated by the chief operating decision-makers.

As a result of this evaluation, the executive directors of the Group consider that the Group's operations are operated and managed as a single reportable segment. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

6 REVENUE

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from sales of goods		
— at a point of time	**66,007**	—

7 OTHER INCOME

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants		
— cost related *(Note)*	**7,106**	3,933

Note: The government grants and subsidies related to funding received to compensate for the Group's research and development expenses. Some of the grants received are related to future costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. When the required conditions set by the government for such grants are met, the proportion of the qualified funds is recognized as "other income" and the remaining balance is recorded as "Trade and other payables — deferred income".

8 OTHER LOSSES — NET

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange (losses)/gain	**(91,080)**	4,404
Fair value gain on financial instruments at fair value through profit or loss	**223**	—
Fair value loss of contingent consideration for business combination	**—**	(4,859)
Others	**(79)**	(270)
Total	**(90,936)**	(725)

9 EXPENSES BY NATURE

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' emoluments)	**207,177**	200,214
Materials and consumables	**55,269**	42,715
Testing and clinical expenses	**33,096**	25,830
Business promotion fee	**27,014**	5,492
Depreciation of property, plant and equipment *(Note 13)*	**26,432**	9,253
Professional service expenses	**21,736**	22,806
Office expenses	**12,882**	11,756
Depreciation-right of use assets	**6,224**	6,134
Amortization of license *(Note 14)*	**5,421**	—
Royalty fee	**3,960**	—
Short term lease and low value lease expenses	**2,864**	4,473
Amortization of other intangible assets *(Note 14)*	**2,765**	361
Auditors' remuneration-audit service	**497**	589
Other expenses	**8,795**	7,163
Total cost of sales, selling expenses, general and administrative expenses and research and development expenses	**414,132**	336,786

10 FINANCE INCOME — NET

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income:		
Interest income on bank deposits	**5,400**	1,934
Total finance income	**5,400**	1,934
Finance costs		
Interest expense on bank borrowings	**(2,354)**	(2,350)
Less: amounts capitalized in property, plant and equipment *(Note 13)*	**—**	2,350
	(2,354)	—
Interest expense on lease liabilities	**(345)**	(537)
Total finance costs	**(2,699)**	(537)
Finance income — net	**2,701**	1,397

11 INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

(a) Cayman Islands income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. There is no income tax in the Cayman Islands and accordingly, the operating results reported by the Company, is not subject to any income tax in the Cayman Islands.

(b) Hong Kong income tax

No provision for Hong Kong profits tax has been provided for at the rate of 16.5% as the Company has no estimated assessable profit.

(c) The PRC corporate income tax

No provision for Mainland China income tax has been provided for at a rate of 25% pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), as the Group's PRC entities have no estimated assessable profits.

The taxation of the Group's profit before taxation differs from the theoretical amount that would arise using the rates prevailing in the jurisdictions in which the Group operates as follows:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Loss before income tax	**(429,254)**	(280,695)
Tax calculated at applicable tax rate of 25%	**(107,313)**	(70,174)
Effect of different tax rate	**28,153**	(10,077)
Expenses not deductible for taxation purposes	**12,083**	16,455
Super deduction in respect of research and development expenditures	**(19,771)**	(27,338)
Tax loss not recognized as deferred tax assets	**86,848**	91,134
Income tax expense	**—**	—

12 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss of the Group attribute to owners of the Company by weighted average number of ordinary shares issued during the period.

	Six months ended June 30,	
	2022 (Unaudited)	2021 (Unaudited)
Loss attributable to the ordinary equity holders of the company *(RMB'000)*	**(429,254)**	(280,695)
Weighted average number of ordinary shares in issue (in thousand)	**408,382**	395,367
Basic loss per share *(RMB)*	**(1.05)**	(0.71)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended June 30, 2022, the Company had one category of potential ordinary shares: the stock options granted to employees (June 30, 2021: one category of potential ordinary shares: the stock options granted to employees). As the Group incurred losses for the six months ended June 30, 2021 and 2022, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share losses for the six months ended June 30, 2022 and 2021 are the same as basic loss per share.

13 PROPERTY, PLANT AND EQUIPMENT

	Machinery *RMB'000*	Electronic equipment *RMB'000*	Leasehold Improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Six months ended June 30, 2021 (Unaudited)					
Opening net book amount	32,707	17,605	17,389	217,523	285,224
Additions	3,302	1,085	—	28,693	33,080
Transfer	137	462	2,933	(3,532)	—
Disposals	(76)	(64)	—	—	(140)
Depreciation charges *(Note 9)*	(3,659)	(2,553)	(3,041)	—	(9,253)
Closing net book amount	32,411	16,535	17,281	242,684	308,911
As at June 30, 2021 (Unaudited)					
Cost	46,737	24,412	28,529	242,684	342,362
Accumulated depreciation	(14,326)	(7,877)	(11,248)	—	(33,451)
Net book amount	32,411	16,535	17,281	242,684	308,911
Six months ended June 30, 2022 (Unaudited)					
Opening net book amount	**96,285**	**20,366**	**186,083**	**17,160**	**319,894**
Additions			**1,359**	**26,746**	**28,105**
Transfer	**7,141**	**1,174**	**1,704**	**(10,019)**	**—**
Disposals	**—**	**(197)**	**—**	**—**	**(197)**
Depreciation charges *(Note 9)*	**(9,036)**	**(2,430)**	**(15,458)**	**—**	**(26,924)**
Closing net book amount	**94,390**	**18,913**	**173,688**	**33,887**	**320,878**
As at June 30, 2022 (Unaudited)					
Cost	**120,328**	**29,770**	**211,442**	**33,887**	**395,427**
Accumulated depreciation	**(25,938)**	**(10,857)**	**(37,754)**	**—**	**(74,549)**
Net book amount	**94,390**	**18,913**	**173,688**	**33,887**	**320,878**

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Depreciation of the Group charged to profit or loss is analyzed as follows:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of sales *(Note 9)*	**5,565**	—
Selling expenses *(Note 9)*	**4**	—
General and administrative expenses *(Note 9)*	**2,393**	1,753
Research and development expenses *(Note 9)*	**18,470**	7,500
	26,432	9,253

(b) There's no capitalized borrowing costs for the six months ended June 30, 2022 (the six months ended June 30, 2021: RMB2,350,000). The capitalization rate of borrowings was 0% for the six months ended June 30, 2022 (the six months ended June 30, 2021: 4.70%).

14 INTANGIBLE ASSETS

	Computer software *RMB'000*	Licenses *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Six months ended June 30, 2021 (Unaudited)				
Opening net book amount	4,516	756,953	13,505	774,974
Additions	424	32,462	21,971	54,857
Transfer	659	—	—	659
Amortization charges *(Note 9)*	(361)	—	—	(361)
Currency translation differences	—	(7,679)	—	(7,679)
Closing net book amount	5,238	781,736	35,476	822,450
As at June 30, 2021 (Unaudited)				
Cost	6,309	781,736	35,476	823,521
Accumulated amortization	(1,071)	—	—	(1,071)
Net book amount	5,238	781,736	35,476	822,450

14 INTANGIBLE ASSETS (Continued)

	Computer software *RMB'000*	Licenses *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Six months ended June 30, 2022 (Unaudited)				
Opening net book amount	**46,710**	**768,002**	**1,577**	**816,289**
Additions	**—**	**—**	**1,433**	**1,433**
Transfer	**1,433**	**—**	**(1,433)**	**—**
Amortization charges *(Note 9)*	**(2,798)**	**(5,421)**	**—**	**(8,219)**
Currency translation differences	**—**	**40,299**	**—**	**40,299**
Closing net book amount	**45,345**	**802,880**	**1,577**	**849,802**
As at June 30, 2022 (Unaudited)				
Cost	**50,767**	**811,823**	**1,577**	**864,167**
Accumulated amortization	**(5,422)**	**(8,943)**	**—**	**(14,365)**
Net book amount	**45,345**	**802,880**	**1,577**	**849,802**

(a) Amortization of intangible assets has been charged to the consolidated statements of comprehensive loss as follows:

	Six months ended June 30,	
	2022 *RMB'000* (Unaudited)	2021 *RMB'000* (Unaudited)
Cost of sales *(Note 9)*	**6,032**	—
Selling expense *(Note 9)*	**110**	—
Administrative expenses *(Note 9)*	**1,541**	321
Research and development expenses *(Note 9)*	**503**	40
	8,186	361

14 INTANGIBLE ASSETS (Continued)

(b) Licenses

Recognition

(i) License and Strategic Alliance Agreement

In December 2017, the Group entered into License and Strategic Alliance Agreement ("**License and Strategic Alliance Agreement**") with Juno Therapeutics, Inc., ("**Juno**") to develop and commercialize Relma-cel in Mainland China, Hong Kong and Macau. The Group recognized a total amount of USD11,570,000 (equivalent to RMB75,601,000) as intangible assets based on the fair value in year 2017.

In January 2021, the Group completed the treatment of 100 patients with Relma-cel in clinical trials. As such, the Group provided Juno milestone payment in cash in an amount of USD5,000,000 (equivalent to RMB32,462,000) in connection with the License and Strategic Alliance Agreement and further recognized it as intangible assets.

(ii) BCMA license

In April 2019, the Group entered into License Agreement — BCMA ("**BCMA License Agreement**") with Juno to develop and commercialize JWCAR129 in Mainland China, Hong Kong and Macau. The Group recognized a total amount of USD9,140,000 (equivalent to RMB61,318,000) as intangible assets based on the fair value in year 2019.

(iii) Eureka licenses

Licenses acquired in a business combination are recognized at fair value at the acquisition date ("**Eureka Licenses**"), which includes certain licenses under development and commercialization in Mainland China, Hong Kong, Macau, Taiwan and the member countries of Association of South East Asia Nation. The Group recognized a total amount of USD95,300,000 (equivalent to RMB674,676,000) as intangible assets based on the fair value in year 2020.

As at June 30, 2022, BCMA license and Eureka license with total net book value of RMB700,939,000 were not ready for use.

Impairment

The impairment test of intangible assets not ready for use was performed by engaging an independent valuer to estimate the value in use as the recoverable amount of each drug. The fair value is based on value in use calculations using the discounted cash flow model. The estimated revenue of each drug is based on management's expectations of timing of commercializing related products to respective drug. The cost and operating expenses are estimated by considering margins levels of the Group's business, expected revenue contribution of respective drug to the Group's total revenue and appropriate adjustments to reflect the characteristics of respective license. The discount rates used are pre-tax and reflect specific risks relating to the relevant drug that would be considered by market participants.

14 INTANGIBLE ASSETS (Continued)

(b) Licenses (Continued)

Impairment (Continued)

The key assumptions used for recoverable amount calculations are as followed:

JWCAR129:

	As at June 30,	
	2022	2021
Gross margin	**78.8%–83.7%**	78.8%–83.7%
Pre-tax discount rate	**26.6%**	24.9%
Revenue growth rate	**0.5%–40.4%**	3.0%–135.9%
Recoverable amount of CGU *(in RMB million)*	**128**	177

Eureka licenses:

	As at June 30,	
	2022	2021
Gross margin	**83.7–87.5%**	83.7%–87.5%
Pre-tax discount rate	**27.5%**	25.7%
Revenue growth rate	**0.9%–229.4%**	3.1%–229.4%
Recoverable amount of CGU *(in RMB million)*	**716**	677

Based on the result of above assessment, there was no impairment for the intangible asset as at June 30, 2022. (2021: nil)

15 PREPAYMENT FOR LICENSE

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Prepayment for license *(Note)*	**6,711**	6,376

Note: In January 2020, the Company entered into an Option and License Agreement with Acepodia Biotechnologies, Ltd. ("**Acepodia**"), pursuant to which, the Company was granted an exclusive option to acquire an exclusive right and license to manufacture, develop, use, sell, offer for sale, import and otherwise commercialize certain products. On 3 February, 2020, the Company paid first instalment of USD1,000,000 to Acepodia.

16 INVENTORIES

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Raw materials	**21,355**	22,643
Work in progress	**5,056**	8,759
	26,411	31,402

17 OTHER NON-CURRENT ASSETS

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Prepayments for property, plant and equipment	**23,518**	15,292
Rental deposits	**4,573**	4,452
Value-added tax recoverable	**279**	13,359
Others	**—**	120
	28,370	33,223

18 TRADE RECEIVABLE

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Trade receivables from customers	**6,048**	—

As of June 30, 2022 and December 31, 2021, the aging analysis of the trade receivables is as follows:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Within 30 days	**6,048**	—

19 AMOUNT DUE FROM RELATED PARTY

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Yiping James Li *(Note)*	**23,687**	—

Note: On March 6, 2022, the Company, JW Therapeutics (Shanghai) Co., Ltd. ("**JW Shanghai**") and Dr. Yiping James Li, the Chairman of the Company entered into a tri-party agreement (the "**Agreement**"). Pursuant to the Agreement, JW Shanghai provides Dr. Li one year loan facility of up to HK$43 million for the purpose to withhold the individual income tax in relation to the restricted share units and share options granted to Dr. Li by the Company. RMB23.6 million was drew in April and May of 2022. This loan is secured by certain shares legally and beneficially owned by Dr. Li himself or through companies wholly-owned by him and bearing an interest rate of 3.6% per annum.

20 SHARE CAPITAL

Authorized:

	Number of ordinary shares *In thousands*	Nominal value of ordinary shares *USD*	RMB equivalent value *RMB'000*
As at January 1, 2022 and June 30, 2022	**500,000**	**50,000**	**332**

Issued and fully paid:

	Number of ordinary shares *In thousands*	Nominal value *USD*	RMB equivalent value *RMB'000*
As at January 1, 2021 and December 31, 2021	**407,630**	**4,076**	**27**
Issue of shares for share based compensation *(Note (a))*	**2,978**	**30**	**—**
As at June 30, 2022 (Unaudited)	**410,608**	**4,106**	**27**

(a) During the six months ended June 30, 2022, the Group issued a total of 2,977,847 ordinary shares to the Group's employees as the result of exercise of stock option and RSU after vesting period with a total exercise price of USD15,000 (equivalent to RMB95,000).

21 RESERVES

	Share premium *RMB'000*	Share-based compensation reserve *RMB'000* *Note (a)*	Treasury shares held in trust	Foreign currency translation *RMB'000* *Note (b)*	Capital reserve *RMB'000*	Total *RMB'000*
Balance at January 1, 2021	6,023,049	149,693	(1)	(106,383)	12,226	6,078,584
Share based compensation expenses	—	63,983	—	—	—	63,983
Currency translation differences	—	—	—	(36,562)	—	(36,562)
Issuance of ordinary shares *(Note 20)*	1,379	—	—	—	—	1,379
Balance at June 30, 2021 (Unaudited)	6,024,428	213,676	(1)	(142,945)	12,226	6,107,384
Balance at January 1, 2022	**6,080,667**	**239,063**	**(1)**	**(189,922)**	**12,226**	**6,142,033**
Share based compensation expenses	**—**	**48,970**	**—**	**—**	**—**	**48,970**
Currency translation differences	**—**	**—**	**—**	**191,324**	**—**	**191,324**
Issuance of ordinary shares *(Note 20)*	**95**	**—**	**—**	**—**	**—**	**95**
Balance at June 30, 2022 (Unaudited)	**6,080,762**	**288,033**	**(1)**	**1,402**	**12,226**	**6,382,422**

(a) Share-based compensation reserve arises from share-based payment granted to employees of the Group.

(b) Foreign currency translation represents the difference arising from the translation of financial statements of companies within the Group that have a functional currency different from the presentation currency of RMB for the financial statements of the Group.

22 SHARE-BASED PAYMENTS

(a) Stock option and restricted share unites

Pursuant to a resolution dated 30 September 2021, the Company adopted 2021 September Stock Option and 2021 September RSU (together, "**2021 September Plan**"). The Company granted 6,812,000 stock options and 4,819,617 RSUs to certain directors, senior management and employees of the Group as rewards for their services, full time devotion and professional expertise to certain of the Group's subsidiaries. In addition, the Company granted 226,930 stock options and 113,465 RSUs to one consultant, as reward of his past services.

Pursuant to a resolution dated December 17, 2021, the Company adopted 2021 December Stock Option and 2021 December RSU (together, "**2021 December Plan**"). The Company granted 754,254 stock options and 472,182 RSUs to certain directors, senior management and employees of the Group as rewards for their services, full time devotion and professional expertise to certain of the Group's subsidiaries.

Pursuant to a resolution dated June 24, 2022, the Company adopted 2022 June Stock Option and 2022 June RSU (together, "**2022 June Plan**"). The Company granted 2,282,395 stock options and 1,703,625 RSUs to certain directors, senior management and employees of the Group as rewards for their services, full time devotion and professional expertise to certain of the Group's subsidiaries.

There are two types of vesting schedules for the remaining 2021 September Plan, 2021 December Plan and 2022 June Plan: (i) with 30% will vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% will vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% will vest on each anniversary of the vesting commencement date, respectively.

During the six months ended June 30, 2022, 179,990 stock options and 4,150,903 RSUs are exercised.

(b) Expenses arising from share-based payment transactions

Expenses for the share-based payments have been charged to the consolidated statements of comprehensive loss as follows:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Administrative expenses	**32,859**	43,775
Research and development expenses	**8,658**	16,302
Selling expenses	**7,453**	3,906
Total	**48,970**	63,983

23 DIVIDEND

No dividend was paid nor declared by the Company for the six months ended June 30, 2022.

24 TRADE AND OTHER PAYABLES

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Payables for purchase of R&D materials	**52,183**	69,514
Accrued expenses	**34,989**	42,313
Payables for purchase of property, plant and equipment	**26,291**	16,934
Staff salaries and welfare payables	**20,392**	40,479
Trade payables	**5,396**	2,565
Payroll tax	**3,312**	5,468
Deferred income	**441**	1,441
Total	**143,004**	178,714

The aging of trade based on the basis of the date of relevant income or demand note are as follows:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Less than 1 year	**5,396**	2,565

25 BORROWINGS

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Non-current		
Total non-current unsecured bank borrowings	**89,000**	95,000
Current		
Total current unsecured bank borrowings	**8,500**	5,000
Total	**97,500**	100,000

The weighted average effective interest rates at each balance sheet date were as follows:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Bank borrowings — RMB	**4.70%**	4.70%

26 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for by the Group at the balance sheet date but not yet incurred is as follows:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Intangible assets	**859**	679
Property, plant and equipment	**25,229**	13,925
	26,088	14,604

26 COMMITMENTS (Continued)

(b) Operating lease commitments — where the Group is the lessee

At the balance sheet dates, lease commitments of the Group for leases not yet commenced for short-term lease and low-value lease are as follows:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
No later than 1 year	**1,071**	920
Later than 1 year and no later than 2 years	**103**	92
Later than 2 years and no later than 5 Years	**26**	49
	1,200	1,061

27 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the report, the major related parties that had transactions and balances with the Group were as follows:

Name of related parties	Relationship with the Group
Juno	Shareholder
Yiping James Li	Connected person

(a) Transactions with related parties

(i) Purchase of materials

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Juno	**4,600**	1,547

(ii) Licence fee

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Juno	**—**	32,462

27 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

(iii) Loan to connected person

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Yiping James Li	**23,552**	—

(iv) Interest of loan to connected person

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Yiping James Li	**135**	—

(v) Royalty fee

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Juno	**3,960**	—

(b) Balances with related parties

(i) Amount due from related party

	As at June 30, 2022	As at December 31, 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Yiping James Li	**23,687**	—

(ii) Trade and other payables

	As at June 30, 2022	As at December 31, 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Juno	**9,166**	11,766

The balances due to related parties were non-traded, unsecured, non-interest bearing and had no fixed repayment term as at December 31, 2021 and June 30, 2022.

In this report, unless the context otherwise requires, the following expressions have the meanings set out below. These expressions and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled expressions adopted by other companies operating in the same industries as our Company.

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"BCMA License Agreement"	the license agreement entered into between our Company and Juno dated April 11, 2019
"Board", "our Board" or "Board of Directors"	the board of Directors of our Company
"CAR"	chimeric antigen receptor
"CAR-T"	chimeric antigen receptor T-cell
"CEO"	the chief executive officer of our Group
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Chairman"	the chairman of the Board
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company" or "JW Therapeutics"	JW (Cayman) Therapeutics Co. Ltd (Stock code: 2126), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 6, 2017, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely Shanghai Ju Ming and its subsidiaries Shanghai Ming Ju and Suzhou Ming Ju Biotechnology Co., Ltd. (蘇州明聚生物科技有限公司)
"Director(s)"	the director(s) of the Company
"Dr. Li"	Dr. Yiping James Li, our executive Director, the Chairman and the CEO
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent industry consultant

"Global Offering"	the Hong Kong public offering and the international offering of the Shares
"Group", "our Group", "the Group", "we", "us", or "our"	the Company, its subsidiaries and the Consolidated Affiliated Entities from time to time
"HKD" or "HK$" or "HK dollars"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Joint Global Coordinators"	Goldman Sachs (Asia) L.L.C., UBS AG Hong Kong Branch, China International Capital Corporation HongKong Securities Limited and CLSA Limited
"Juno"	Juno Therapeutics, Inc., a company incorporated in Delaware, the United States on August 5, 2013 under its former name, FC Therapeutics, Inc., a wholly-owned subsidiary of Celgene which is in turn wholly-owned by BMS, and is one of our Substantial Shareholders
"License and Strategic Alliance Agreement"	the license and strategic alliance agreement entered into between our Company and Juno in December 2017
"Listing"	the listing of the Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	November 3, 2020, being the date on which the Shares were listed on the Main Board
"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
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"NDA"	new drug application

"NMPA"	National Medical Products Administration of China (國家藥品監督管理局) and its predecessor, China Food and Drug Administration (國家食品藥品監督管理總局)
"Post-IPO Incentivization Scheme"	the Post-IPO Share Incentivization Scheme adopted by the Company on October 14, 2020
"Post-IPO Restricted Share Unit Scheme"	the Post-IPO Restricted Share Unit Scheme adopted by the Company on October 14, 2020
"Pre-IPO Incentivization Scheme"	the Pre-IPO Incentivization Scheme adopted by the Company on September 4, 2019
"Prospectus"	the prospectus of the Company dated October 22, 2020
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2022
"Restricted Share Unit Scheme"	the Restricted Share Unit Scheme adopted by the Company on September 4, 2019
"Restricted Share Unit Schemes"	the Restricted Share Unit Scheme and the Post-IPO Restricted Share Unit Scheme
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"RSU(s)"	the restricted share unit(s) granted pursuant to the Restricted Share Unit Scheme
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Ju Ming"	Shanghai Ju Ming Medical Technology Co., Ltd.* (上海炬明醫療技術有限公司), a limited liability company established under the laws of the PRC on July 10, 2017 and our Consolidated Affiliated Entity
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US$0.00001 each
"Share Incentivization Schemes"	our Pre-IPO Incentivization Scheme, Restricted Share Unit Schemes and Post-IPO Incentivization Scheme
"Shareholder(s)"	holder(s) of Share(s)
"sNDA"	supplemental new drug application

"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"Substantial Shareholder(s)"	has the meaning ascribed to it under the 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
"%"	per cent