Henlius

SHANGHAI HENLIUS BIOTECH, INC.
上海復宏漢霖生物技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 2696

2022
INTERIM REPORT

RELIABLE QUALITY
AFFORDABLE INNOVATION

MISSION

To improve patients' lives by timely providing them with quality and affordable protein therapeutics through technical innovation and operational excellence

VISION

Be the most trusted biopharma providing innovative and affordable medicines for all patients

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive director

Wenjie Zhang *(Chairman and Chief Executive Officer)*

Non-executive directors

Qiyu Chen (陳啟宇)
Yifang Wu (吳以芳)
Xiaohui Guan (關曉暉)
Deyong Wen (文德鏞)[1]
Zihou Yan (晏子厚)
Aimin Hui[2]

Independent non-executive directors

Tak Young So (蘇德揚)
Lik Yuen Chan (陳力元)
Guoping Zhao (趙國屏)
Ruilin Song (宋瑞霖)

SUPERVISORS

Rongli Feng (馮蓉麗) *(Chairman)*
Deli Kong (孔德力)
Junhong Liu (劉俊宏)

AUDIT COMMITTEE

Tak Young So (蘇德揚) *(Chairman)*
Lik Yuen Chan (陳力元)
Xiaohui Guan (關曉暉)

NOMINATION COMMITTEE

Wenjie Zhang *(Chairman)*
Guoping Zhao (趙國屏)
Ruilin Song (宋瑞霖)

REMUNERATION COMMITTEE

Ruilin Song (宋瑞霖) *(Chairman)*
Lik Yuen Chan (陳力元)
Yifang Wu (吳以芳)

STRATEGY COMMITTEE

Wenjie Zhang *(Chairman)*
Qiyu Chen (陳啟宇)
Yifang Wu (吳以芳)
Deyong Wen (文德鏞)[1]
Zihou Yan (晏子厚)
Tak Young So (蘇德揚)
Ruilin Song (宋瑞霖)
Aimin Hui[2]

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Lik Yuen Chan (陳力元) *(Chairman)*
Tak Young So (蘇德揚)
Ruilin Song (宋瑞霖)
Wenjie Zhang
Zihou Yan (晏子厚)

JOINT COMPANY SECRETARIES

Yan Wang (王燕)
Mei Ha Wendy Kam (甘美霞) *(Fellow of the Hong Kong Chartered Governance Institute)*[3]
Ching Ching Leung (梁晶晶) *(Fellow of the Hong Kong Chartered Governance Institute)*[4]

Notes:

1. Mr. Deyong Wen (文德鏞) was appointed as a non-executive Director and a member of the strategy committee on 28 July 2022.
2. Dr. Aimin Hui resigned as a non-executive Director and a member of the strategy committee on 28 July 2022.
3. Ms. Mei Ha Wendy Kam (甘美霞) was appointed as a joint company secretary and authorised representative on 18 August 2022.
4. Ms. Ching Ching Leung (梁晶晶) resigned as a joint company secretary and authorised representative on 18 August 2022.

AUTHORISED REPRESENTATIVES

Wenjie Zhang
Mei Ha Wendy Kam (甘美霞)[3]
Ching Ching Leung (梁晶晶)[4]

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Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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LEGAL ADVISERS TO THE COMPANY

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Taikoo Place, Quarry Bay
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STOCK SHORT NAME

HENLIUS

STOCK CODE

2696

COMPANY WEBSITE

www.henlius.com

Notes:

5. Took effect from 15 August 2022.

OPERATION HIGHLIGHTS

I. FINANCIAL SUMMARY

1. The Group's total revenue increased by approximately RMB655.8 million or approximately 103.5% to approximately RMB1,289.4 million for the six months ended 30 June 2022, compared to approximately RMB633.6 million for the six months ended 30 June 2021. Such revenue was mainly from drug sales, R&D services provided to customers, and license income.

2. For the six months ended 30 June 2022, the Group recognised R&D clinical expenditure of approximately RMB827.4 million, representing an increase of approximately RMB88.1 million or approximately 11.9% as compared with approximately RMB739.3 million for the six months ended 30 June 2021; the Group continued to increase investment in innovative R&D projects to accelerate the innovation and transformation of the Company.

3. The Group's loss for the period decreased by approximately RMB141.7 million to approximately RMB252.1 million for the six months ended 30 June 2022, compared to approximately RMB393.8 million for the six months ended 30 June 2021, mainly due to the successive commercialisation of core products and the constant sales expansion.

II. INTERIM HIGHLIGHTS

1 **HANQUYOU (trastuzumab injection, EU brand name: Zercepac®):**

- HANQUYOU (150mg): completed the tendering process on the procurement platform and was included into the medical insurance procurement platform for all provinces in Mainland China in the first half of 2021.
- HANQUYOU (60mg): completed the tendering process on the procurement platform in 26 provinces and was included into the medical insurance procurement platform in all provinces in Mainland China.
- Tuzucip®/Trastucip®(Australia brand name of trastuzumab injection): Tuzucip®/Trastucip®(150mg) was approved for marketing in Australia in July 2022.

2 **HANSIZHUANG (serplulimab injection):**

was approved for marketing in Mainland China in March 2022. As at the Latest Practicable Date, HANSIZHUANG completed the tendering process on the procurement platform in 20 provinces in Mainland China.

3 **HANLIKANG (rituximab injection):**

- HANLIKANG (100mg/10ml): completed the tendering process on the procurement platform and was included into the medical insurance procurement platform in 30 provinces in Mainland China, and was procured by more than 70% of major hospitals.
- HANLIKANG (500mg/50ml): completed the tendering process on the procurement platform in 26 provinces and has been included into the medical insurance procurement platform in 14 provinces in Mainland China as at the end of the Reporting Period.

4 **HANDAYUAN (adalimumab injection):**

as at the Latest Practicable Date, completed the tendering process on the procurement platform in all provinces and has been included into the medical insurance procurement platform in 30 provinces in Mainland China.

5 **HANBEITAI (bevacizumab injection):**

- In July 2022, the supplemental new drug application (sNDA) of HANBEITAI for the new indication of recurrent glioblastoma was accepted by the NMPA.
- In August 2022, the supplemental new drug application (sNDA) of HANBEITAI for the new indication of hepatocellular carcinoma was accepted by the NMPA.

6 **Business Development:**

- In February 2022, the Group entered into an agreement with Getz Pharma, pursuant to which, the Group agreed to grant a license to Getz Pharma to commercialise HANDAYUAN in Pakistan, Philippines, Vietnam and other regions.
- In May 2022, the Company entered into an agreement with Eurofarma, pursuant to which, the Company agreed to grant a license to Eurofarma to commercialise HANLIKANG, HANQUYOU and HANBEITAI in Brazil and regions around Brazil.
- In May 2022, the Company entered into an agreement with Abbott, pursuant to which, the Company agreed to grant a license to Abbott to commercialise HANLIKANG and HANQUYOU in Brazil.
- In June 2022, the Company entered into an agreement with Organon LLC, pursuant to which, the Company agreed to grant a license to Organon LLC and its affiliates to commercialise HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) and HLX14 (recombinant anti-RANKL human monoclonal antibody injection) globally except for Mainland China, Hong Kong, Macau and Taiwan regions.

7 Efficient Advancement on Clinical Study Projects both Domestically and Internationally:

– Progress of international clinical study projects: HANSIZHUANG (serplulimab injection)

- In January 2022, the phase 3 investigational new drug application (IND) of HANSIZHUANG in combination with chemotherapy (carboplatin/cisplatin-etoposide) and concurrent radiotherapy for the treatment of limited-stage small cell lung cancer (LS-SCLC) was accepted by the NMPA and was approved in March 2022. In May 2022, the first patient has been dosed in an international multi-centre phase 3 clinical study in Mainland China.

- In April 2022, HANSIZHUANG has been granted orphan-drug designation for the treatment of small cell lung cancer (SCLC) by the United States Food and Drug Administration (FDA).

– Progress of international clinical study projects: Other products

- In February 2022, HLX301 (recombinant anti-PD-L1 and anti-TIGIT bispecific antibody injection) completed its first patient dosing in a phase 1 clinical trial for the treatment of locally advanced or metastatic solid tumours in Australia.

- In April 2022, HLX04-O (recombinant anti-VEGF humanised monoclonal antibody injection) completed its first patient dosing in an international multi-centre phase 3 clinical trial for the treatment of wet age-related macular degeneration (wAMD) in Latvia, Australia, etc. As at the Latest Practicable Date, HLX04-O (recombinant anti-VEGF humanised monoclonal antibody injection) for wet age-related macular degeneration (wAMD) has been approved in Australia, the United States, Singapore, and Latvia, Spain, Czech, Poland and other EU countries to carry out phase 3 clinical trial successively.

- In April 2022, HLX20 (recombinant fully human anti-PD-L1 monoclonal antibody injection) has completed a phase 1 clinical trial conducted in patients with advanced solid tumours in Australia, and HLX20 has demonstrated its good safety and tolerability in this trial.

- In June 2022, the first patient has been dosed in an international multi-centre phase 3 clinical trial of HLX14 (recombinant anti-RANKL human monoclonal antibody injection) for the treatment of postmenopausal osteoporosis in women with high fracture risks in Mainland China. In July 2022, this international multi-centre phase 3 clinical study was approved to commence in Australia.

– Progress of domestic clinical study projects：HANSIZHUANG (serplulimab injection)

- In February 2022, the phase 2 investigational new drug application (IND) of HANSIZHUANG in combination with HLX07 (recombinant humanised anti-EGFR monoclonal antibody injection) and HANBEITAI for the first-line treatment of unresectable or metastatic hepatocellular carcinoma (HCC) was accepted by the NMPA and approved in April 2022.

- In April 2022, the phase 1 investigational new drug application (IND) of HLX26 (recombinant anti-LAG-3 humanised monoclonal antibody injection) in combination with HANSIZHUANG for the treatment of advanced/metastatic solid tumours or lymphomas was approved by the NMPA. In August 2022, the first patient has been dosed in a phase 1 clinical trial of HLX26 in combination with HANSIZHUANG for the treatment of advanced/metastatic solid tumours in Mainland China.

- In May 2022, the phase 3 clinical study of HANSIZHUANG in combination with chemotherapy (Cisplatin + 5-FU) as a first-line treatment for patients with locally advanced/metastatic esophageal squamous cell carcinoma (ESCC), met the co-primary endpoints of progression-free survival (PFS) and overall survival (OS) in a planned interim analysis, evaluated by the Independent Data Monitoring Committee.

- In June 2022, the enrollment of subjects was completed in a phase 3 clinical study of HANSIZHUANG in combination with HANBEITAI in combination with chemotherapy (carboplatin-pemetrexed) as a first-line treatment for advanced non-squamous, non-small cell lung cancer (nsNSCLC) in Mainland China.

– Progress of domestic clinical study projects: Other products

- In January 2022, the phase 1b/2 investigational new drug application (IND) of HLX208 (BRAF V600E inhibitor) monotherapy or in combination therapy for the treatment of BRAF V600E or BRAF V600 mutation-positive advanced solid tumours was approved by the NMPA. In the same month, the first patient has been dosed in the phase 2 clinical trial of HLX208 (BRAF V600E inhibitor) for the treatment of adult Langerhans Cell Histiocytosis (LCH) and Erdheim-Chester disease (ECD) with BRAF V600E mutation in Mainland China.

- In January 2022, the investigational new drug application (IND) of HLX35 (recombinant humanised anti-EGFR and anti-4-1BB bispecific antibody injection) for the treatment of advanced malignant solid tumours was approved by the NMPA. In June 2022, HLX35 completed its first patient dosing in a phase 1 clinical trial for the treatment of advanced or metastatic solid tumours in Mainland China. The global commercialisation rights for HLX35 except for China (including Hong Kong, Macau and Taiwan regions) were granted to Binacea in November 2020, and phase 1 clinical study for the relevant indications in Australia has also been approved and progressed.

- In January 2022, the investigational new drug application (IND) of HLX301 (recombinant anti-PD-L1 and anti-TIGIT bispecific antibody injection) for the treatment of advanced tumours has been accepted by the NMPA and approved in March 2022. In July 2022, the first patient has been dosed in a phase 1/2 clinical trial of HLX301 for the treatment of locally advanced/metastatic solid tumours or lymphomas in Mainland China.

- In April 2022, the first patient has been dosed in a phase 3 clinical trial of HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) for the neoadjuvant therapy of HER2-positive, HR-negative early or locally advanced breast cancer in Mainland China.

8 **Efficient Advancement for Pre-Clinical Development Projects:**

- In April 2022, the phase 1 investigational new drug application (IND) of anti-TIGIT Fc fusion protein HLX53 for the treatment of advanced solid tumours or lymphomas was accepted by the NMPA and approved in June 2022.

- In June 2022, the application for phase 1 clinical trial of HLX60 (recombinant humanised anti-GARP monoclonal antibody injection) in combination with HANSIZHUANG for the treatment of advanced/metastatic solid tumours was submitted in Australia and approved in August 2022.

- In August 2022, the phase 1 investigational new drug application (IND) of HLX60 (recombinant humanised anti-GARP monoclonal antibody injection) for the treatment of solid tumours and lymphomas was accepted by the NMPA.

- In August 2022, the phase 2 investigational new drug application (IND) of HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanised monoclonal antibody injection) in combination with HANSIZHUANG and in combination with the standard therapy (Trastuzumab and chemotherapy) as the first-line treatment for locally advanced or metastatic gastric cancer (GC) was accepted by the NMPA.

- In August 2022, the phase 1b/2 investigational new drug application (IND) of HLX208 (BRAF V600E inhibitor) in combination with HANSIZHUANG for the treatment of BRAF V600E or BRAF V600 mutation-positive advanced solid tumours was accepted by the NMPA.

- In August 2022, the investigational new drug application (IND) of HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) for the treatment of locally advanced or metastatic cutaneous squamous cell carcinoma (CSCC) was accepted by the United States Food and Drug Administration (FDA).

9 **Biopharmaceutical Industrialisation Base Layout with International Standards and High Cost-Efficiency:** During the Reporting Period, the Group has completed production capacity construction of 24,000L for the Songjiang First Plant in Songjiang District, Shanghai; at the same time, Songjiang First Plant has been approved to adopt the optimised new production process to carry out domestic commercial production of HANQUYOU. It also has passed the EU Qualified Person (QP) certification. The Songjiang First Plant and its supporting quality management system meet the requirements of the EU GMP, and products manufactured by it such as HLX04-O, HLX11 and HLX14 can carry out clinical trials in Europe. During the Reporting Period, the two main production buildings and the supporting public works and warehouses of the first and second stages of the Songjiang Second Plant Phase I project completed the entry and installation of large-scale equipment. For the third stage of the Songjiang Second Plant Phase I project, the foundation work has been completed.

For details of the above, please refer to this report and (if applicable) the Company's previous announcements published on the websites of the Stock Exchange and the Company.

III. OUR PRODUCT PIPELINE

	Product		Target	Indication	Pre-clinical	IND	Phase 1	Phase 2	Phase 3	NDA	Launched	Global business partners
Marketed products	HANLIKANG[1] (rituximab)		CD20	Non-Hodgkin lymphoma,chronic lymphocytic leukemia and rheumatoid arthritis[2]								Abbott
	HANQUYOU[3] (trastuzumab)		HER2	Breast cancer and metastatic gastric cancer								accord Cipla Jacobson mAbxience eurofarma Abbott
	HANDAYUAN[4] (adalimumab)		TNF-α	Rheumatoid arthritis,ankylosing spondylitis and psoriasis and uveitis								万邦医药 FOSUNPHARMA Getz
	HANBEITAI[5] (bevacizumab)		VEGF	Metastatic colorectal cancer and locally advanced, recurrent or metastatic non-squamous non-small cell lung cancer								eurofarma
	HANSIZHUANG[6] (serplulimab)		PD-1	MSI-H solid tumours								KGbio
With near-term commercial visibility	HLX10 (serplulimab)[7]	+Chemo	PD-1	Squamous non-small cell lung cancer								
				Extensive-stage small cell lung cancer								
				Esophageal squamous cell carcinoma								
	HANBEITAI (bevacizumab)		VEGF	Glioblastoma and hepatocellular carcinoma								eurofarma
Under clinical research	HLX10 (serplulimab)[7]	+Chemo	PD-1	Neo-/adjuvant treatment of gastric cancer								
		+Chemo +Radio		Limited-stage small cell lung cancer								
		+HANBEITAI	PD-1+VEGF	Non-squamous non-small cell lung cancer								
				Hepatocellular carcinoma								
				Metastatic colorectal cancer								
		+HLX07	PD-1+EGFR	Squamous-cell carcinoma of the head and neck								
				Squamous non-small cell lung cancer								
		+HLX26	PD-1+LAG-3	Solid tumours								
		+HLX60[8]	PD-1+GARP	Solid tumours								
	HLX04-O[9]		VEGF	Wet age-related macular degeneration								ESSEX 亿帆
	HLX11 (pertuzumab)[10]		HER2	Neoadjuvant treatment of breast cancer								Organon
	HLX14 (denosumab)[11]		RANKL	Osteoporosis								Organon
	HLX22	+HANQUYOU	HER2+HER2	Gastric cancer								
	HLX07[12]		EGFR	Solid tumours (non-small cell lung cancer, esophageal carcinoma, etc.)								
	HLX208[13]		BRAF V600E	Solid tumours (metastatic colorectal cancer, non-small cell lung cancer, etc.) LCH and ECD								
	HLX05 (cetuximab)[14]		EGFR	Metastatic colorectal cancer and squamous-cell carcinoma of the head and neck								Jingze
	HLX12 (ramucirumab)		VEGFR2	Gastric cancer, metastatic non-small cell lung cancer and metastatic colorectal cancer								
	HLX26		LAG-3	Solid tumours and lymphomas								
	HLX35[15]		EGFR x 4-1BB	Solid tumours								BINACEA
	HLX301[16]		PD-L1 x TIGIT	Solid tumours								
	HLX13 (ipilimumab)		CTLA-4	Melanoma, renal cell carcinoma and metastatic colorectal cancer								
	HLX15 (daratumumab)		CD38	Multiple myeloma								
	HLX23[17]		CD73	Solid tumours								
	HLX53		TIGIT	Solid tumours and lymphomas								

The first Chinese mAb biosimilar launched in both China and the EU

Global multi-centre clinical trial

(1) Approved by the NMPA in February 2019, being the first domestic biosimilar.
(2) The only rituximab injection approved for the treatment of rheumatoid arthritis in China.
(3) Approved for marketing in nearly 30 countries such as China, the United Kingdom, Germany, France, Australia, etc.; trade name registered in Europe: Zercepac®; trade name registered in Australia: Tuzucip® and Trastucip®
(4) Approved by the NMPA in December 2020.
(5) Approved by the NMPA in November 2021.
(6) Indication of MSI-H solid tumours approved by the NMPA in March 2022.
(7) IND approved in China, the United States, the EU etc.
(8) IND approved in Australia.
(9) IND approved in China, Australia, the United States, Singapore, and the EU countries.
(10) Global commercialisation rights excluding mainland China, Hong Kong, Macao and Taiwan regions granted to Organon.
(11) Global commercialisation rights excluding mainland China, Hong Kong, Macao and Taiwan regions granted to Organon. IND approved in China and Australia.
(12) IND approved in China and the United States.
(13) Commercialisation rights in China including Hong Kong, Macao and Taiwan regions were obtained.
(14) Commercialisation rights in mainland China have been granted to Shanghai Jingze.
(15) Global exclusive commercialisation rights excluding mainland China, Hong Kong, Macao and Taiwan regions granted to Binacea.
(16) IND approved in China and Australia.
(17) IND approved in the United States.

Core Products

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW IN THE FIRST HALF OF THE YEAR

As part of our commitment to provide affordable and high-quality biomedicines for patients worldwide, the Group has been dedicated to the continuous innovation and layout of the three major segments of R&D, production and commercialisation. During the Reporting Period, we have worked to promote the efficient development of the global commercialisation of product pipeline and implement production capacity deployment for the biomedicines with high economic benefit based on international standards. With great achievements in clinical development and drug registration of pipeline products, the Group was evolving from Biotech model to Biopharma model that is more scaled up and highly competitive in the market. During the Reporting Period, our marketed biosimilars, including HANLIKANG, HANQUYOU and HANDAYUAN witnessed steady progress in sales. HANLIKANG, for the treatment of the innovative indication of rheumatoid arthritis (RA) and HANSIZHUANG, the first self-developed innovative monoclonal antibody, were approved for marketing during the Reporting Period. In addition, the Group made significant progress in 10 clinical trials, and received approvals for multiple clinical trials worldwide for 5 products and 2 combined therapies, fully demonstrating the Group's strength in innovation and research and development.

As at the Latest Practicable Date, 5 products (13 indications) of the Group have been successfully marketed in Mainland China, 1 product has been successfully marketed in Europe and Australia, and new drug application for 5 indications of 2 products have been accepted in Mainland China.

(I) STRONG GLOBAL PRODUCT COMMERCIALISATION CAPABILITY

During the Reporting Period, the Group actively implemented the concept of excellent commercialisation based on patients' needs. Our commercialisation team comprises of five major segments, namely market promotion, channel management, pricing and market access, domestic sales and strategic planning, covering the whole process of commercialisation, in order to achieve continuous growth in sales scale of products. As of the end of the Reporting Period, the Group's commercialisation team employed more than 800 employees in total, representing an increase of approximately 300 employees as compared to the year-end of 2021. Following the launch of HANLIKANG, the first monoclonal antibody approved in China in accordance with the Guidelines for Biosimilars in 2019, several core products of the Group such as HANQUYOU, HANDAYUAN, HANBEITAI and HANSIZHUANG, were successively approved for marketing in Mainland China. During the Reporting Period, the Group has also established cooperation with several internationally renowned partners for HANLIKANG, HANQUYOU, HANDAYUAN, HANBEITAI, HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) and HLX14 (recombinant anti-RANKL human monoclonal antibody injection), obtaining remarkable achievements in internationalisation for self-developed products.

1 COMMERCIALISATION PROCESS OF MARKETED CORE PRODUCTS

International commercialisation process of HANQUYOU (trastuzumab injection, EU brand name: Zercepac®) (a therapeutic product for breast cancer and gastric cancer)

– Commercial sales of HANQUYOU in Mainland China

HANQUYOU is the core product of the Group in the field of anti-tumour therapy, and also the first product sold and promoted by the Group's in-house commercialisation team in Mainland China. As of the end of the Reporting Period, we hired more than 500 professional marketing personnel for the sales of HANQUYOU, with an aim to penetrate into the Mainland China market with efficient execution capacity. HANQUYOU (150mg) was launched for commercial sales since August 2020, and completed the tendering process on the procurement platform and was included into the medical insurance procurement platform for all provinces in Mainland China in the first half of 2021. Since its approval for marketing in August 2021, HANQUYOU (60mg) completed the tendering process on the procurement platform in 26 provinces and was included into the medical insurance procurement platform in all provinces in Mainland China. In addition to the efficient market and access strategy providing a strong foundation for the overall sales growth of HANQUYOU, the flexible dose portfolio of 150mg and 60mg also brings personalised and more economical treatment options for patients with different weight ranges. It can also enhance clinical safety with its ready-to-use feature. During the Reporting Period, the Group cooperated with relevant enterprises in respect of physician education, medical big data, HER2 testing, innovative payment, patient management and education and has gained a good market reputation in the construction of diagnosis and treatment ecosystem for patients with HER2-positive breast cancer and gastric cancer, and conducted care action on pandemic response for patients with patients education organisation during Shanghai's pandemic lockdown, to do its best to care for patients in such a special time. In addition, biosimilars were added to the new Chinese Society of Clinical Oncology (CSCO) Guidelines for Diagnosis and Treatment of Breast Cancer in 2021. HANQUYOU was added to the new Chinese Society of Clinical Oncology (CSCO) Guidelines for Diagnosis and Treatment of Gastric Cancer in 2021, and biosimilars were also added to the new China Anti-Cancer Association, Committee of Breast Cancer Society Guidelines in 2021.

In April 2022, drug substance west line and east line (with a production capacity of 24,000 L), drug product line and packaging line for the production of HANQUYOU in Songjiang First Plant passed the GMP compliance inspection, indicating that Songjiang First Plant has a quality management system that meets the requirements of China's GMP regulations. In May 2022, HANQUYOU was approved by the NMPA to change its production site, improve its production process and expand the scale of preparation, and Songjiang First Plant was approved to adopt enhanced new production techniques to conduct the commercial production of HANQUYOU in Mainland China. So far, the full capacity of Songjiang First Plant of 24,000 L can be used for the commercial production of HANQUYOU, providing strong support for the production increase of HANQUYOU.

– Commercial sales of Zercepac® in Europe

Following Zercepac®(150mg) was approved for marketing in the EU in July 2020, Zercepac®60mg and 420mg were approved to be marketed in the EU, and Zercepac®150mg also was approved to be marketed in Switzerland as of the end of the Reporting Period.

The Group has worked with its business partner Accord to promote the commercialisation of Zercepac® in Europe, parts of the Middle East and North Africa and some countries in Commonwealth of the Independent States. Zercepac® is also the first "Chinese" monoclonal antibody biosimilar drug approved for sale in the EU. As at the end of the Reporting Period, Zercepac® has been successfully marketed in the United Kingdom and approximately 20 European countries including Germany, Spain, France, Italy and Sweden.

– Tuzucip®/Trastucip® was approved for marketing in Australia

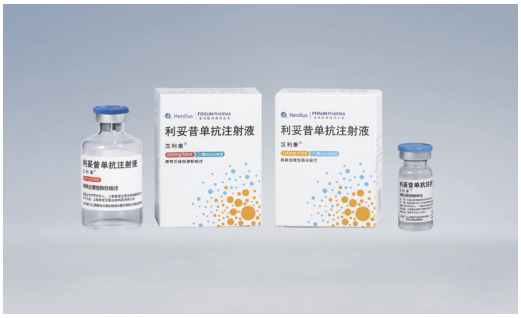
In July 2022, trastuzumab injection (150mg) granted by the Company to its business partner Cipla Limited for commercial purpose in Australia and other regions was approved for marketing in Australia under the brand name of Tuzucip® and Trastucip®. This was a further recognition on HANQUYOU by the international markets after marketing in Europe, which was a significant milestone of the Group in achieving the ambitious goal of providing affordable high-quality biomedicines for patients worldwide.

HANQUYOU is a trastuzumab developed and manufactured by the Group in accordance with relevant laws and regulations of China and the EU on biosimilars. As a representative domestic biologics to go global, HANQUYOU has successfully developed business cooperation with international business partners including Accord, Intas Pharmaceuticals Limited, Cipla Limited, Mabxience Research, S.L., Eurofarma, Abbott in Europe, the United States, Canada, Australia, Argentina, Brazil, etc., with licensed-out projects covering approximately 100 countries and regions. The new drug application for HANQUYOU in Argentina is also expected to be approved recently.

HANSIZHUANG (serplulimab injection) was approved for marketing, bringing new treatment option for patients with advanced Microsatellite Instability-High (MSI-H) solid tumour

In March 2022, PD-1 monoclonal antibody product HANSIZHUANG, a core innovative product self-developed by the Group, for the treatment of adult patients with advanced unresectable or metastatic Microsatellite Instability-High (MSI-H) solid tumours that have failed to respond to the standard therapy, was conditionally approved by the NMPA, offering new immunotherapy option for patients. The indication is screened by specific MSI-H tumour markers rather than by cancer type, covering a wide range of patient groups. As of the end of the Reporting Period, HANSIZHUANG's sales team has about 200 personnel, all of whom have professional operation experience in mature oncology market and have completed professional system training and certification, strengthening the Group's overall planning for expanding domestic market. As of the Latest Practicable Date, we have completed the tendering process for HANSIZHUANG on the procurement platform in 20 provinces in Mainland China. In July 2022, the Group compiled the White Paper on Immunotherapy for Solid Tumours in China by cooperating with CSCO, laying a foundation for clinical study and standardised treatment, and facilitating the application of standardised immunotherapy.

Commercial sales of HANLIKANG (rituximab injection) (a therapeutic product for hematological tumours and autoimmune diseases)



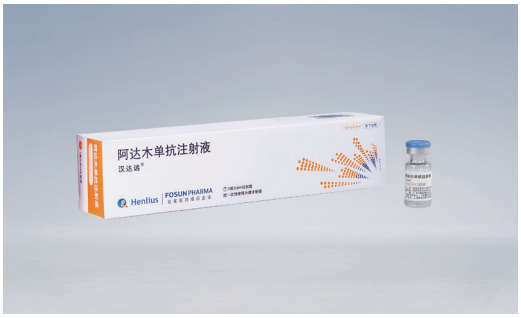
In February 2022, HANLIKANG for the treatment of the innovative indication of rheumatoid arthritis (RA) was approved for marketing, which is used in combination with methotrexate to treat moderate to severe active rheumatoid arthritis (RA) in adult patients who have responded inadequately to one or more TNF-α inhibitors, providing a new drug option for patients with autoimmune diseases. This indication is an innovative indication developed by the Group based on the differentiated development strategy while which of the original drug has not been approved in Mainland China. HANLIKANG has advantages of less dosing frequency and lasting medicine effect in treatment of the innovative indication of rheumatoid arthritis (RA), which is expected to improve patients' compliance and enhance patients' quality of life as well as alleviate their medical burden, providing an additional bargaining power for the marketing and sales of HANLIKANG.

As at the Latest Practicable Date, HANLIKANG (100mg/10ml) has completed the tendering process on the procurement platform and was included into the medical insurance procurement platform in 30 provinces in Mainland China, and was procured by more than 70% of major hospitals, laying a base for the sales of HANLIKANG. HANLIKANG (500mg/50ml) has been launched and supplied since May 2021, and has completed the tendering process on the procurement platform in 26 provinces and was included into the medical insurance procurement platform in 14 provinces in Mainland China as at the end of the Reporting Period.

Jiangsu Fosun, a subsidiary of Fosun Pharma, the controlling shareholder of the Company, was responsible for the domestic commercial sale of HANLIKANG. As of the Latest Practicable Date, the specifications of HANLIKANG covered 100mg/10ml and 500mg/50ml, and its indications were further expanded to the field of autoimmune diseases on the basis of covering all the indications of the original drug approved in Mainland China in the field of hematology oncology. The implementation of both types of indications will cover more patient groups, which is expected to further increase the market influence of HANLIKANG. As the first monoclonal antibody drug approved for marketing under the Guidelines for Biosimilars in China in 2019, HANLIKANG has been approved for marketing for three years. As of the Latest Practicable Date, HANLIKANG has benefited more than 130,000 patients in China.

Commercial sales of HANDAYUAN (adamumab injection) (a therapeutic product for autoimmune disease)

HANDAYUAN is the third product of the Group marketed in Mainland China, which was granted marketing approval in December 2020. It has been approved for the indications of rheumatoid arthritis, ankylosing spondylitis, psoriasis and uveitis in Mainland China until now. As of the Latest Practicable Date, HANDAYUAN has completed the tendering process on the procurement platform in all provinces and was included into the medical insurance procurement platform in 30 provinces in Mainland China.



Jiangsu Wanbang, a subsidiary of Fosun Pharma, the controlling shareholder of the Company, was responsible for the domestic commercial sale of HANDAYUAN. Jiangsu Wanbang has a sizeable Department of Rheumatology and Immunisation and a mixed-line sales team serving the broad market. The marketing team has a high level of professional communication skills and medical knowledge. In order to improve the standardised diagnosis and treatment services for patients with rheumatism in China, Jiangsu Wanbang established the first whole-course care platform “Da’en Home” (formally known as Dayuan Home) targeted for autoimmune patients in China, which integrates the functions of internet hospital, popular science education, public assistance, medical insurance, patient management, drug purchase map, and community care, with an aim to realise the whole-course management of patients from medical treatment to rehabilitation, and benefit more patients with convenient and standardised medical experience. In the first half of the year, Da’en Home served a total of more than 8,000 patients, covering consultation, diagnosis, treatment and prognosis. By giving full play of online platforms, Da’en Home provided assistance to patients during the pandemic. In addition, Jiangsu Wanbang took the lead in launching the “ASSC Ankylosing Spondylitis Standardised Treatment Project” in collaboration with the National Clinical Research Centre for Skin and Immune Diseases in respect of HANDAYUAN. Through a four-tier medical consortium network, we are working together to help standardise the treatment of ankylosing spondylitis in China. In the first half of the year, the project was implemented in other 3 provinces in China, and 4,000 more patients received standardised diagnosis and treatment, which benefited more than 18,000 patients in total.

HANBEITAI (bevacizumab injection) was approved for marketing, providing high-quality drug options for patients with lung cancer and colorectal cancer

In November 2021, HANBEITAI, the fourth biosimilar product of the Group, was approved for marketing in Mainland China for the treatment of metastatic colorectal cancer (mCRC), advanced, metastatic or recurrent non-small cell lung cancer, and was the only bevacizumab with phase 3 clinical data of patients with metastatic colorectal cancer in Mainland China. In July 2022, the supplemental new drug application (sNDA) of HANBEITAI for the new indication of recurrent glioblastoma was accepted by the NMPA. In August 2022, the supplemental new drug application (sNDA) of HANBEITAI for the new indication of hepatocellular carcinoma was accepted by the NMPA. In the second half of 2022, the Group will continue to facilitate the filing of the supplemental new drug application (sNDA) for new indications of HANBEITAI to treat epithelial ovarian, fallopian tube or primary peritoneal cancer and cervical cancer.

2 PRODUCTS TO BE COMMERCIALISED IN THE NEAR FUTURE

HANSIZHUANG (serplulimab injection) indications of squamous non-small cell lung cancer (sqNSCLC), extensive-stage small cell lung cancer (ES-SCLC) and esophageal squamous cell carcinoma (ESCC)

An international multi-centre phase 3 clinical trial to compare HANSIZHUANG in combination with chemotherapy (carboplatin nab-paclitaxel) against chemotherapy (carboplatin nab-paclitaxel) as first-line therapy for locally advanced or metastatic squamous non-small cell lung cancer (sqNSCLC) completed enrollment of subjects and met the predefined primary study endpoint in 2021. Study data showed that the combined therapy may significantly prolong the progression-free survival (PFS) of patients. The new drug application (NDA) of this indication, which is the second indication for HANSIZHUANG submitted by the Company in Mainland China, was accepted by the Centre for Drug Evaluation of the NMPA in September 2021.

In April 2022, the new drug application (NDA) of HANSIZHUANG in combination with chemotherapy (carboplatin-etoposide) as first-line therapy for previously untreated patients with extensive-stage small cell lung cancer (ES-SCLC) was accepted by the Centre for Drug Evaluation of the NMPA and this is the third indication for HANSIZHUANG submitted by the Company in Mainland China. In April 2022, HANSIZHUANG was granted orphan-drug designation for the treatment of small cell lung cancer (SCLC) by the United States Food and Drug Administration（FDA）, which will help HANSIZHUANG to obtain certain policy support in follow-up R&D, registration and commercialisation in the United States. In June 2022, as the first independently developed first-line anti-PD-1 monoclonal antibody in the field of lung cancer in China, HANSIZHUANG was reported orally at the American Society of Clinical Oncology (ASCO) annual meeting. HANSIZHUANG is expected to become the first anti-PD-1 monoclonal antibody product for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) in global, providing strong support for the differentiated sales strategy of HANSIZHUANG, and will also provide new treatment options for related patients.

In May 2022, the phase III clinical study of HANSIZHUANG in combination with chemotherapy (Cisplatin + 5-FU) for the first-line treatment of patients with locally advanced or metastatic esophageal squamous cell carcinoma (ESCC) has met the coprimary endpoints of progression-free survival (PFS) and overall survival (OS) in an interim analysis, as assessed by the Independent Data Monitoring Committee (IDMC). The new drug application (NDA) of this indication, which is the fourth indication for HANSIZHUANG submitted by the Company in Mainland China, was accepted by the Centre for Drug Evaluation of the NMPA in August 2022.

3 Commercialisation deployment in international markets during the Reporting Period

During the Reporting Period, by adhering to the internationalisation strategy, the Group established cooperation globally with international partners such as Abbott, Organon LLC in respect of HANLIKANG, HANQUYOU, HANDAYUAN, HANBEITAI, HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) and HLX14 (recombinant anti-RANKL human monoclonal antibody injection) within six months.

- In February 2022, the Group entered into an agreement with Getz Pharma, pursuant to which, the Group agreed to grant a license to Getz Pharma to commercialise HANDAYUAN in Pakistan, Philippines, Vietnam and other regions. According to the agreement, the Company is entitled to receive an upfront payment of $500,000, and a milestone payment of up to $7.5 million.

- In May 2022, the Company entered into an agreement with Eurofarma, pursuant to which, the Company agreed to grant a license to Eurofarma to commercialise HANLIKANG, HANQUYOU and HANBEITAI in Brazil and regions around Brazil. According to the agreement, the Company is entitled to receive an upfront payment of $4.5 million, and a milestone payment of up to $46.0 million.

- In May 2022, the Company entered into an agreement with Abbott, pursuant to which, the Company agreed to grant a license to Abbott to commercialise HANLIKANG and HANQUYOU in Brazil. According to the agreement, the Company is entitled to receive an upfront payment of $3.0 million, and a milestone payment of up to $1.4 million.

- In June 2022, the Company entered into an agreement with Organon LLC, pursuant to which, the Company agreed to grant a license to Organon LLC and its affiliates to commercialise HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) and HLX14 (recombinant anti-RANKL human monoclonal antibody injection) globally except for Mainland China, Hong Kong, Macau and Taiwan regions. According to the agreement, the Company is entitled to receive an upfront payment of $70.0 million, and a milestone payment of up to $468.0 million.

(II) LAYOUT OF INDUSTRIALISATION BASE FOR BIOMEDICINES WITH HIGH ECONOMIC BENEFIT BASED ON INTERNATIONAL STANDARDS

As at the end of the Reporting Period, the Group with a total commercial production capacity of 48,000L has fully supported the commercialisation needs of domestic and overseas approved marketing products. Meanwhile, the production capacity of 96,000L was under construction, and it is expected to reach a total production capacity of 144,000L in 2026, with an aim to gradually improve and enhance large-scale commercial production capacity based on a sound quality management system, so that it can expand capacity and improve economic cost-effectiveness while maintaining high quality standards. In addition, the Group have continuously optimised the deployment of production technology, production cost control and other aspects in advance, which laid a solid foundation for the commercialisation of the Group's products in multiple jurisdictions.

XUHUI FACILITY (GRANTED WITH DUAL GMP CERTIFICATION OF CHINA AND EU, WITH COMMERCIAL PRODUCTION CAPACITY OF 24,000L)

As at the end of the Reporting Period, the Group has established Xuhui Facility, a biopharmaceutical production base in Shanghai Caohejing Hi-Tech Park, covering a total area of approximately 11,000 square meters with commercial production capacity of 24,000L, which has been granted with Chinese and EU GMP certificates and achieved normalised supply in China and the EU markets. During the Reporting Period, Xuhui Facility continuously improved production efficiency through a series of lean management and process optimisation measures. Furthermore, during the Reporting Period, the Group also promoted works on the localisation of critical supplies, consumable materials for production, so as to minimise the risk related to material supply and equipment procurement against the prevailing international situation.

SONGJIANG FIRST PLANT (APPROVED FOR THE PRODUCTION OF HANQUYOU WITH COMMERCIAL PRODUCTION CAPACITY OF 24,000L)

In order to meet the medium and long-term demand on production capacity, the Group has completed production capacity construction of 24,000L for the Songjiang First Plant in Songjiang District, Shanghai, including the liquid fill line and lyophilised preparation line, to prepare for meeting the production demand before the Songjiang Second Plant is put into operation. In April 2022, the Songjiang First Plant, in which the drug substance west line and east line (with a total production capacity of 24,000L), drug product line and packaging line for the production of HANQUYOU, has passed the drug GMP compliance inspection and it has a quality management system that meets the requirements of China's GMP regulations. In May 2022, HANQUYOU for production site change, production process optimisation and production scale expansion of drug product etc. was approved by the NMPA. The Songjiang First Plant was approved to commence commercial production of HANQUYOU under the optimised new production process in Mainland China. Besides, during the Reporting Period, the Songjiang First Plant has pass certification by Qualified Person (QP) from EU, indicating that the Songjiang First Plant and its supporting quality management system meet the requirements of EU's GMP regulations, and its products including HLX04-O, HLX11, HLX14 and others were able to conduct clinical trials in Europe.

SONGJIANG SECOND PLANT (WITH TOTAL PLANNED LAND AREA OF 200 MU AND DESIGNED PRODUCTION CAPACITY FOR PHASE I PROJECT OF 96,000L)

In order to meet the long-term demand on commercial production capacity, the construction of the Phase I project of Songjiang Second Plant, with a total planned land area of 200 mu was started in 2019. The designed production capacity for the first and second stages of this project is totaled 36,000L. The entry and installation of large-scale equipment of the two main production buildings and the supporting public works and warehouses has been completed. The main structure of the auxiliary production buildings was completed and accepted, and most of the main production facilities such as the drug substance lines and the drug product lines have completed the factory acceptance testing and been installed in place. In addition, other ancillary projects are progressing steadily. The designed production capacity of the third stage of the Phase I project of Songjiang Second Plant was 60,000L, covering a drug substance line consisting of four 15,000L stainless steel reactors, with its piling works completed in January 2022. The construction of the subsequent stage of Songjiang Second Plant will also be gradually implemented in accordance with the Group's strategy.

(III) SUSTAINABLE GLOBAL CLINICAL DEVELOPMENT CAPABILITY ON MEDICAL PRODUCTS

During the Reporting Period, based on clinical needs, the Group has orderly organised the development of innovative products. Clinical trials on indication for products are in further process, including HANSIZHUANG (PD-1) and related combination therapies, HLX301 (PD-L1 x TIGIT), HLX20 (PD-L1), HLX35 (EGFR x 4-1BB), for the treatment of small cell lung cancer (SCLC), solid tumours, adult Langerhans cell histiocytosis (LCH) and Erdheim-Chester disease (ECD), gastric cancer, Esophageal squamous cell carcinoma (ESCC), lymphomas and hepatocellular carcinoma. HANSIZHUANG, as the core innovative monoclonal antibody product of the Group, has been successively approved for clinical trials in China, the United States, the EU and other countries/regions. With HANSIZHUANG as the core, in addition to the indication for the MSI-H solid tumours which has been approved for marketing, 11 clinical studies are in the process in an orderly manner including 3 international multi-centre clinical trials; and as at the end of the Reporting Period, a total of over 3,100 subjects have been enrolled in the trials in China, Turkey, Poland and other countries/regions, representing an increase of approximately 300 subjects for trials as compared with the end of 2021.

As at the end of the Reporting Period, the Group, synergising R&D centres in China and the United States, has established a global product development team with more than 400 staff for advancing the clinical research and drug registration of many candidate drugs across the world, and achieved significant progress in 10 clinical trials and multiple global clinical trial approvals for 5 products and 2 combination therapies during the Reporting Period.

1. CONTINUOUS AND EFFICIENT ADVANCEMENT ON CLINICAL RESEARCH PRODUCT

As at the Latest Practicable Date, the Group has carried out a total of more than 20 clinical trials for 13 products and 12 combination therapies in an orderly manner in various countries/regions.

Progress of international clinical study projects

– Progress of HANSIZHUANG (serplulimab injection)

- In January 2022, the phase 3 investigational new drug application (IND) of HANSIZHUANG in combination with chemotherapy (carboplatin/cisplatin-etoposide) and concurrent radiotherapy for the treatment of limited-stage small cell lung cancer (LS-SCLC) was accepted by the NMPA and was approved in March 2022. In May 2022, the first patient has been dosed in an international multi-centre phase 3 clinical study in Mainland China.

- In April 2022, HANSIZHUANG has been granted orphan-drug designation for the treatment of small cell lung cancer (SCLC) by the United States Food and Drug Administration (FDA).

– Progress of other products

  - In February 2022, HLX301 (recombinant anti-PD-L1 and anti-TIGIT bispecific antibody injection) completed its first patient dosing in a phase 1 clinical trial for the treatment of locally advanced or metastatic solid tumours in Australia.

  - In April 2022, HLX04-O (recombinant anti-VEGF humanised monoclonal antibody injection) completed its first patient dosing in an international multi-centre phase 3 clinical trial for the treatment of wet age-related macular degeneration (wAMD) in Latvia, Australia, etc. As at the Latest Practicable Date, HLX04-O (recombinant anti-VEGF humanised monoclonal antibody injection) for wet age-related macular degeneration (wAMD) has been approved in Australia, the United States, Singapore, and Latvia, Spain, Czech, Poland and other EU countries to carry out phase 3 clinical trial successively.

  - In April 2022, HLX20 (recombinant fully human anti-PD-L1 monoclonal antibody injection) has completed a phase 1 clinical trial conducted in patients with advanced solid tumours in Australia, and HLX20 has demonstrated its good safety and tolerability in this trial.

  - In June 2022, the first patient has been dosed in an international multi-centre phase 3 clinical trial of HLX14 (recombinant anti-RANKL human monoclonal antibody injection) for the treatment of postmenopausal osteoporosis in women with high fracture risks in Mainland China. In July 2022, this international multi-centre phase 3 clinical study was approved to commence in Australia.

Progress of domestic clinical study projects

– Progress of HANSIZHUANG (serplulimab injection)

  - In February 2022, the phase 2 investigational new drug application (IND) of HANSIZHUANG in combination with HLX07 (recombinant humanised anti-EGFR monoclonal antibody injection) and HANBEITAI for the first-line treatment of unresectable or metastatic hepatocellular carcinoma (HCC) was accepted by the NMPA and approved in April 2022.

  - In April 2022, the phase 1 investigational new drug application (IND) of HLX26 (recombinant anti-LAG-3 humanised monoclonal antibody injection) in combination with HANSIZHUANG for the treatment of advanced/metastatic solid tumours or lymphomas was approved by the NMPA. In August 2022, the first patient has been dosed in a phase 1 clinical trial of HLX26 in combination with HANSIZHUANG for the treatment of advanced/metastatic solid tumours in Mainland China.

  - In May 2022, the phase 3 clinical study of HANSIZHUANG in combination with chemotherapy (Cisplatin + 5-FU) as a first-line treatment for patients with locally advanced/metastatic esophageal squamous cell carcinoma (ESCC), met the co-primary endpoints of progression-free survival (PFS) and overall survival (OS) in a planned interim analysis, evaluated by the Independent Data Monitoring Committee.

  - In June 2022, the enrollment of subjects was completed in a phase 3 clinical study of HANSIZHUANG in combination with HANBEITAI in combination with chemotherapy (carboplatin-pemetrexed) as a first-line treatment for advanced non-squamous, non-small cell lung cancer (nsNSCLC) in Mainland China.

– Progress of other products

- In January 2022, the phase 1b/2 investigational new drug application (IND) of HLX208 (BRAF V600E inhibitor) monotherapy or in combination therapy for the treatment of BRAF V600E or BRAF V600 mutation-positive advanced solid tumours was approved by the NMPA. In the same month, the first patient has been dosed in the phase 2 clinical trial of HLX208 (BRAF V600E inhibitor) for the treatment of adult Langerhans Cell Histiocytosis (LCH) and Erdheim-Chester disease (ECD) with BRAF V600E mutation in Mainland China.

- In January 2022, the investigational new drug application (IND) of HLX35 (recombinant humanised anti-EGFR and anti-4-1BB bispecific antibody injection) for the treatment of advanced malignant solid tumours was approved by the NMPA. In June 2022, HLX35 completed its first patient dosing in a phase 1 clinical trial for the treatment of advanced or metastatic solid tumours in Mainland China. The global commercialisation rights for HLX35 except for China (including Hong Kong, Macau and Taiwan regions) were granted to Binacea in November 2020, and phase 1 clinical study for the relevant indications in Australia has also been approved and progressed.

- In January 2022, the investigational new drug application (IND) of HLX301 (recombinant anti-PD-L1 and anti-TIGIT bispecific antibody injection) for the treatment of advanced tumours has been accepted by the NMPA and approved in March 2022. In July 2022, the first patient has been dosed in a phase 1/2 clinical trial of HLX301 for the treatment of locally advanced/metastatic solid tumours or lymphomas in Mainland China.

- In April 2022, the first patient has been dosed in a phase 3 clinical trial of HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) for the neoadjuvant therapy of HER2-positive, HR-negative early or locally advanced breast cancer in Mainland China.

2. Efficient advancement on IND application for pre-clinical development projects

The Group attached great importance to the pre-clinical project pipeline, and accelerated the submission of investigational new drug application (IND) of pre-clinical research projects covering targets such as TIGIT and GARP successfully.

- In April 2022, the phase 1 investigational new drug application (IND) of anti-TIGIT Fc fusion protein HLX53 for the treatment of advanced solid tumours or lymphomas was accepted by the NMPA and approved in June 2022.

- In June 2022, the application for phase 1 clinical trial of HLX60 (recombinant humanised anti-GARP monoclonal antibody injection) in combination with HANSIZHUANG for the treatment of advanced/metastatic solid tumours was submitted in Australia and approved in August 2022.

- In August 2022, the phase 1 investigational new drug application (IND) of HLX60 (recombinant humanised anti-GARP monoclonal antibody injection) for the treatment of solid tumours and lymphomas was accepted by the NMPA.

- In August 2022, the phase 2 investigational new drug application (IND) of HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanised monoclonal antibody injection) in combination with HANSIZHUANG and in combination with the standard therapy (Trastuzumab and chemotherapy) as the first-line treatment for locally advanced or metastatic gastric cancer (GC) was accepted by the NMPA.

- In August 2022, the phase 1b/2 investigational new drug application (IND) of HLX208 (BRAF V600E inhibitor) in combination with HANSIZHUANG for the treatment of BRAF V600E or BRAF V600 mutation-positive advanced solid tumours was accepted by the NMPA.

- In August 2022, the investigational new drug application (IND) of HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) for the treatment of locally advanced or metastatic cutaneous squamous cell carcinoma (CSCC) was accepted by the United States Food and Drug Administration (FDA).

The clinical and pre-clinical application results of the Group from the beginning of 2022 up to the Latest Practicable Date:

Product name (targets)	Indications	Progress as at the Latest Practicable Date
Efficient advancement on international clinical study projects		
HANSIZHUANG in combination with chemotherapy concurrent radiotherapy (PD-1)	Limited-stage small cell lung cancer (LS-SCLC)	In January 2022, the phase 3 investigational new drug application was accepted by the NMPA In March 2022, the phase 3 investigational new drug application was approved by the NMPA In May 2022, the first patient dosing was completed in an international multi-centre phase 3 clinical study
HANSIZHUANG (PD-1)	Small cell lung cancer(SCLC)	In April 2022, the United States Food and Drug Administration (FDA) granted orphan-drug designation
HLX301 (PD-L1×TIGIT)	Solid tumour	In February 2022, the first patient dosing was completed in a phase 1 clinical study in Australia
HLX04-O (VEGF)	wet age-related macular degeneration (wAMD)	In April 2022, the first patient dosing was completed in an international multi-centre phase 3 clinical study in Latvia, Australia and other regions
HLX20 (PD-L1)	Solid tumour	In April 2022, the phase 1 clinical study was completed in Australia
HLX14 (RANKL)	Osteoporosis (OP)	In June 2022, the first patient dosing was completed in an international multi-centre phase 3 clinical study in Mainland China In July 2022, an international multi-centre phase 3 clinical study was approved to commence in Australia
Smooth progress of domestic clinical projects		
HANSIZHUANG in combination with HLX07 and HANBEITAI (PD-1+EGFR+VEGF)	Hepatocellular carcinoma (HCC)	In February 2022, the phase 2 investigational new drug application was accepted by the NMPA In April 2022, the phase 2 investigational new drug application was approved by the NMPA

Product name (targets)	Indications	Progress as at the Latest Practicable Date
HLX26 in combination with HANSIZHUANG (LAG-3+PD-1)	Solid tumour	In February 2022, the phase 1 investigational new drug application was accepted by NMPA In April 2022, the phase 1 investigational new drug application was approved by NMPA In August 2022, the first patient dosing was completed in a phase 1 clinical trial
HANSIZHUANG in combination with chemotherapy (PD-1)	Esophageal squamous cell carcinoma (ESCC)	In May 2022, the phase 3 clinical trial met the primary endpoint
HANSIZHUANG in combination with HANBEITAI in combination with chemotherapy (PD-1+VEGF)	non-squamous, non-small cell lung cancer (nsNSCLC),	In June 2022, the enrollment of subjects was completed in a phase 3 clinical trial
HLX208 (BRAF V600E)	Solid tumour, adult langerhans cell histiocytosis (LCH) and erdheim-chester disease (ECD)	In January 2022, a phase 1b/2 investigational new drug application in monotherapy or in combined therapy was approved by the NMPA In January 2022, the first patient dosing was completed in a phase 2 clinical study
HLX35 (EGFR × 4-1BB)	Solid tumour	In January 2022, the investigational new drug application was approved by the NMPA In June 2022, the first patient dosing was completed in a phase 1 clinical trial
HLX301 (PD-L1 × TIGIT)	Solid tumour, lymphomas	In January 2022, the investigational new drug application was accepted by the NMPA In March 2022, the investigational new drug application was approved by the NMPA In July 2022, the first patient dosing was completed in a phase 1/2 clinical trial
HLX11 (HER2)	Neoadjuvant treatment of breast cancer	In April 2022, the first patient dosing was completed in a phase 3 clinical trial
Efficient advancement on IND application for pre-clinical development projects		
HLX53 (TIGIT)	Solid tumour, lymphomas	In April 2022, the phase 1 investigational new drug application was accepted by the NMPA In June 2022, the phase 1 investigational new drug application was approved by the NMPA
HLX60 in combination with HANSIZHUANG(GARP+PD-1)	Solid tumour	In June 2022, the phase 1 investigational new drug application was submitted in Australia In August 2022, a phase 1 clinical study was approved to commence in Australia

Product name (targets)	Indications	Progress as at the Latest Practicable Date
HLX60（GARP）	Solid tumour, lymphomas	In August 2022, the phase 1 investigational new drug application was accepted by the NMPA
HLX22 in combination with HANSIZHUANG and in combination with the standard therapy（Trastuzumab and chemotherapy）（HER2+PD-1+HER2）	Gastric cancer（GC）	In August 2022, the phase 2 investigational new drug application was accepted by the NMPA
HLX208 in combination with HANSIZHUANG（BRAF V600E+PD-1）	Solid tumour	In August 2022, the phase 1b/2 investigational new drug application was accepted by the NMPA
HLX07（EGFR）	Cutaneous squamous cell carcinoma (CSCC)	In August 2022, the investigational new drug application was accepted by the United States Food and Drug Administration (FDA)

II. OUTLOOK FOR THE SECOND HALF OF 2022

In the second half of the year, the Group will continue to focus on the fields of oncology and autoimmune diseases, and rely on its own innovative R&D strength, supplemented by external cooperation and licensing, to accelerate its innovation progress and consolidate its internationalised capability of "integrating research, production and marketing" while striving to maximise the commercial value of biosimilars, with the aim of gradually evolving into a Biopharma with larger scale and stronger market competitiveness.

(I) CAPITALISE ON FIRST-ENTRANT ADVANTAGES AND INCREASE THE GLOBAL MARKET COVERAGE OF OUR PRODUCTS

As one of the leading biomedicine companies in China, the Group actively responds to the call of the country and supports the national pharmaceutical reform by providing patients with affordable high-quality biological drugs. At the same time, it is determined to uphold the patient-orientated principle and continue to expedite the commercialisation of its products in a comprehensive and efficient mode of operation.

HANQUYOU is the Group's first core anti-tumour product promoted and sold within Mainland China as led by its in-house commercialisation team. In 2022, the Group will take further actions to promote the inclusion of HANQUYOU (in both 150mg and 60mg dosage forms) into the medical insurance procurement platforms and admission into the hospitals. Also, the Group will rely on its exclusive advantages in HANQUYOU (in both 150mg and 60mg dosage forms) in terms of personalised dosage and cost-effectiveness to continue to promote the products in lower-tier cities. In 2022, the Group will continue to optimise the diagnosis and treatment ecosystem for HER2-positive patients with priority given to improving the patient management and education platform and strive to build a public welfare platform for primary medical care by inviting domestic experts in oncology and relevant teams from professional hospitals to visit the communities and conduct public welfare trainings on the prevention and treatment of breast cancer and other oncology diseases for the frontline medical workers; the Group will effectively promote the cancer prevention, diagnosis and treatment projects by carrying out exchange activities such as large-scale free diagnosis, ward rounds, case discussions, etc. as a symbol to contribute to the standardisation of cancer diagnosis and treatment in the communities; and the Group will further improve and optimise construction of the diagnosis and treatment ecosystem for HER2-positive patients through cooperation with relevant parties in pharmacoeconomics, nursing education, and pharmaceutical education etc. In 2022, the sales network of HANQUYOU will continue to be strengthened to cover approximately 450 cities and nearly 5,500 DTP pharmacies/hospitals across China.

HANSIZHUANG is the Group's core innovative monoclonal antibody product. HANSIZHUANG's indication of unresectable or metastatic microsatellite instability-high (MSI-H) solid tumour that have failed to respond to the standard therapy, was approved for marketing in March 2022. As at the end of the Reporting Period, a professional sales team for HANSIZHUANG has been established. In the second half of the year, the Group will further enhance the coverage of its sales network by increasing the size of its sales team and optimising the team structure, so as to strengthen the competitiveness of HANSIZHUANG in the market. While actively implementing its marketing plans and sales strategies, the Group will continue to cooperate with the genetic testing companies in providing testing solutions for patients, building new patient service models, and improving MSI testing standards and accessibility, and continue to promote the improvement of standardized clinical diagnosis and treatment by cooperating with core academic institutions in the industry in conducting high-quality academic activities, with the aim of gradually establishing an ecosystem of patient diagnosis and treatment focusing on gastrointestinal tumours and gynecological tumours. In this regard, with the successive approvals for other indications (including advanced or metastatic squamous non-small cell lung cancer (sqNSCLC), extensive stage small cell lung cancer (ES-SCLC) and esophageal squamous cell carcinoma (ESCC), etc.) of HANSIZHUANG obtained in the future, the Group will further consolidate market sales layout in such field as lung cancer treatment and steadily build up a complete oncology patient treatment ecosystem. In the second half of the year, the Group plans to complete the tendering process of HANSIZHUANG in all the provinces in China and explore the feasibility of commercial insurance and innovative payment to further enhance the accessibility of the drug to the patients.

In February 2022, an innovative indication of HANLIKANG, i.e. rheumatoid arthritis (RA), was approved in China, which will provide additional opportunities for the marketing and sales of HANLIKANG. As the first monoclonal antibody approved in China under the Guidelines for Biosimilars, HANLIKANG is currently available in two dosage forms (100mg/10ml and 500mg/50ml) with its indications including not only hematologic oncology for which the original drug has been approved for marketing in China, but also autoimmune diseases, providing quality and flexible treatment options for a larger patient population. The Group will maintain close cooperation with Jiangsu Fosun and make the most of its first-entrant advantages to boost the sales of HANLIKANG. In 2022, we will continue to collaborate with academic groups to promote the standardisation of diagnosis and treatment of lymphoma with HANLIKANG through academic exchange activities, and enter the field of rheumatology to benefit the patients with rheumatoid arthritis.

The Group will continue to cooperate with Jiangsu Wanbang in the sales and marketing of HANDAYUAN in the area of rheumatology (ankylosing spondylitis and rheumatoid arthritis (RA)), dermatology (psoriasis) and ophthalmology (uveitis). In 2022, HANDAYUAN will continue to help ease the pain and suffering of the patients by relying on the platforms such as the "ASSC Ankylosing Spondylitis Standardised Treatment Project" and "Da'en Home" with priority given to the four major indications. It is our intention that HANDAYUAN will be available to 4,500 specialists and approximately 3,500 DTP pharmacies/hospitals by 2022, making it gradually "channel accessible" on the basis of "economically accessible".

At the same time, the Group will actively promote the availability of HANBEITAI on the medical insurance procurement platform as well as its tendering process on the procurement platform in 2022.

While aggressively penetrating the domestic market, the Group will continue to promote the commercial cooperation of its self-developed products in the international market. With the advancement of the R&D and registration of the Group's pipeline products, as well as the gradual understanding and full recognition of their effectiveness by the international market, the Group will continue to seek commercial cooperation with more leading international pharmaceutical companies in the second half of the year, so as to jointly introduce the Group's products to a broader international market, especially emerging markets with huge unmet medical needs for affordable drugs, and benefit overseas patients.

(II) CONTINUE TO FACILITATE THE APPROVAL OF MORE PRODUCTS FOR NEW INDICATIONS

HANSIZHUANG (SERPLULIMAB INJECTION)

The development and production of HANSIZHUANG, which is the Group's core innovative monoclonal antibody product, is conducted in strict compliance with international quality standards. As of the Latest Practicable Date, in addition to the approved indication of MSI-H solid tumour, 11 combination therapies based on HANSIZHUANG (Serplulimab injection) were undergoing parallel clinical trials in a number of countries and regions around the world.

- The new drug application (NDA) of the second indication of HANSIZHUANG in Mainland China of the first-line therapy for locally advanced or metastatic squamous non-small cell lung cancer (sqNSCLC) is expected to be approved in the second half of 2022.

- The new drug application (NDA) of the third indication of HANSIZHUANG in Mainland China of the first-line therapy for previously untreated extensive stage small cell lung cancer (ES-SCLC) is expected to be approved in the first half of 2023.

- Based on the outcome of the meeting with the Food and Drug Administration (FDA) of the United States, a bridging study of HANSIZHUANG in combination with chemotherapy among previously untreated United States patients with extensive stage small cell lung cancer (ES-SCLC) is planned to be launched in the second half of 2022 to support the future NDA of the product in the United States.

- Based on the positive feedback from the Scientific Advice Working Party of the European Medicines Agency pointed at the consultation on the registration of HANSIZHUANG for the treatment of extensive stage small cell lung cancer (ES-SCLC), the marketing authorisation application of HANSIZHUANG in combination with chemotherapy in the EU for extensive stage small cell lung cancer (ES-SCLC) is expected to be submitted in 2023.

In the second half of the year, the Group will also actively work with its international partners to facilitate the submission of marketing applications for HANQUYOU, HANLIKANG and HANBEITAI in the United States, Brazil and Egypt, etc.

(III) CONTINUE TO BUILD INNOVATIVE PRODUCT PIPELINE THROUGH ITERATIVE R&D CAPABILITIES

In the second half of the year, the Group will continue to leverage its international resources and strengths, collaborate with its R&D centres in China and the United States to strengthen its translational medicine capabilities and drive differentiated innovation, thereby addressing unmet clinical needs. In terms of early stage R&D, the Group will focus on antibody technology combined with novel molecular coupling technologies to vigorously expand multiple forms of antibody-coupled drugs, explore and continuously promote the "AXC" platform (covering small molecules (ADC), functional enzymes (AEC), isotopes (ARC), cells (ACC), PROTAC (APC) and nucleic acids (AOC) etc.), "IMAC" (Immuno-Modulator Antibody Conjugate) platform, targeted drug delivery platform, trans-blood-brain barrier drug delivery platform, etc., to provide solutions to unmet clinical needs through innovative drug forms, and to continue to build a solid foundation in the oncology field, which we have been cultivating for more than 10 years, while actively expanding into non-oncology disease areas, including metabolic, cardiovascular, renal, inflammatory, etc. At the same time, through the continuous introduction of new scientific concepts, the Group will develop innovative products based on tumour metabolism, immune metabolism, etc., which will inject a steady stream of impetus into the advancement of the Group's innovative drug R&D and the achievement of its excellent commercialisation goals, thereby truly meeting the needs of patients and the market. A series of innovative products independently developed by the Group are scheduled to be further promoted in the second half of 2022:

- HLX23, recombinant anti-CD73 fully human monoclonal antibody injection, for the phase 1 clinical trial in patients with advanced or metastatic solid tumours is expected to complete the first patient dosing in the United States in the second half of the year.

- HLX53, anti-TIGIT Fc fusion protein, for the phase 1 clinical trial in patients with advanced or metastatic solid tumours or lymphomas is expected to complete the first patient dosing in Mainland China in the second half of the year.

- The investigational new drug applications (IND) of HLX60 (recombinant humanised anti-GARP monoclonal antibody injection), HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanised monoclonal antibody injection) in combination with HANSIZHUANG and in combination with the standard therapy (Trastuzumab and chemotherapy), HLX208 (BRAF V600E inhibitor) in combination with HANSIZHUANG, HLX07 (recombinant anti-EGFR humanised monoclonal antibody injection) have been accepted recently and are expected to be approved in the second half of the year.

In addition to independent R&D, the Group will also identify and verify cutting-edge technology platforms to speed up the process of drug discovery and development, and actively accelerate the creation of innovative technology platforms and the expansion of innovative product pipelines through licensing introduction and cooperative development. In June 2022, the Company entered into a cooperation and license agreement with Palleon Pharmaceuticals Inc. for the global co-development and commercialisation of a bifunctional HER2-sialidase fusion protein and another tumour-related target-sialidase bifunctional fusion protein. The Company will obtain the exclusive commercialisation rights of two bifunctional antibody-sialidase fusion protein products in Mainland China, Hong Kong, Macau and Taiwan regions under the agreement, and the first collaborative product, a bifunctional HER2-sialidase fusion protein, is expected to enter clinical trial support studies soon. In 2022, the Group have also reached a cooperation consensus with Novacyte Therapeutics Biomedical Technology (Beijing) Co., Ltd. and MediLink Therapeutics (Suzhou) Co., Ltd. on the introduction of ADC platform technology and the cooperative development of ADC products.

In addition, the Group entered into an agreement with Galaxy Biotech, LLC in February 2018, pursuant to which Galaxy Biotech, LLC granted us an exclusive license to develop and commercialise HLX56 in Greater China. In view of the actual situation in the R&D process, the Group officially terminated the further cooperation with Galaxy Biotech, LLC during the Reporting Period.

(IV) MAINTAIN HIGH QUALITY STANDARDS AND CONTINUE TO PROMOTE INDUSTRIALISATION DEPLOYMENT

The Group will complete the construction of production base and the expansion of production capacity according to the prospective planning and the product R&D and marketing process, in order to provide a strong guarantee for the commercial sales of products and ensure the efficient utilisation of production capacity. Xuhui Facility continued to improve production efficiency and achieve stable and efficient commercial production during the Reporting Period through a series of lean management and process optimisation initiatives. The relevant measures will continue to be promoted in the second half of this year. In addition, the localisation of production materials and consumables will also continue.

As at the Latest Practicable Date, the Songjiang First Plant's 24,000L production capacity has been inspected for compliance with pharmaceutical GMPs and has been officially approved for the domestic commercial production of HANQUYOU using a new, optimised production process. On the basis of this, the Songjiang First Plant will continue on the improvement of international standard quality system and plans to complete the United States GMP inspection in 2023.

To achieve the long-term production capacity planning, the Group will continue to promote the construction of the Songjiang Second Plant, in order to enhance the overall production capacity. The construction, installation of process equipment for the two main production buildings in the first and second stage of the Songjiang Second Plant Phase I Project are expected to be completed in the second half of 2022 and will enter into the joint commissioning and verification stage. Also, the verification work of facilities and equipment is expected to be completed in the second half of 2022 and will enter into the stage of trial production and process verification. The first batch production of the Songjiang Second Plant project is expected to be completed by the end of 2022. For the third stage of Phase I of the Songjiang Second Plant, piling works completed during the Reporting Period. It is planned to continue the civil construction in the second half of 2022, and the foundation works and structure of the main building are expected to be completed in 2023. The Group will promote the construction and operation of the Songjiang Second Plant as soon as possible. When completed, the Songjiang Second Plant will become the monoclonal antibody biological drug R&D, pilot test and production base of the Group. This will further enhance the market competitiveness of the Group in its core business areas and meet the global commercial production needs of the Group's products.

III. FINANCIAL REVIEW

(I) REVENUE

During the Reporting Period, the Group capitalised on its first-mover advantages and expanded the market coverage of products, actively improved the commercialisation layout to build a powerful commercial organisation with predominant strength, established a comprehensive and efficient business operation model to continuously promote the successful commercialisation of more products, delivering a better performance of doubling its revenue as compared to the same period last year. During the Reporting Period, HANQUYOU, the core product of the Group in the field of anti-tumour therapy and the first product sold and promoted by the Group's in-house commercialisation team in Mainland China, continued to expand its sales; HANSIZHUANG, the first core innovative monoclonal antibody products, was approved for marketing in March 2022, and recorded sales revenue during the Reporting Period; the Group cooperated closely with the professional sales team of Fosun Pharma to boost the sales of HANLIKANG continuously.

With the continuous advancement of the R&D and registration of pipeline products of the Group and the increasing understanding and full recognition of the Group's products from the international market, during the Reporting Period, the Group continued to promote the business cooperation for its self-developed products in the international market. While entering into the mainstream biologics market in Europe and the United States, the Company regards the expansion into emerging markets as the focus of its globalisation strategy. During the Reporting Period, the Group cooperated with partners and continued to expand overseas markets to create more business value, thereby bringing in considerable licensing income and R&D service income.

During the Reporting Period, the Group recorded an operating income of approximately RMB1,289.4 million, representing an increase of approximately 103.5% as compared to the same period last year, mainly including the following:

1) REVENUE FROM PRODUCT SALES

HANQUYOU was the first domestic trastuzumab approved for marketing independently developed by the Group and was also the first product of the Group to adopt its in-house team to conduct commercialisation promotion. It was commercialised in the domestic market in August 2020. During the Reporting Period, HANQUYOU recorded a sales revenue of approximately RMB800.2 million, representing a significant increase of approximately RMB512.6 million or approximately 178.2% as compared to the same period last year. Meanwhile, drug substance of trastuzumab recorded sales revenue of approximately RMB0.6 million.

In respect of HANLIKANG, according to the cooperation agreement with Fosun Pharma, Fosun Pharma would reimburse all the expenses related to the clinical trials of HANLIKANG incurred by the Group after the relevant cooperation agreement was signed, and the Group was responsible for the production of HANLIKANG in China and the supply of HANLIKANG to Fosun Pharma after the commercialisation of HANLIKANG, and shall share the profits from the sales of HANLIKANG in China. During the Reporting Period, the Group recorded sales revenue of approximately RMB272.1 million, representing an increase of approximately 22.5%, and licensing income of approximately RMB9.3 million under the aforementioned profit-sharing arrangement with its partners.

After the successful marketing of HANLIKANG, HANQUYOU (EU brand name: Zercepac®), HANDAYUAN, and HANBEITAI, HANSIZHUANG was the first self-developed and approved bioinnovation of the Group. The approval of HANSIZHUANG will further enrich the Company's commercial product line, and will also bring more treatment options for domestic patients. It began commercialisation in the domestic market in March 2022. During the Reporting Period, HANSIZHUANG recorded sales revenue of approximately RMB76.9 million.

In respect of HANDAYUAN, according to the cooperation agreement with Fosun Pharma, Fosun Pharma will reimburse all the expenses related to the clinical trials of HANDAYUAN incurred by the Group after the relevant cooperation agreement is signed, and the Group is responsible for the production of HANDAYUAN in China and the supply of HANDAYUAN to Fosun Pharma after the commercialisation of HANDAYUAN, and shall share the profits from the sales of HANDAYUAN in China. During the Reporting Period, HANDAYUAN recorded sales revenue of approximately RMB19.8 million and licensing income of approximately RMB0.9 million under the aforementioned profit-sharing arrangement with its partners.

During the Reporting Period, the Group recorded revenue of approximately RMB11.9 million for Zercepac®.

2) Revenue from joint development and technology transfer/commercialisation licensing

With the continuous improvement of the R&D system and innovation capabilities of the Group, our influence in the international market is expanding, at the same time, the number and overall amounts of licensed-out projects are constantly increasing. During the Reporting Period, the Group carried out business cooperation with multiple partners around the world based on various projects, including intellectual property licensing, joint development, commercialisation, etc.

In June 2018, the Group entered into a license agreement with Accord in relation to HANQUYOU (Zercepac®), granting Accord exclusive commercial rights in special territories as agreed therein. In July 2020, the marketing authorisation application of HANQUYOU (Zercepac®) submitted by a wholly-owned subsidiary of Accord was approved. Since then, HANQUYOU (Zercepac®) can be marketed in all EU Member States as well as in Iceland, Liechtenstein and Norway (each in the European Economic Area (EEA)) with its centralised marketing license. The Group has recognised licensing income of approximately RMB2.4 million for the six months ended 30 June 2022.

In September 2019, the Group entered into a co-development and commercialisation agreement with PT Kalbe Genexine Biologics in relation to HANSIZHUANG. With the continuous advancement of R&D services, the Group has recognised revenue from R&D services of approximately RMB2.5 million for the six months ended 30 June 2022.

In October 2020, the Group entered into a co-development and exclusive license agreement with Essex Bio-Investment Limited and Zhuhai Essex Bio-Pharmaceutical Company Limited* (珠海億勝生物製藥有限公司) in relation to HLX04-O (recombinant humanised anti-VEGF monoclonal antibody injection) independently developed by the Group. The Group has recognised revenue from R&D services of approximately RMB26.7 million for the six months ended 30 June 2022.

In November 2020, the Group entered into a license and co-development agreement with Binacea in relation to HLX35 (recombinant humanised anti-EGFR and anti-4-1BB bispecific antibody injection). The Group has recognised licensing income of approximately RMB19.0 million for the six months ended 30 June 2022.

In June 2022, the Group entered into a license and supply agreement with Organon LLC in relation to HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) and HLX14 (recombinant anti-RANKL human monoclonal antibody injection). The Group has recognised revenue from R&D services of approximately RMB13.3 million for the six months ended 30 June 2022.

3) Other R&D service businesses

In February 2022, the Group entered into a technical service contract with Shanghai Zhenge Biotech Co., Ltd.* (上海臻格生物技術有限公司) in relation to the study and production of freeze-dried formulation at IND stage, an antibody drug under development. With the continuous advancement of technical service, the Group recognised revenue from technical service of approximately RMB2.5 million for the six months ended 30 June 2022.

In March 2022, the Group entered into an industrial technical services agreement with Shanghai Fosun Pharmaceutical Industrial Development Company Limited* (上海復星醫藥產業發展有限公司) in relation to provision of CMC and pre-clinical toxicology research services to Fosun Pharmaceutical Industrial Development Company Limited for an antibody drug FS2101 under development. The Group recognised revenue from R&D services of approximately RMB29.9 million for the six months ended 30 June 2022.

(II) Cost of sales

The Group's cost of sales primarily represents reagents and consumables, employee compensation, outsourcing expenses, utilities expenses and depreciation and amortisation, etc. During the Reporting Period, the Group recorded cost of sales of approximately RMB305.6 million, representing an increase of approximately RMB84.2 million as compared with that for the six months ended 30 June 2021, due to the increase of the sales volume of the key commercial products in the market.

(III) Gross profit

During the Reporting Period, the Group recorded a gross profit of approximately RMB983.8 million, representing an increase of approximately RMB571.6 million as compared with that for the six months ended 30 June 2021, mainly due to the gross profit contribution from the commercialisation of the Company's key products.

(IV) Other income and gains

Other income of the Group mainly included government grants and bank interest income. Government grants included (1) government grants for capital expenditure in relation to the purchase of machinery and equipment (recognised over the useful life of the relevant assets); and (2) incentives for R&D activities and interest subsidy as well as other supports (recognised after satisfying certain conditions promulgated by the government).

During the Reporting Period, the Group recognised other income and gains of approximately RMB51.2 million.

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Government grants	**22,110**	17,944
Exchange gains	**28,388**	–
Interest income	**704**	1,219
Others	**20**	808
Total	**51,222**	19,971

(V) R&D EXPENDITURE

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Expensed R&D expenses		
R&D employee salaries	**227,531**	143,966
Outsourcing fees	**89,755**	20,614
Reagents and consumables	**59,188**	47,857
Utilities expenses	**7,288**	8,634
Depreciation and amortisation	**46,359**	40,902
Consulting expense	**10,845**	5,683
Technical usage fees	**19,497**	113,969
Clinical trials	**45,665**	40,600
Share-based compensation	**1,242**	10,122
Others	**27,127**	19,466
Total expensed R&D expenses	**534,497**	451,813
Capitalised R&D expenses		
Clinical trials	**161,514**	137,110
R&D employee salaries	**84,007**	82,103
Reagents and consumables	**10,309**	17,846
Depreciation and amortisation	**14,373**	19,369
Utilities expenses	**1,052**	3,679
Outsourcing fees	**6,271**	12,174
Share-based compensation	**2,057**	4,306
Consulting expense	**1,158**	1,357
Others	**12,167**	9,581
Total capitalised R&D expenses	**292,908**	287,525

During the Reporting Period, the Group recognised R&D expenses of approximately RMB827.4 million, representing an increase of approximately RMB88.1 million or approximately 11.9% as compared with approximately RMB739.3 million for the six months ended 30 June 2021. Such increase in R&D expenses was mainly due to the increase of investment in innovative R&D projects and the advancement of the Company's innovation and transformation.

(VI) ADMINISTRATIVE EXPENSES

Administrative expenses mainly included administrative staff costs, office administrative expenses, depreciation and amortisation, audit and consultation fees, etc.

During the Reporting Period, the Group recognised administrative expenses of approximately RMB160.5 million, representing an increase of approximately 35.7% as compared to that of approximately RMB118.3 million for the six months ended 30 June 2021. The increase in administrative expenses of the Group was mainly due to: (1) the increase in the number of administrative employees in line with the expansion of the Company's operations and development; and (2) the corresponding increase in office administrative expenses, depreciation charges and software costs.

(VII) SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses of the Group mainly included salaries, promotional expenses and other expenses, etc.

During the Reporting Period, the Group recognised selling and distribution expenses of approximately RMB378.6 million, which were mainly the marketing expenses incurred in the marketing and commercialisation of the products of HANQUYOU and HANSIZHUANG.

(VIII) INCOME TAX EXPENSES

For the six months ended 30 June 2022, the Group incurred income tax expenses of approximately RMB1.0 million.

(IX) LOSS FOR THE PERIOD

In view of the above, the Group's loss decreased by approximately RMB141.7 million from approximately RMB393.8 million for the six months ended 30 June 2021 to approximately RMB252.1 million for the six months ended 30 June 2022.

(X) LIQUIDITY AND CAPITAL RESOURCES

As of 30 June 2022, cash and bank balances of the Group were approximately RMB794.7 million, mainly denominated in Renminbi ("RMB"), United States Dollars ("USD"), New Taiwan Dollars ("NTD"), Hong Kong Dollars ("HKD") and Euro ("EUR"). As of 30 June 2022, the current assets of the Group were approximately RMB2,077.8 million, including cash and cash equivalents of approximately RMB215.1 million and restricted currency funds of approximately RMB579.6 million.

The inventories were approximately RMB559.1 million, trade receivables were approximately RMB554.0 million, prepayments, deposits and other receivables were approximately RMB170.0 million. As of 30 June 2022, the current liabilities of the Group were approximately RMB4,230.9 million, including trade payables of approximately RMB388.5 million, other payables and accruals of approximately RMB1,059.9 million and interest-bearing bank and other borrowings of approximately RMB2,484.0 million.

As at 30 June 2022, the foreign exchange bank balances of the Group were as follows:

	RMB'000
RMB	**143,346**
HKD	**7,181**
USD	**637,170**
EUR	**190**
NTD	**6,798**

	Original amount in thousand
RMB	**143,346**
HKD	**8,397**
USD	**94,944**
EUR	**27**
NTD	**30,185**

(XI) INVENTORIES

Inventories of the Group increased from approximately RMB420.1 million as at 31 December 2021 to approximately RMB559.1 million as at 30 June 2022, mainly due to (1) the increased purchases of raw materials and consumables in line with the clinical trial progress and preparation for commercial production; and (2) sufficient stock is prepared to meet the increasing demand for key commercial products in the market.

(XII) TRADE RECEIVABLES

As at 30 June 2022 and 31 December 2021, trade receivables from customer contracts were approximately RMB554.0 million and RMB295.7 million, respectively. There were no changes in accounting estimates or material assumptions made in both periods.

	30 June 2022 RMB'000	31 December 2021 RMB'000
Within 3 months	**554,028**	295,741
Total	**554,028**	295,741

(XIII) INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 30 June 2022, borrowings from banks and other institutions (exclusive of lease liabilities) of the Group were approximately RMB3,274.7 million. The Group incurred new borrowings for the following reasons: ongoing clinical research trials and preclinical research for drug candidates, sales expense from products commercialisation, construction of plants and normal operating expenses. The borrowings of the Group were denominated in RMB and USD.

Such borrowings bear interest at fixed annual and floating interest rates. There is no significant seasonal impact on the Group's borrowing requirements.

(XIV) MATURITY STRUCTURE OF OUTSTANDING DEBTS

The following table sets forth the maturity structure of outstanding debts as at 30 June 2022 and 31 December 2021, of which lease liabilities were initially recognised upon the adoption of IFRS 16 – Leases on 1 January 2017.

	30 June 2022 RMB'000	31 December 2021 RMB'000
Within one year	**2,483,959**	1,570,674
In the second year	**189,271**	318,790
In the third to fifth year (inclusive)	**102,160**	177,956
Over five years	**816,330**	555,517
Total	**3,591,720**	2,622,937

(XV) COLLATERAL AND PLEDGED ASSETS

As at 30 June 2022, the Group's pledged assets in relation to borrowings included trade receivables of approximately RMB112.5 million, prepayments, deposits and other receivables of approximately RMB8.4 million, property, plant and equipment of approximately RMB521.1 million and land use right of approximately RMB199.0 million.

(XVI) KEY FINANCIAL RATIOS

	30 June 2022	31 December 2021
Current ratio[(1)]:	**49.1%**	55.7%
Quick ratio[(2)]:	**35.9%**	41.5%
Gearing ratio[(3)]:	**61.9%**	51.8%

Notes:

(1) Current ratio is calculated as current assets divided by current liabilities as at the same day.

(2) Quick ratio is calculated as current assets minus inventories and divided by current liabilities as at the same day.

(3) Gearing ratio is calculated as net debt divided by equity attributable to owners of the parent plus net debt, multiplied by 100%. Net debt represents the balance of indebtedness less cash and cash equivalents as at the end of the period.

(XVII) MAJOR INVESTMENT

In order to satisfy the expected market demand for drug candidates, the Group is currently constructing a new manufacturing facility in Shanghai, the Songjiang Second Plant, to significantly increase our overall production capacity. We designed the Songjiang Second Plant to incorporate substantially similar manufacturing equipment, technologies and processes as those being used and to be implemented at our Xuhui Facility. This project is expected to become the monoclonal antibody biological drug R&D, pilot test and production base of the Group when completed, which is conducive to further strengthening the Group's R&D capabilities in the field of biomedicine (especially monoclonal antibody biomedicine) and meeting the global commercial production needs of the Group's biosimilar and bioinnovative products.

The Company is expected to invest not more than RMB2.54 billion for the construction of the Phase I project of the Songjiang Second Plant (first stage, second stage and third stage). As at the end of the Reporting Period, the facility is under construction and the subsequent stages of construction will be gradually carried out based on the strategy of the Group. The capital expenditure of the construction of the Songjiang Second Plant will be mainly funded through debt financing.

Except for those disclosed in this report, as at 30 June 2022, the Group did not make any other significant investments.

(XVIII) CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

	30 June 2022 RMB'000	31 December 2021 RMB'000
Plant and machinery	**10,834**	55,745
Construction in progress	**451,216**	250,773
Electronic equipment	**7,519**	14,096
Leasehold improvements	**3,126**	45,706
Others	**–**	378
Total	**472,695**	366,698

We had capital commitments for plant and machinery contracted but not provided for of approximately RMB462.7 million as at 30 June 2022. These capital commitments primarily relate to expenditures expected to be incurred for the purchase of machinery, renovation of our existing laboratories and buildings and the R&D expenses to be capitalised.

(XIX) CONTINGENT LIABILITIES

As of 30 June 2022, the Group did not have any material contingent liabilities.

(XX) MATERIAL ACQUISITIONS AND DISPOSALS

As of 30 June 2022, the Group did not have any material acquisitions and disposals.

(XXI) INTERIM DIVIDENDS

The Company did not pay or declare any dividend for the Reporting Period.

IV. RISK MANAGEMENT

(I) FOREIGN EXCHANGE RISK

Up until 30 June 2022, the Group was principally engaged in business in the PRC, in which most of the transactions were settled in RMB with no significant foreign exchange risk. No financial instrument for hedging foreign exchange risk or other hedging purposes was employed.

(II) EXCHANGE RATE RISK

Currently, the major business operation of the Group is in the PRC and most of the revenue and expenses are settled in RMB, which is the Group's reporting currency. With the acceleration of the Group's development in overseas markets, it is expected that the sales revenue and licensing revenue denominated in USD and EUR will increase in the future. Fluctuations in exchange rates may adversely affect the Group's cash flows, revenues, earnings and financial position.

(III) Potential risks

1. Market Risk

The biologics market is highly competitive, and the Group's existing commercialised products and products that may be commercialised in the future face competition from pharmaceutical companies around the world in respect of various factors such as indication treatment, drug novelty, drug quality and reputation, breadth of drug portfolio, manufacturing and distribution capacity, drug price, coverage and depth of customer, consumer behaviour and supply chain relationships. The Group's ability to remain competitive depends to a large extent on our ability to innovate, develop and promote new products and technologies that meet market needs in a manner to capture market share. At the same time, in October 2020, in the "Response to the Recommendation of No. 6450 of the Third Session of the 13th NPC", the National Healthcare Security Administration stated that centralised volume-based procurement will commence at an appropriate time, after considering the factors of the biosimilar similarity, production capacity and supply chain stability of companies and the clinical substitutability of specific products. Currently, certain biosimilar has already been included in the application scope of centralised drug procurement at the provincial level. If any of our products are included in the centralised volume-based procurement in the future, our rivals (if they are evaluated on equivalence) may also choose to participate in tenders and be included in centralised procurement, hence bringing potential impact on the pricing of the drugs.

2. Business and Operational Risk

The global biologics market is constantly evolving, and the Group invests significant amounts of human and capital resources for R&D, to develop, enhance or acquire technologies that will allow the Group to expand the scope and improve the quality of the services. Currently, the commercially available products of the Group include: HANLIKANG, HANQUYOU (trastuzumab injection, EU brand name: Zercepac®), HANDAYUAN, HANBEITAI and HANSIZHUANG. Most of the Group's drug candidates are still under development and are in the clinical development stages, and the course of clinical development involves a lengthy and expensive process with uncertainties in various aspects, as there can be no assurance from the Group of the development and clinical results. Furthermore, if the clinical development and regulatory approval process of the drug candidates are delayed or terminated, the successful development and commercialisation of the Group's drug candidates in a timely manner may be adversely affected.

3. Potential Risks of COVID-19

After the outbreak of COVID-19, the Group immediately adopted anti-epidemic measures, to secure employees' safety and guarantee to carry out a variety of work duties in an orderly manner. In the first half of 2022, the repeated spread of COVID-19 in Shanghai and other cities in China exerted certain negative impacts on the Group's operations in China, there are still uncertainties on its impacts on China and the world in the future. The epidemic of COVID-19 may have potential impacts on the Group's business, including but not limited to commodity sales, the hiring of staff for clinical trials and staff's involvement, approval of regulatory registration, procurement of raw materials, and construction progress of production base. The Group will continue to observe the epidemic situation and make all preparations in advance.

4. Force Majeure Risk

Our business, financial condition and results of operations may be materially and adversely affected by natural disasters or other unanticipated catastrophic events such as earthquakes, fires, terrorist attacks and wars. For example, the ability of our facilities to operate may be impaired, our equipment may be damaged, the development timeline of our drug candidates may be prolonged and even there may be a decrease in the demand for our products. The occurrence of any such event could adversely affect our business and financial condition.

V. EMPLOYEES AND REMUNERATION POLICIES

The following table sets forth the breakdown of our employees by function as at 30 June 2022:

Function	Number of employees
R&D and Technology	**1,012**
Manufacturing	**878**
Commercial Operation	**803**
General and Administrative	**240**
Total	**2,933**

The Group enters into individual employment contracts with our employees setting out terms such as salaries, bonuses, grounds for termination and confidentiality. Employment contracts with our R&D personnel also typically contain a non-competition clause. The Group also provides benefits to our employees as part of their compensation package, which we believe is in line with industry norms. For example, PRC-based employees are entitled to social insurance as mandated by the PRC Social Insurance Law, including pension, basic medical insurance, maternity insurance, work-related injury insurance, unemployment insurance and housing provident fund. To stay competitive in the market for talents, we have also adopted share award schemes to give incentives to our employees. The Group emphasises on-the-job training as a constant and ongoing objective for the employees. All employees participate in formal training on an annual basis, where the Group focuses on the latest technical developments and updates in regulatory requirements.

INDEPENDENT REVIEW REPORT

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To the board of directors of Shanghai Henlius Biotech, Inc.
(Established in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 38 to 58, which comprises the condensed consolidated statement of financial position of Shanghai Henlius Biotech, Inc. (the "Company") and its subsidiaries (the "Group") as at 30 June 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
18 August 2022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
REVENUE	4	**1,289,394**	633,595
Cost of sales		**(305,609)**	(221,417)
Gross profit		**983,785**	412,178
Other income and gains	5	**51,222**	19,971
Selling and distribution expenses		**(378,642)**	(197,331)
Research and development expenses		**(534,497)**	(451,813)
Administrative expenses		**(160,537)**	(118,303)
Impairment losses on financial and contract assets, net		**(1,080)**	(222)
Other expenses		**(160,138)**	(18,325)
Finance costs	7	**(51,255)**	(39,992)
LOSS BEFORE TAX	6	**(251,142)**	(393,837)
Income tax expense	8	**(953)**	–
LOSS FOR THE PERIOD		**(252,095)**	(393,837)
Attributable to:			
Owners of the parent		**(252,095)**	(393,837)
Non-controlling interests		**–**	–
		(252,095)	(393,837)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	10	**(0.47)**	(0.73)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
LOSS FOR THE PERIOD	**(252,095)**	(393,837)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,512)**	(458)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(1,512)**	(458)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(253,607)**	(394,295)
Attributable to:		
Owners of the parent	**(253,607)**	(394,295)
Non-controlling interests	**–**	–
	(253,607)	(394,295)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

	Notes	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**1,642,117**	1,228,885
Intangible assets	12	**3,896,054**	3,634,931
Right-of-use assets		**451,937**	438,201
Other non-current assets		**116,156**	223,668
Total non-current assets		**6,106,264**	5,525,685
CURRENT ASSETS			
Inventories		**559,136**	420,112
Trade receivables	13	**554,028**	295,741
Prepayments, other receivables and other assets		**169,971**	223,973
Cash and bank balances		**794,685**	707,333
Total current assets		**2,077,820**	1,647,159
CURRENT LIABILITIES			
Trade payables	14	**388,549**	383,470
Other payables and accruals		**1,059,856**	867,278
Contract liabilities		**298,532**	138,303
Interest-bearing bank and other borrowings	15	**2,483,959**	1,570,674
Total current liabilities		**4,230,896**	2,959,725
NET CURRENT LIABILITIES		**(2,153,076)**	(1,312,566)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,953,188**	4,213,119
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	15	**1,107,761**	1,052,263
Other long-term payables		**51,976**	54,425
Contract liabilities		**567,021**	653,934
Deferred income		**148,389**	155,741
Total non-current liabilities		**1,875,147**	1,916,363
Net assets		**2,078,041**	2,296,756
EQUITY			
Share capital	16	**543,495**	543,495
Reserves		**1,534,546**	1,753,261
Equity attributable to owners of the parent		**2,078,041**	2,296,756
Total equity		**2,078,041**	2,296,756

For the six months ended 30 June 2022

		Attributable to owners of the parent					
	Notes	Share capital RMB'000	Share premium* RMB'000	Other reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
At 1 January 2022 (audited)		**543,495**	**6,009,592**	**(478,080)**	**(3,021)**	**(3,775,230)**	**2,296,756**
Loss of the period		–	–	–	–	**(252,095)**	**(252,095)**
Other comprehensive loss for the period:							
Exchange differences related to foreign operations		–	–	–	**(1,512)**	–	**(1,512)**
Total comprehensive loss for the period		–	–	–	**(1,512)**	**(252,095)**	**(253,607)**
Vesting of restricted shares	(i)	–	**42,165**	**(16,554)**	–	–	**25,611**
Equity-settled share-based payments	(ii)	–	–	**9,281**	–	–	**9,281**
At 30 June 2022 (unaudited)		**543,495**	**6,051,757**	**(485,353)**	**(4,533)**	**(4,027,325)**	**2,078,041**

* These reserve accounts comprise the consolidated other reserves of RMB1,534,546,000 in the consolidated statement of financial position.

Notes:

(i) According to the share award scheme of the Company, 2,780,728 shares were vested. An amount of RMB25,611,000 was credited as other reserve due to the release of repurchase obligation and an amount of RMB42,165,000 was transferred out from other reserve to share premium.

(ii) The Company has recognised an expense of RMB6,409,000, a cost of sales of RMB809,000, a deferred development cost of RMB2,057,000 and inventories of RMB6,000, which were credited to other reserve during the six months ended 30 June 2022.

For the six months ended 30 June 2021

		Attributable to owners of the parent					
	Notes	Share capital RMB'000	Share premium* RMB'000	Other reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
At 1 January 2021 (audited)		543,495	5,954,236	(505,208)	(2,573)	(2,791,178)	3,198,772
Loss of the period		–	–	–	–	(393,837)	(393,837)
Other comprehensive loss for the period:							
Exchange differences related to foreign operations		–	–	–	(458)	–	(458)
Total comprehensive loss for the period		–	–	–	(458)	(393,837)	(394,295)
Vesting of restricted shares	(i)	–	50,543	(24,625)	–	–	25,918
Equity-settled share-based payments	(ii)	–	–	40,459	–	–	40,459
At 30 June 2021 (unaudited)		543,495	6,004,779	(489,374)	(3,031)	(3,185,015)	2,870,854

* These reserve accounts comprise the consolidated other reserves of RMB1,753,261,000 in the consolidated statement of financial position.

Notes:

(i) According to the share award scheme of the Company, 2,814,340 shares were vested. An amount of RMB25,918,000 was credited as other reserve due to the release of repurchase obligation and an amount of RMB50,543,000 was transferred out from other reserve to share premium.

(ii) The Company has recognised an expense of RMB34,318,000, a cost of sales of RMB1,794,000, a deferred development cost of RMB4,306,000 and inventories of RMB41,000, which were credited to other reserve during the six months ended 30 June 2021.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(251,142)**	(393,837)
Adjustments for:			
Finance costs	7	**51,255**	39,992
Depreciation of property, plant and equipment	6	**50,552**	39,512
Depreciation of right-of-use assets	6	**20,012**	22,339
Amortisation of intangible assets	6	**20,553**	32,835
Amortisation of deferred income		**(9,062)**	(1,886)
Foreign exchange (gain)/loss, net	6	**(28,388)**	8,836
Impairment of trade receivables	6	**1,081**	222
Loss on disposal of items of property, plant and equipment	6	**–**	1,323
Write-down of inventories to net realisable value	6	**15,069**	3,114
Provision for the contract loss	6	**100,671**	–
Share-based payment expense		**7,218**	36,112
Cash outflows before working capital changes		**(22,181)**	(211,438)
Increase in inventories		**(114,388)**	(32,759)
Increase in trade receivables		**(259,368)**	(20,414)
Decrease in prepayments, other receivables and other assets		**64,428**	126,064
Decrease in pledged deposits		**1,741**	–
Increase/(decrease) in trade payables		**2,918**	(42,765)
Increase in other payables and accruals		**150,049**	2,866
Increase in contract liabilities		**72,931**	121,832
Increase in deferred income		**1,710**	55,005
Cash used in operations		**(102,160)**	(1,609)
Tax paid		**(953)**	–
Net cash flows used in operating activities		**(103,113)**	(1,609)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment and other non-current assets		**(268,273)**	(206,627)
Proceeds from disposal of items of property, plant and equipment		**6,560**	226
Additions to intangible assets		**(423,455)**	(360,019)
Net cash flows used in investing activities		**(685,168)**	(566,420)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		**1,491,674**	1,051,472
Repayment of bank and other borrowings		**(553,296)**	(282,494)
Principal portion of lease payments		**(37,964)**	(37,832)
Interest paid		**(54,874)**	(36,033)
Net cash flows from financing activities		**845,540**	695,113
NET INCREASE IN CASH AND CASH EQUIVALENTS		**57,259**	127,084
Cash and cash equivalents at beginning of period		**154,982**	1,114,309
Effect of foreign exchange rate changes, net		**2,843**	(9,391)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**215,084**	1,232,002
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**794,685**	1,232,002
Less: Pledged deposits		**579,601**	–
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows		**215,084**	1,232,002

1. CORPORATE INFORMATION

Shanghai Henlius Biotech, Inc. (the "Company") is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at Room 330, Complex Building, No. 222 Kangnan Road, China (Shanghai) Pilot Free Trade Zone, the PRC.

The Company and its subsidiaries are involved in the following principal activities:

- biopharmaceutical research and development ("biopharmaceutical R&D")
- biopharmaceutical service
- biopharmaceutical production and sales

In the opinion of the directors of the Company, the ultimate parent company of the Company is Shanghai Fosun Pharmaceutical (Group) Co., Ltd. which is a company registered in China, the ultimate holding company of the Company is Fosun International Holdings Limited, which is a company registered in Hong Kong, and the ultimate controlling shareholder of the Company is Mr. Guo Guangchang.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 25 September 2019.

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1. Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

The Group had net current liabilities of RMB2,153,076,000 as at 30 June 2022. Having taken into account the unused banking facilities and the expected cash flows from operating and financing activities, the directors of the Company consider that it is appropriate to prepare the financial information on a going concern basis.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRSs 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Example accompanying IFRS 16, and IFRS 41*

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES *(CONTINUED)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(CONTINUED)*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendment to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to IFRSs 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

3. OPERATING SEGMENT INFORMATION

The Group is engaged in biopharmaceutical R&D, biopharmaceutical service and biopharmaceutical production and sales, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

GEOGRAPHICAL INFORMATION

(A) REVENUE FROM EXTERNAL CUSTOMERS

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**1,239,689**	566,261
Overseas	**49,705**	67,334
	1,289,394	633,595

The geographical information above is based on the locations of customers.

SEASONALITY OF OPERATIONS

The Group's operations are not subject to seasonality.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**1,288,739**	633,595
Revenue from other sources	**655**	–
	1,289,394	633,595
Revenue from contracts with customers		
Types of goods or services		
Sales of biopharmaceutical products	**1,181,622**	555,947
Licensing revenue	**31,606**	9,581
Research and development services	**74,964**	68,047
Others	**547**	20
Total revenue from contracts with customers	**1,288,739**	633,595
Timing of revenue recognition		
Transferred at a point in time	**1,201,164**	555,967
Transferred over time	**87,575**	77,628
Total revenue from contracts with customers	**1,288,739**	633,595
Revenue from other sources		
Rental income	**655**	–

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants	**22,110**	17,944
Exchange gains	**28,388**	–
Interest income	**704**	1,219
Others	**20**	808
	51,222	19,971

6. LOSS BEFORE TAX

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

		For the six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
	Note	**(Unaudited)**	(Unaudited)
Cost of inventories sold		**230,444**	171,520
Cost of services provided		**75,165**	49,897
Depreciation of property, plant and equipment*		**50,552**	39,512
Depreciation of right-of-use assets*		**20,012**	22,339
Amortisation of intangible assets*		**20,553**	32,835
Research and development expenses:			
Current period expenditure		**534,497**	451,813
Foreign exchange (gain)/loss, net		**(28,388)**	8,836
Impairment of financial assets, net		**1,081**	222
Write-down of inventories to net realisable value		**15,069**	3,114
Provision for the contract loss		**100,671**	–
Bank interest income	5	**(704)**	(1,219)
Loss on disposal of items of property, plant and equipment		–	1,323

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets, the amortisation of intangible assets are included in "Cost of sales", "Research and development expenses", "Selling and distribution expenses" and "Administrative expenses" in the consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense on bank and other borrowings	**55,652**	39,037
Interest expense on lease liabilities	**7,613**	8,201
Less: Interest capitalised	**(12,010)**	(7,246)
	51,255	39,992

8. INCOME TAX EXPENSE

The provision for Mainland China current income tax is based on the statutory rate of 25% (six months ended 30 June 2021: 25%) of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain group entities in Mainland China, which are taxed at a preferential rate of 15%.

The provision for current income tax of Henlix Biotech Co., Ltd., Hengenix Biotech, Inc. and Henlius Industrial Co., Limited was based on the statutory rates of 20%, 29.84% and 8.25%, respectively (six months ended 30 June 2021: 20%, 29.84% and 8.25%, respectively), for the six months ended 30 June 2022.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – China	**953**	–
Current – Other countries	**–**	–
Total tax charge for the period	**953**	–

9. DIVIDENDS

No dividend has been paid or declared by the Company during the reporting period (six months ended 30 June 2021: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 541,330,076 (six months ended 30 June 2021: 537,862,649) in issue during the period.

The calculation of the diluted loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, as used in the basic loss per share calculation, and the weighted average number of conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	**(252,095)**	(393,837)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**541,330,076**	537,862,649
Effect of dilution – weighted average number of ordinary shares: Restricted shares under the share award scheme	**–**	–
Weighted average number of ordinary shares in issue during the period used in the diluted loss per share calculation	**541,330,076**	537,862,649

Since the diluted loss per share amount decreased when taking into account the restricted shares issued under the share award scheme, the restricted shares had an anti-dilutive effect and were ignored in the calculation of diluted loss per share for the period.

11. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Carrying value at beginning of the period (audited)	**1,228,885**	984,909
Additions	**472,695**	189,781
Disposals	**–**	(1,568)
Depreciation charge	**(61,474)**	(51,546)
Exchange alignment	**2,011**	(404)
Carrying value at end of the period (unaudited)	**1,642,117**	1,121,172

As at 30 June 2022, the Group's construction in progress with a carrying amount of RMB521,051,000 (31 December 2021: RMB364,084,000) was pledged as security for the Group's interest-bearing bank and other borrowings, as further detailed in note 15 to financial information.

12. INTANGIBLE ASSETS

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Carrying value at beginning of the period (audited)	**3,634,931**	2,942,454
Additions	**294,530**	291,746
Disposals	**–**	(4,316)
Amortisation charge	**(33,411)**	(32,847)
Exchange alignment	**4**	(2)
Carrying value at end of the period (unaudited)	**3,896,054**	3,197,035

13. TRADE RECEIVABLES

An ageing analysis of the trade receivables, based on the invoice date and net of provisions, is as follows:

	30 June 2022	31 December 2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 3 months	**554,028**	295,741

As at 30 June 2022, the Group's trade receivables with the amount of RMB112,525,000 (31 December 2021: RMB69,444,000) were pledged as security for the Group's interest-bearing bank and other borrowings, as further detailed in note 15 to the financial information.

14. TRADE PAYABLES

An ageing analysis of the trade payables, based on the invoice date, is as follows:

	30 June 2022	31 December 2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 year	**388,549**	383,470

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2022			31 December 2021		
	Effective interest rate (%)	Maturity	RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	RMB'000 (Audited)
Current						
Lease liabilities	**3.98-6.28**	**2023**	**99,393**	4.50-6.28	2022	74,187
Bank borrowings – unsecured	**0.64-3.95**	**2022-2023**	**1,872,636**	0.64-4.35	2022	1,350,845
Current portion of long term bank borrowings – secured (Note (a))	**4.50**	**2022**	**35,388**	4.50	2022	36,165
Current portion of long term bank borrowings – unsecured	**3.70-4.65**	**2022**	**476,542**	3.95-4.65	2022	107,635
Current portion of long term other borrowings – unsecured	–	–	–	0.88	2022	1,842
			2,483,959			1,570,674
Non-current						
Lease liabilities	**3.98-6.28**	**2023-2030**	**217,582**	4.50-6.28	2023-2029	218,563
Bank borrowings – secured (Note (a))	**3.98**	**2030**	**774,193**	3.98-4.50	2023-2030	529,018
Bank borrowings – unsecured	**4.65**	**2023**	**115,986**	4.05-4.65	2023-2024	304,682
			1,107,761			1,052,263
			3,591,720			2,622,937

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Analysed into:		
Bank loans and other loans repayable:		
Within one year	**2,384,566**	1,496,487
In the second year	**115,986**	254,416
In the third to fifth years, inclusive	–	70,266
Beyond five years	**774,193**	509,018
	3,274,745	2,330,187
Lease liabilities:		
Within one year	**99,393**	74,187
In the second year	**73,285**	64,374
In the third to fifth years, inclusive	**102,160**	107,690
Beyond five years	**42,137**	46,499
	316,975	292,750

15. INTEREST-BEARING BANK AND OTHER BORROWINGS *(CONTINUED)*

Notes:

(a) Certain of the Group's bank borrowings are secured by:

(i) the pledge of certain of the Group's trade receivables amounting to RMB112,525,000 (31 December 2021: RMB69,444,000);

(ii) the pledge of certain of the Group's other receivables amounting to RMB8,417,000 (31 December 2021: RMB8,296,000);

(iii) mortgages over the Group's right-of-use assets, which had a net carrying value at the end of the reporting period of RMB198,954,000 (31 December 2021: RMB201,070,000);

(iv) mortgages over the Group's property, plant and equipment that had a net carrying value at the end of the reporting period of RMB521,051,000 (31 December 2021: RMB364,084,000).

(b) Except for certain of the Group's unsecured bank borrowings amounting to USD16,100,000, which bear interest at rates ranging from 0.64% to 1.34%, all borrowings are in RMB.

16. SHARE CAPITAL

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Issued and fully paid:		
543,494,853 (2021: 543,494,853) ordinary shares	**543,495**	543,495

17. CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any contingent liabilities.

18. COMMITMENTS

(A) The Group had the following capital commitments at the end of the reporting period:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Contracted, but not provided for plant and machinery	**462,668**	463,067

(B) The Group did not have any lease contracts that have not yet commenced as at 30 June 2022 and 31 December 2021.

(C) OTHER BUSINESS AGREEMENTS

The Company enters into collaboration agreements with companies to license intellectual property. The Company may be obligated to make future development, regulatory and commercial milestone payments and royalty payments on future sales of specified products associated with its collaboration agreements. Payments under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded in the consolidated financial information because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales has been reached, the corresponding amounts are recognised in the consolidated financial information.

19. RELATED PARTY TRANSACTIONS

The following companies are related parties that have material transactions or balances with the Group:

(A) NAME AND RELATIONSHIP OF THE RELATED PARTIES

Name	Relationship
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* ("上海復星醫藥(集團)股份有限公司")("Fosun Pharma")	Ultimate parent company
Shanghai Clone High Technology Co., Ltd.* ("上海克隆生物高技術有限公司")("Clone High Tech")	Fellow subsidiary
Shanghai Fukun Pharmaceutical Technology Development Co., Ltd.* ("上海復坤醫藥科技發展有限公司")("Fukun Pharma Tech")	Fellow subsidiary
Shanghai Kaimao Bio-Pharmaceutical Co., Ltd.* ("上海凱茂生物醫藥有限公司")("Kai Mao Bio-pharma")	Fellow subsidiary
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* ("上海復星醫藥產業發展有限公司")("Fosun Pharma Industrial Development")	Fellow subsidiary
Jiangsu Wanbang Pharmaceutical Limited Company* ("江蘇萬邦生化醫藥集團有限公司")("Jiangsu Wanbang")	Fellow subsidiary
Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd.* ("江蘇復星醫藥銷售有限公司")("Jiangsu Fosun")	Fellow subsidiary
Fosun Diagnostics (Shanghai) Co, Ltd.* ("復星診斷科技(上海)有限公司")("Fosun Diagnostics")	Fellow subsidiary
Shanghai Old Temple Gold Co., Ltd.* ("上海老廟黃金有限公司")("Shanghai Old Temple Gold")	Fellow subsidiary
Hainan Fosun Trade Co., Ltd.* ("海南復星商社貿易有限公司")("Fosun Trade")	Fellow subsidiary
Hangzhou Dongjia Trade Co., Ltd.* ("杭州東加商貿有限公司")("Dongjia Trade")	Fellow subsidiary
Shanghai Yimi Information Technology Co., Ltd. ("上海醫米信息技術有限公司")("Shanghai Yimi")	Fellow subsidiary
Sinopharm Group Co., Ltd. and its subsidiaries* ("國藥控股股份有限公司"及其子公司)("Sinopharm")	Associate of the ultimate parent company
Chongqing Pharmaceutical (Group) Co., Ltd. and its subsidiaries* ("重慶醫藥(集團)股份有限公司"及其子公司)("Chongqing Pharma")	Associate of the ultimate parent company

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies as no English names have been registered.

19. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(B) TRANSACTIONS WITH RELATED PARTIES

	Notes	For the six months ended 30 June 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Licensing revenue from related parties			
Fosun Pharma Industrial Development	(i)	**9,283**	5,199
Jiangsu Wanbang	(i)	**939**	2,156
		10,222	7,355
Services provided to related parties			
Fosun Pharma Industrial Development	(ii)	**29,897**	–
Jiangsu Fosun	(ii)	**196**	–
		30,093	–
Sales of goods to related parties			
Sinopharm	(iii)	**442,611**	140,983
Jiangsu Fosun	(iii)	**280,096**	217,903
Chongqing Pharma	(iii)	**20,161**	10,652
		742,868	369,538
Purchased from related parties			
Jiangsu Fosun	(iv)	**6,765**	2,275
Sinopharm	(iv)	**1,305**	1,490
Fosun Diagnostics	(iv)	**276**	–
Kai Mao Bio-pharma	(iv)	**210**	225
Clone High Tech	(iv)	**70**	140
Shanghai Old Temple Gold	(iv)	**–**	104
Others	(iv)	**229**	344
		8,855	4,578
Purchase of right-of-use assets from			
Fukun Pharma Tech	(v)	**16,640**	–
Clone High Tech	(v)	**14,857**	29,462
		31,497	29,462

19. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(B) TRANSACTIONS WITH RELATED PARTIES *(CONTINUED)*

Notes:

(i) The Group granted exclusive licences of the Group's certain biopharmaceutical products in the PRC to related parties after the Group obtains the market distribution authorisation of such products from government authorities. The Group received advance payments from the customers accordingly. The licensing revenue is recognised over the commercialise period. The transactions were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.

(ii) The services provided to related parties were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.

(iii) The sales of biopharmaceutical products to related parties were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.

(iv) The purchases and rental services from related parties were charged in accordance with terms and conditions offered by the related parties to their unrelated customers.

(v) Certain subsidiaries of the Group entered into rental agreements with related parties. The amounts of lease liabilities by the Group to the related parties under the leases were determined with reference to the amounts charged by third parties.

(C) OUTSTANDING BALANCES WITH RELATED PARTIES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Amounts due from related parties		
Trade receivables		
Sinopharm	**173,886**	88,720
Jiangsu Fosun	**95,522**	52,281
Fosun Pharma Industrial Development	**12,585**	–
Chongqing Pharma	**10,924**	10,189
	292,917	151,190
Prepayments, other receivables and other assets		
Sinopharm	**13**	13
Others	–	4
	13	17
Amounts due to related parties		
Trade payables		
Sinopharm	**10**	1,297

19. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(c) OUTSTANDING BALANCES WITH RELATED PARTIES *(CONTINUED)*

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Other payables and accruals		
Clone High Tech	**4,784**	2,572
Jiangsu Fosun	**4,427**	9,935
Fosun Pharma	**3,526**	3,526
Shanghai Yimi	**597**	–
Sinopharm	**158**	–
Old Temple Gold	**–**	241
Fosun Trade	**–**	500
Dongjia Trade	**–**	246
Kai Mao Bio-pharma	**–**	199
Others	**151**	133
	13,643	17,352
Lease liabilities		
Clone High Tech	**158,463**	151,729
Fukun Pharma Tech	**16,701**	–
	175,164	151,729
Contract liabilities		
Fosun Pharma Industrial Development	**365,328**	357,775
Jiangsu Wanbang	**83,953**	84,892
Sinopharm	**41,701**	–
Chongqing Pharma	**3,134**	–
Jiangsu Fosun	**653**	–
	494,769	442,667

Note:

Except lease liabilities, the balances are trade in nature, unsecured, non-interest-bearing and have no fixed terms of repayment.

19. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(D) COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fees	**500**	500
Other emoluments:		
Wages and salaries	**24,757**	12,854
Performance related bonuses	**8,873**	5,579
Staff welfare expenses	**487**	215
Share award scheme	**6,976**	25,196
	41,593	44,344

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2022	31 December 2021	**30 June 2022**	31 December 2021
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Financial liabilities				
Interest-bearing bank and other borrowings				
– non-current portion other than lease liabilities	**890,179**	833,700	**862,738**	812,958

Management has assessed that the fair values of cash and bank balances, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at the end of the reporting period was assessed to be insignificant.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(CONTINUED)*

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities for which fair values are disclosed:

As at 30 June 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	**Significant observable inputs (Level 2) RMB'000 (Unaudited)**	**Significant unobservable inputs (Level 3) RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Interest-bearing bank and other borrowings – non-current portion other than lease liabilities	–	**862,738**	–	**862,738**

As at 31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Interest-bearing bank and other borrowings – non-current portion other than lease liabilities	–	812,958	–	812,958

21. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the end of the reporting period.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information were approved and authorised for issue by the board of Directors on 18 August 2022.

(I) RESULTS AND DIVIDENDS

The Group's results for the six months ended 30 June 2022 and the financial position of the Group as at 30 June 2022 are set out in the interim condensed consolidated financial statements and the accompanying notes on pages 38 to 58. The Board has not recommended the distribution of any interim dividend for the Reporting Period.

(II) PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES BY THE COMPANY

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

(III) DIRECTORS'/SUPERVISOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, none of the Directors/Supervisors and chief executives of the Company has interest and short positions in the shares of the Company, or short positions in the underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO). The interest or long positions of Directors/Supervisors and chief executives of the Company in the shares, underlying shares and debentures of any of its associated corporations of the Company as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

INTERESTS IN SHARES OF ASSOCIATED CORPORATIONS

Name	Name of associated corporation	Nature of interest and capacity	Class	Number of Shares	Approximate percentage in total Shares
Wenjie Zhang	HenLink, Inc.	Beneficial owner	Ordinary Shares	1,000,000	6.30%
	Fosun International	Beneficial owner	Share Option	200,000	0.00%
Qiyu Chen	Fosun International	Beneficial owner	Ordinary Shares	12,604,000	0.15%
	Fosun International	Beneficial owner	Share Option	13,850,000	0.17%
	Fosun Pharma	Beneficial owner	A Shares	114,075	0.01%
	Fosun Tourism Group	Beneficial owner	Ordinary Shares	501,478	0.04%
Yifang Wu	Fosun Pharma	Beneficial owner	H Shares	342,000	0.06%
	Fosun Pharma	Beneficial owner	A Shares	718,900	0.04%
Xiaohui Guan	Fosun International	Beneficial owner	Ordinary Shares	200,000	0.00%
	Fosun International	Beneficial owner	Share Option	800,000	0.01%
	Fosun Pharma	Beneficial owner	A Shares	181,000	0.01%
Deli Kong	Fosun Pharma	Beneficial owner	A Shares	8,500	0.00%

Save as disclosed in the foregoing, during the Reporting Period, none of the Directors/Supervisors or chief executive of the Company or their respective close associates had any interests or short/long positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as 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.

During the Reporting Period, no rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company were granted to any Directors/Supervisors or chief executive or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement which enabled the Directors/Supervisors or chief executive to acquire such rights in any other corporation.

(IV) INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the following persons (other than the Directors/Supervisors or chief executive of the Company) had the following interests and/or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO:

Name of Shareholder	Nature of interest and capacity	Class	Number of Shares	Approximate percentage in relevant class of Shares	Approximate percentage in total Shares
Fosun New Medicine	Beneficial owner	Domestic Shares	265,971,569	73.03%	48.94%
Fosun Pharma Industrial Development[1]	Beneficial owner	Domestic Shares	25,393,818	6.97%	4.67%
	Interest in controlled entity	Domestic Shares	265,971,569	73.03%	48.94%
Fosun Pharma[2]	Interest in controlled entity	Domestic Shares	291,365,387	80.00%	53.61%
		H Shares	32,211,239	19.71%	5.93%
Fosun High Tech[3]	Interest in controlled entity	Domestic Shares	291,365,387	80.00%	53.61%
		H Shares	32,211,239	19.71%	5.93%
Fosun International[4]	Interest in controlled entity	Domestic Shares	291,365,387	80.00%	53.61%
		H Shares	32,211,239	19.71%	5.93%
FHL[5]	Interest in controlled entity	Domestic Shares	291,365,387	80.00%	53.61%
		H Shares	32,211,239	19.71%	5.93%
FIHL[6]	Interest in controlled entity	Domestic Shares	291,365,387	80.00%	53.61%
		H Shares	32,211,239	19.71%	5.93%
Guangchang Guo[7]	Interest in controlled entity	Domestic Shares	291,365,387	80.00%	53.61%
		H Shares	32,211,239	19.71%	5.93%
Fosun Industrial	Beneficial owner	H Shares	29,018,900	17.76%	5.34%
	Security interest	H Shares	3,192,339	1.95%	0.59%
Al Rayyan Holding LLC	Beneficial owner	H Shares	11,370,960	6.96%	2.09%
Qatar Holding LLC[8]	Interest in controlled entity	H Shares	11,370,960	6.96%	2.09%
Qatar Investment Authority[8]	Interest in controlled entity	H Shares	11,370,960	6.96%	2.09%
DIC Holding LLC	Beneficial owner	H Shares	2,842,740	1.74%	0.52%
Qatar Investment Authority (in the capacity of investment manager of DIC Holding LLC)[9]	Interest in controlled entity	H Shares	2,842,740	1.74%	0.52%
Cayman Henlius[10]	Beneficial owner	H Shares	43,756,960	26.77%	8.05%
Wei-Dong Jiang[11]	Beneficial owner	H Shares	720,955	0.44%	0.13%
	Interest in controlled entity	H Shares	43,756,960	26.77%	8.05%
Scott Shi-Kau Liu[12]	Beneficial owner	H Shares	2,410,695	1.48%	0.44%
	Interest in controlled entity	H Shares	43,756,960	26.77%	8.05%
Henlink	Beneficial Owner	Unlisted Foreign Shares	15,876,694	100%	2.92%

Notes:

(1) As at 30 June 2022, Fosun New Medicine was wholly owned by Fosun Pharma Industrial Development. Fosun Pharma Industrial Development was deemed to be interested in the Domestic Shares which Fosun New Medicine was interested in.

(2) On 24 December 2019, Cayman Henlius pledged a total of 3,192,339 H Shares to Fosun Industrial, therefore Fosun Industrial had security interest in these H Shares. As of 30 June 2022, Fosun Pharma Industrial Development and Fosun Industrial were wholly owned by Fosun Pharma. Fosun Pharma was deemed to be interested in the Domestic Shares and H Shares which Fosun Pharma Industrial Development and Fosun Industrial were interested in.

(3) As at 30 June 2022, Fosun High Tech and its controlling shareholder Fosun International held approximately 39.63% of the shares in Fosun Pharma in total. Fosun High Tech was deemed to be interested in the Domestic Shares and H Shares which Fosun Pharma was interested in.

(4) As at 30 June 2022, Fosun High Tech was wholly owned by Fosun International. Fosun International was deemed to be interested in the Domestic Shares and H Shares which Fosun High Tech was interested in.

(5) As at 30 June 2022, FHL directly held approximately 72.45% of the shares in Fosun International. FHL was deemed to be interested in the Domestic Shares and H Shares which Fosun International was interested in.

(6) As at 30 June 2022, FHL was wholly owned by FIHL. FIHL was deemed to be interested in the Domestic Shares and H Shares which FHL was interested in.

(7) As at 30 June 2022, Mr. Guangchang Guo held approximately 85.29% of the shares in FIHL. Mr. Guangchang Guo was deemed to be interested in the Domestic Shares and H Shares which FIHL was interested in.

(8) As at 30 June 2022, Al Rayyan Holding LLC was wholly owned by Qatar Holding LLC, which was wholly owned by Qatar Investment Authority. Qatar Holding LLC and Qatar Investment Authority were deemed to be interested in the H Shares which Al Rayyan Holding LLC was interested in.

(9) As at 30 June 2022, DIC Holding LLC was wholly owned by Qatar Investment Authority (in the capacity of investment manager of DIC Holding LLC). Qatar Investment Authority (in the capacity of investment manager of DIC Holding LLC) was deemed to be interested in the H Shares which DIC Holding LLC was interested in.

(10) As at 30 June 2022, Cayman Henlius was held by Dr. Scott Shi-Kau Liu and Dr. Wei-Dong Jiang as to approximately 64.20% and 35.80% of the total equity interests, respectively. On 24 December 2019, Cayman Henlius pledged a total of 3,192,339 H Shares to Fosun Industrial, a wholly-owned subsidiary of Fosun Pharma, while Cayman Henlius continues to be the beneficial owner of such Shares.

(11) As at 30 June 2022, Dr. Wei-Dong Jiang held approximately 35.80% of the shares in Cayman Henlius. Dr. Wei-Dong Jiang was deemed to be interested in the H Shares which Cayman Henlius was interested in.

(12) As at 30 June 2022, Dr. Scott Shi-Kau Liu held approximately 64.20% of the shares in Cayman Henlius. Dr. Scott Shi-Kau Liu was deemed to be interested in the H Shares which Cayman Henlius was interested in.

Save as disclosed herein, there is no other person known to the Directors/Supervisors or chief executive of the Company who, as of 30 June 2022, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 under Part XV of the SFO or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

(V) MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Having made specific enquiries with the Directors, all Directors confirmed that they have complied with the standards as set out in the Model Code during the Reporting Period.

(VI) COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to enhancing shareholder value by achieving high standards of corporate conduct, transparency and accountability. The Company's corporate governance practices are based on the principles and code provisions set forth in the CG Code. In the opinion of the Board, the Company has complied with the principles and code provisions set out in the CG Code during the Reporting Period, except for Code Provision C.2.1 which requires that the role of chairman of the Board and chief executive officer should be separated and should not be performed by the same person. Given that Mr. Wenjie Zhang ("Mr. Zhang") assumes the roles of both chairman of the Board and chief executive officer, the Company deviates from this code provision. Mr. Zhang joined the Company in March 2019 and has successively served in various key positions in the Company, including the chief commercial operation officer and chief strategy officer of the Company. His familiarity with the business operation of the Company and his roles as the chairman of the Board and the chief executive officer of the Company can facilitate the formulation and implementation of business strategies of the Company. The Board considered that the current structure will not impair the balance of power and authority between the Board and the management of the Company. The Board will make decisions on important matters of the Company within the authority granted by the articles of association of the Company and its shareholders at the general meetings. In addition, the Board, which currently comprises one executive director, five non-executive directors and four independent non-executive directors, is appropriately structured with a balance of power to provide sufficient checks to protect the interests of the Company and its shareholders as a whole.

(VII) REVIEW OF INTERIM REPORT BY THE AUDIT COMMITTEE OF THE COMPANY

The audit committee of the Company comprised Mr. Tak Young So (Chairman), Dr. Lik Yuen Chan and Ms. Xiaohui Guan. Mr. Tak Young So and Dr. Lik Yuen Chan are both independent non-executive Directors. The audit committee of the Company has reviewed the unaudited interim results and the interim report of the Group for the six months ended 30 June 2022.

(VIII) SHARE OPTION SCHEME

During the Reporting Period, the Company did not have any share option scheme.

(IX) SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, during the Reporting Period, the Company has maintained sufficient public float as required by the Listing Rules.

(X) FUND RAISING ACTIVITIES

1. Initial Public Offering on the Hong Kong Stock Exchange

On 25 September 2019, the Company issued 64,695,400 H Shares at HK$49.6 per H Share in connection with the global offering and listing of the H Shares on the Hong Kong Stock Exchange. The total gross proceeds amounted to approximately HK$3,209 million by way of initial public offering of the Company on the Hong Kong Stock Exchange.

On 22 October 2019, the over-allotment option granted in connection with the Global Offering was partially exercised and the Company issued an aggregate of 4,366,400 H Shares at HK$49.6 per H Share. The total gross proceeds amounted to approximately HK$216.6 million.

After deduction of listing expenses, the total net proceeds from the Global Offering (including the net proceeds from the partial exercise of the over-allotment option) was approximately HK$3,147.1 million (approximately RMB2,800.9 million), the use and allocation ratio of which have been adjusted in accordance with the announcement of the Company dated 26 March 2021 (the "Announcement"). As at the end of the Reporting Period, details of the proceeds that have been used and will continue to be used in accordance with those set out in the Prospectus and subject to the adjustment of the Announcement are set out below:

Intended use of proceeds as set out in the Prospectus		Allocation of net proceeds in the proportion as set out in the Prospectus and as adjusted in the Announcement[4]	Amounts utilized as at 31 December 2021 (RMB million)	Amounts utilized during the Reporting Period (RMB million)	Amounts not yet utilized as at 30 June 2022 (RMB million)
(a)	**Fund the ongoing clinical trials, regulatory filing and registration for Core Products[1]**	**approximately 32.9% (RMB920.4 million)**	**693.6**	**0.0**	**226.8**
	– Fund the ongoing clinical trials, regulatory filing and registration for HLX02	approximately 6.0% (RMB168.1 million)	168.0	0.0	0.1
	– Fund the ongoing clinical trials, regulatory filing and registration for HLX04 for the mCRC indication	approximately 8.0% (RMB224.1 million)	160.9	0.0	63.2
	– Develop immune-oncology combination therapy comprised of HLX04 and HLX10 for the treatment of advanced solid tumours	approximately 18.9% (RMB528.2 million)	364.7	0.0	163.5
(b)	**Fund the ongoing clinical trials, regulatory filing and registration for other biosimilar candidates, including HLX12, HLX11 and HLX14[2]**	**approximately 8.7% (RMB244.1 million)**	**244.1**	**0.0**	**0.0**
(c)	**Fund the ongoing clinical trials, regulatory filing and registration for bio-innovation drugs and the development of immune-oncology combination therapy[3]**	**approximately 48.4% (RMB1,356.3 million)**	**1,068.0**	**1.7**	**286.6**
	– HLX07	approximately 3.3% (RMB92.8 million)	92.8	0.0	0.0
	– HLX20	approximately 0.2% (RMB5.6 million)	4.2	0.0	1.4
	– HLX10 and immune-oncology combination therapies involving HLX10 (including HLX10+HLX07)	approximately 44.9% (RMB1,257.9 million)	971.0	1.7	285.2
(d)	**Working capital and general corporate purposes**	**approximately 10.0% (RMB280.1 million)**	**278.8**	**0.0**	**1.3**
TOTAL[5]		**100% (RMB2,800.9 million)**	**2,284.5**	**1.7**	**514.7**

Notes:

(1) The use of proceeds to be applied to the research and development of the Core Products depends on the development progress of each Core Product. Please refer to the section headed "Management Discussion and Analysis" in this interim report for further details.

(2) The use of proceeds to be applied to the research and development of the other biosimilar candidates depends on the development progress of each of these biosimilar candidates. Please refer to the section headed "Management Discussion and Analysis" in this interim report for further details.

(3) The use of proceeds to be applied to the research and development of the bio-innovative drugs and the development of immune-oncology combination therapy depends on the development progress of each of these drugs and therapies. Please refer to the section headed "Management Discussion and Analysis" in this interim report for further details.

(4) The net proceeds figures have been translated to Renminbi for the allocation and the utilization calculation, and have been adjusted slightly due to the fluctuation of the foreign-currency exchange rates since the listing and proportionally in accordance with the Prospectus after taking into account the final offer price of the Global Offering and the partial exercise of the over-allotment option. Please see the Announcement for details of the adjustment of the use and allocation of the net proceeds from the Global Offering.

(5) The majority of the net proceeds from the Global Offering are allocated to fund ongoing clinical trials, regulatory filings and registrations of the Company's drugs and therapies, the outcome and hence the timeframe, of which are not within the control of the Company. Please refer to the section headed "Management Discussion and Analysis" in this interim report for further details.

On 18 August 2022, the Board resolved to change the use of unutilised net proceeds. As of 18 August 2022, the Company has not yet utilised the net proceeds of approximately RMB480.8 million. The Board considered the research and development progress of other biosimilar candidates, including HLX12, HLX11 and HLX14, and considered that additional investments shall be made for such projects in order to improve the overall efficiency of unutilised net proceeds. Therefore, unutilised net proceeds of other biosimilar candidates increased from RMB0.0 million to approximately RMB226.7 million. For further details on the change of the use of unutilised net proceeds, please refer to the announcement of the Company dated 18 August 2022.

Other than fund raising activity as set out above, the Company has not conducted any other fund raising activities involving the issue of equity securities within 12 months immediately prior to the Latest Practicable Date.

2. Proposed A Share Offering on the Shanghai Stock Exchange

On 30 March 2020, the Company has announced the proposal to make an application to the relevant regulatory authorities in the PRC for the allotment and issue of A Shares and an application to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the Science and Technology Innovation Board of Shanghai Stock Exchange. On 27 April 2020, a circular containing the details of the Proposed A Share Offering was despatched to the Shareholders. On 12 June 2020, the resolutions in relation to the Proposed A Share Offering were duly passed. On 23 April 2021, a circular containing the details of extension of the Proposed A Share Offering and Listing was despatched to the Shareholders. On 25 May 2021, the resolutions in relation to extension of the Proposed A Share Offering and Listing were duly passed. On 8 April 2022, a circular containing the details of extension of the Proposed A Share Offering and Listing was despatched to the Shareholders. On 13 May 2022, the resolutions in relation to extension of the Proposed A Share Offering and Listing were duly passed.

Other than fund raising activity as set out above, the Company has not conducted any other fund raising activities involving the issue of equity securities within 12 months immediately prior to the Latest Practicable Date.

DEFINITIONS

In this interim report, the following expressions have the meanings set out below unless the context requires otherwise.

"A Share(s)"	RMB ordinary share(s) proposed to be issued by the Company pursuant to the A Share Offering
"A Share Offering"	the Company's proposed initial public offering of A Shares, which are proposed to be listed on the Science and Technology Innovation Board of Shanghai Stock Exchange
"A Share Offering and Listing"	the Company's proposed initial public offering of A Shares, and listing of such Shares on the Science and Technology Innovation Board of Shanghai Stock Exchange
"Abbott"	Abbott Operations Uruguay S.R.L.
"Accord"	Accord Healthcare Limited
"Binacea"	Binacea Pharma, Inc., a limited liability company incorporated in the Cayman Islands in February 2020
"Biosimilar Guidelines"	the Guidelines for the R&D and Evaluation of Biosimilars (Trial) (《生物類似藥研發與評價技術指導原則(試行)》)
"Board"	the board of Directors of the Company
"Cayman Henlius"	Henlius Biopharmaceuticals, Inc., a company established in Cayman Islands on 23 February 2009, and a substantial shareholder
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Company" or "Henlius"	Shanghai Henlius Biotech, Inc., a joint stock company incorporated under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	Ordinary Shares issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB
"EU"	European Union
"Eurofarma"	Eurofarma Laboratorios S.A.
"FDA"	the United States Food and Drug Administration
"FHL"	Fosun Holdings Limited (復星控股有限公司), a company incorporated in Hong Kong on 18 February 2005 with limited liability, and a controlling shareholder
"FIHL"	Fosun International Holdings Ltd. (復星國際控股有限公司), a company incorporated in the British Virgin Islands on 9 September 2004 with limited liability, and a controlling shareholder

"Fosun High Tech"	Shanghai Fosun High Technology (Group) Co., Ltd.* (上海復星高科技(集團)有限公司), a company incorporated in the PRC on 8 March 2005, and a controlling shareholder
"Fosun Industrial"	Fosun Industrial Co., Limited (復星實業(香港)有限公司), a company incorporated in Hong Kong on 22 September 2004 with limited liability
"Fosun International"	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong on 24 December 2004 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and a controlling shareholder
"Fosun New Medicine"	Shanghai Fosun New Medicine Research Company Limited* (上海復星新藥研究有限公司), a company incorporated in the PRC on 12 September 2008 with limited liability, and a controlling shareholder
"Fosun Pharma"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC, the H shares and A shares of which are listed and traded on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, respectively, and a controlling shareholder
"Fosun Pharma Industrial Development"	Shanghai Fosun Pharmaceutical Industrial Development Company Limited (上海復星醫藥產業發展有限公司), a company incorporated in the PRC on 27 November 2001 with limited liability, a wholly-owned subsidiary of Fosun Pharma, and a controlling shareholder
"Getz Pharma"	Getz Pharma (Private) Limited and its affiliated company, Getz Pharma International FZ-LLC
"Global Offering"	the global offering comprises the Hong Kong public offering of 6,469,600 H Shares as well as the international offering of 58,225,800 H Shares initially available for subscription and 4,366,400 H Shares pursuant to the partial exercise of the over-allotment option
"GMP"	good manufacturing practice
"Group", "we", "our" or "us"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the Company's ordinary share capital, with a nominal value of RMB1.00 each, which were listed on the Stock Exchange and traded in Hong Kong dollars
"HenLink"	HenLink, Inc., a company incorporated in the Cayman Islands on 15 August 2014 and a Shareholder whose beneficial owners are certain employees of the Group
"HK$ or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or the "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRSs"	International Financial Reporting Standards

"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Jiangsu Fosun"	Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd.* (江蘇復星醫藥銷售有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Fosun Pharma
"Jiangsu Wanbang"	Jiangsu Wanbang (Group) Biopharmaceutical Co., Ltd.* (江蘇萬邦生化醫藥集團有限責任公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Fosun Pharma
"Latest Practicable Date"	16 September 2022, being the latest practicable date for ascertaining the contents set out in this report prior to printing
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	25 September 2019, being the date on which the H Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MAA"	marketing authorisation application
"mAb"	monoclonal antibodies
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of the PRC
"PRC", "China" or "Mainland China"	the People's Republic of China, but for the purposes of this interim report only, except where the context requires, references in this interim report to PRC or Mainland China exclude Hong Kong, Macau and Taiwan Regions
"Prospectus"	the prospectus issued by the Company on 12 September 2019 in connection with the Global Offering
"R&D"	research and development
"Reporting Period"	the six months ended 30 June 2022
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary shares with nominal value of RMB1.00 each in the share capital of the Company

"Shareholder(s)"	holder(s) of Share(s)
"Songjiang First Plant"	the Company's manufacturing facility at Guangfu Lin Road of the Songjiang District of Shanghai
"Songjiang Second Plant"	Henlius Biotech Biopharmaceutical Industrialization Base II, the Company's manufacturing facility with total planned area of 200 mu currently under construction in the Songjiang District of Shanghai
"Supervisor(s)"	the supervisors(s) of the Company
"U.S." or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"USD"	U.S. Dollars, the lawful currency of the U.S.
"Xuhui Facility"	the Company's manufacturing facility at Yishan Road of the Xuhui District of Shanghai

In this interim report, if there is any inconsistency between the Chinese names of the entities, authorities, organisations, institutions or enterprises established in China or the awards or certificate given in China and their English translations, the Chinese version shall prevail.

* *For identification purpose only*