



Incorporated in the Cayman Islands
with limited liability

HKEX: 9688

NASDAQ: ZLAB

2025 Interim Report

CONTENTS

CORPORATE INFORMATION	2
FORWARD-LOOKING STATEMENTS	4
MANAGEMENT DISCUSSION AND ANALYSIS	7
OTHER INFORMATION	26
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS	58
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS	60
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS	61
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY	62
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS	63
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	65
GLOSSARY	83

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Dr. Samantha Du (*Chairperson and Chief Executive Officer*)

Independent Directors

Dr. John Diekman (*Lead Independent Director*)

Dr. Richard Gaynor

Ms. Nisa Leung

Mr. William Lis

Mr. Scott W. Morrison

Mr. Leon O. Moulder, Jr.

Mr. Michel Vounatsos

Mr. Peter Wirth

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN MAINLAND CHINA

Building 1, 4/F

Jinchuang Plaza

4560 Jinke Road

Pudong, Shanghai, 201210

P.R. China (*until 30 June 2025*)

Building B

899 Halei Road

Pudong, Shanghai, 201203

P.R. China (*with effect from 1 July 2025*)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE UNITED STATES

314 Main Street

4th Floor, Suite 100

Cambridge, MA 02142

USA

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2301, 23/F

Island Place Tower

510 King's Road

North Point, Hong Kong

P.R. China

REGISTERED OFFICE

Harbour Place, 2nd Floor

103 South Church Street

P.O. Box 472

George Town

Grand Cayman KY1-1106

Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

International Corporation Services Ltd

Harbour Place, 2nd Floor

103 South Church Street

P.O. Box 472

George Town

Grand Cayman KY1-1106

Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER AGENT

Computershare Hong Kong Investor Services Limited

Shops 1712–1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

P.R. China

AUTHORIZED REPRESENTATIVES

Dr. Samantha Du
Building B
899 Halei Road
Pudong, Shanghai, 201203
P.R. China

Ms. Nelly Au-Yeung* *(ceased to be an authorized representative with effect from 27 June 2025)*
Room 1922, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong
P.R. China

Mr. F. Ty Edmondson *(appointed as an authorized representative with effect from 27 June 2025)*
314 Main Street
4th Floor, Suite 100
Cambridge, MA 02142
USA

AUDIT COMMITTEE

Mr. Scott W. Morrison *(Chairperson)*
Dr. John Diekman
Mr. Peter Wirth

COMPENSATION COMMITTEE

Mr. Peter Wirth *(Chairperson)*
Dr. John Diekman
Mr. Leon O. Moulder, Jr.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Mr. Leon O. Moulder, Jr. *(Chairperson)*
Dr. John Diekman
Ms. Nisa Leung *(with effect from 16 April 2025)*
Mr. William Lis

RESEARCH AND DEVELOPMENT COMMITTEE

Dr. Richard Gaynor *(Chairperson)*
Dr. Samantha Du
Mr. Michel Vounatsos

COMMERCIAL COMMITTEE

Mr. Michel Vounatsos *(Chairperson)*
Dr. Samantha Du
Mr. Leon O. Moulder, Jr.

COMPANY SECRETARY

Mr. F. Ty Edmondson* *(serving as a single company secretary with effect from 27 June 2025)*
314 Main Street
4th Floor, Suite 100
Cambridge, MA 02142
USA

Ms. Nelly Au-Yeung* *(ceased to be a joint company secretary with effect from 27 June 2025)*
Room 1922, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong
P.R. China

AUDITORS

As to Hong Kong financial reporting audit
KPMG

Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

As to United States financial reporting audit
KPMG LLP

A public accounting firm registered with the U.S. Public Company Accounting Oversight Board

STOCK CODES

HKEX: 9688
NASDAQ: ZLAB

COMPANY WEBSITE

<http://www.zailaboratory.com/>

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements, including statements relating to our strategy and plans; potential of and expectations for our business, commercial products, and pipeline programs; the market for our commercial and pipeline products; capital allocation and investment strategy; clinical development programs and related clinical trials; clinical trial data, data readouts, and presentations; risks and uncertainties associated with drug development and commercialization; regulatory discussions, submissions, filings, and approvals and the timing thereof; the potential benefits, safety, and efficacy of our products and product candidates and those of our collaboration partners; the anticipated benefits and potential of investments, collaborations, and business development activities; our profitability and timeline to profitability; and our future financial and operating results. All statements, other than statements of historical fact, included in this report are forward-looking statements, and can be identified by words such as “aim,” “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” or the negative of these terms or similar expressions. Such statements constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not guarantees or assurances of future performance. Forward-looking statements are based on our expectations and assumptions as of the date of this report and are subject to inherent uncertainties, risks, and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. We may not actually achieve the plans, carry out the intentions, or meet the expectations or projections disclosed in our forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including but not limited to the following:

- Our ability to successfully commercialize and generate revenue from our approved products;
- Our ability to obtain funding for our operations and business initiatives;
- The results of our clinical and pre-clinical development of our product candidates;
- The content and timing of decisions made by the relevant regulatory authorities regarding regulatory approvals of our product candidates;
- Any inability of third parties on whom we rely, such as our licensors, CMOs, and others that supply certain of our products and product candidates; CROs that conduct or support some of our pre-clinical and clinical trials; and distributors that sell our commercial products, to successfully carry out their contractual duties or meet expected deadlines;
- Any issues that our Chinese manufacturing facilities may have with operating in conformity with established GMPs and international best practices, and with passing FDA, NMPA, and EMA inspections;
- Any inability to obtain or maintain sufficient patent or regulatory data protection for our products and product candidates;
- Changes in U.S. and China trade policies and relations, as well as relations with other countries, and/or changes in laws, regulations, and/or sanctions;
- Actions the Chinese government may take to intervene in or influence our operations;

FORWARD-LOOKING STATEMENTS

- Economic, political, and social conditions in mainland China as well as governmental policies;
- Significant business disruptions caused by events or developments outside of our control, such as pandemics, international war or conflict, natural disasters or extreme weather events, and other geopolitical events;
- Uncertainties in the Chinese legal system, including with respect to the anti-corruption enforcement efforts in mainland China and the Counter-Espionage Law, the Data Security Law, the Cyber Security Law, the Cybersecurity Review Measures, the Personal Information Protection Law, the Regulation on the Administration of Human Genetic Resources, the Biosecurity Law, the Security Assessment Measures, and other future laws and regulations or amendments to such laws and regulations;
- Approval, filing, or procedural requirements imposed by the China Securities Regulatory Commission or other Chinese regulatory authorities in connection with issuing securities to foreign investors under Chinese law;
- Any violation or liability under the U.S. Foreign Corrupt Practices Act or Chinese anti-corruption, anti-bribery, and anti-fraud laws;
- Variations in currency exchange rates and restrictions on currency exchange;
- Limitations on the ability of our Chinese subsidiaries to make payments to us;
- Chinese requirements on the ability of residents in mainland China to establish offshore special purpose companies;
- Chinese regulations regarding acquisitions of companies based in mainland China by foreign investors;
- Expiration of, or changes to, financial incentives or discretionary policies granted by local governments in mainland China;
- Restrictions or limitations on the ability of overseas regulators to conduct investigations or collect evidence within mainland China;
- Unfavorable tax consequences to us and our non-Chinese shareholders or ADS holders if we were to be classified as a Chinese resident enterprise for Chinese income tax purposes;
- Failure to comply with applicable Chinese, U.S., and Hong Kong regulations that could lead to government enforcement actions, fines, other legal or administrative sanctions, and/or harm to our business or reputation;
- Delays or obstacles for closing transactions, such as review by the CFIUS in our investments; and
- Any inability to renew our current leases on desirable terms or otherwise locate desirable alternatives for our leased properties.

FORWARD-LOOKING STATEMENTS

These factors should not be construed as exhaustive and should be read with the other cautionary statements and information in our 2024 Annual Report, our Annual Report on Form 10-K for 2024, our Quarterly Reports on Form 10-Q, and our other filings with the SEC. Forward-looking statements are based on our management's beliefs and assumptions and information currently available to our management. These statements, like all statements in this report, speak only as of their date. We anticipate that subsequent events and developments will cause our expectations and assumptions to change, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion and analysis should be read in conjunction with our 2024 Annual Report and our unaudited condensed consolidated financial statements and the accompanying notes thereto included in this report.

OVERVIEW

We are a patient-focused, innovative, commercial-stage, global biopharmaceutical company with a substantial presence in both Greater China and the United States. We are focused on discovering, developing, and commercializing products that address medical conditions with significant unmet needs in the areas of oncology, immunology, neuroscience, and infectious disease. We intend to leverage our competencies and resources to positively impact human health in Greater China and worldwide. We currently have seven commercial programs — ZEJULA®, VYVGART®/VYVGART Hytrulo®, NUZYRA®, OPTUNE, QINLOCK®, XACDURO®, and AUGTYRO® — with products that have received marketing approval and that we have commercially launched in one or more territories in Greater China. We also have multiple programs in late-stage product development and a number of ongoing pivotal trials across our portfolio.

Since our inception, we have incurred net losses and negative cash flows from our operations. Substantially all of our losses have resulted from funding our research and development programs and selling, general, and administrative costs associated with our operations. Developing high quality product candidates requires significant investment in our research and development activities over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in this area. Our ability to generate profits and positive cash flow from operations depends upon our ability to successfully market our commercial products and to successfully expand the indications for these products and develop and commercialize our other product candidates. As discussed further below, we expect to continue to incur substantial costs related to our research and development and commercialization activities.

As we pursue our corporate strategic goals, we anticipate that our financial results will fluctuate from quarter to quarter and year to year depending in part on the balance between the success of our commercial products and the level of our research and development expenses. We cannot predict whether or when our product candidates will receive regulatory approval. Further, if we receive such regulatory approval, we cannot predict whether or when we may be able to successfully commercialize such products or whether or when such products may become profitable.

Recent Developments

Commercial Products

Net product revenue was \$214.7 million for the six months ended June 30, 2025, an increase of 15% compared to the prior year period, primarily due to higher sales of VYVGART, driven by an extension of duration of therapy and increasing market penetration, NUZYRA, supported by increasing market coverage and penetration, and XACDURO, which was launched since the fourth quarter of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Product Candidates

We continued to advance our product candidates through our research and development activities, including the following developments with respect to our clinical trials and regulatory approvals:

Oncology

- **ZL-1310 (DLL3 ADC):** In May 2025, the FDA granted Fast Track designation to ZL-1310 for the treatment of ES-SCLC, and in June 2025, we presented positive data from the ongoing global Phase Ia/Ib clinical trial evaluating ZL-1310 for the treatment of patients with ES-SCLC at the 2025 ASCO Annual Meeting. The data demonstrated clinically meaningful anti-tumor activity in the heavily pretreated population of patients with SCLC across dose escalation and expansion cohorts. In 2L SCLC, the objective response rate was 67% across all dose levels (n=33) and 79% at 1.6 mg/kg dose (n=14). The data also demonstrated a well-tolerated safety profile at target doses of less than 2.0 mg/kg, with Grade ≥ 3 treatment-related adverse events of 6%, no Grade ≥ 2 interstitial lung disease, and no drug discontinuations. We plan to initiate a pivotal trial in 2L SCLC later this year. In addition, in April 2025, we initiated a global Phase I/II study in patients with selected solid neuroendocrine tumors, allowing us to evaluate its therapeutic potential beyond SCLC.
- **Bemarituzumab:** In June 2025, we announced positive topline results for the Phase III FORTITUDE-101 clinical trial evaluating bemarituzumab in FGFR2b positive 1L gastric cancer. Bemarituzumab plus chemotherapy (mFOLFOX6) met its primary endpoint of overall survival at a pre-specified interim analysis, demonstrating a statistically significant and clinically meaningful improvement in OS as compared to placebo plus chemotherapy in people living with unresectable locally advanced or metastatic gastric or GEJ cancer with FGFR2b overexpression and who are non-HER2 positive. The most common treatment-emergent adverse events ($>25\%$) in patients treated with bemarituzumab plus chemotherapy were reduced visual acuity, punctate keratitis, anemia, neutropenia, nausea, corneal epithelium defect and dry eye. While ocular events were consistent with the Phase 2 experience and observed in both arms, they occurred with greater frequency and severity in the Phase 3 bemarituzumab arm. We plan to file for regulatory approval in China in the second half of 2025.
- **Tumor Treating Fields (TTFields):** In May 2025, our partner NovoCure presented results from the Phase III PANOVA-3 trial of TTFields therapy for pancreatic cancer at the 2025 ASCO Annual Meeting and simultaneously published in the Journal of Clinical Oncology. The Phase III PANOVA-3 trial evaluated the use of TTFields therapy concomitantly with gemcitabine and nab-paclitaxel as a first-line treatment for unresectable, locally advanced pancreatic adenocarcinoma compared to gemcitabine and nab-paclitaxel alone. The trial met its primary endpoint, demonstrating a statistically significant improvement in median overall survival for patients treated with TTFields. TTFields therapy concomitant with gemcitabine and nab-paclitaxel demonstrated improvement in several secondary endpoints including the one-year survival rate, improved quality of life, and extended pain-free survival. We plan to file for regulatory approval in China in the second half of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

- **Repotrectinib:** In April 2025, the NMPA accepted the supplemental NDA for repotrectinib for the treatment of adult patients with NTRK+ solid tumors. The application is intended for patients whose disease is locally advanced or metastatic, or where surgical resection is likely to result in severe morbidity, and who have either progressed following prior therapies or have no satisfactory alternative treatment options.
- **ZL-6201 (LRRC15 ADC):** In April 2025, we presented new data at the AACR Annual Meeting 2025 reflecting that ZL-6201 efficiently internalizes within and kills tumor cells, while also exhibiting a strong bystander killing effect in the tumor microenvironment. Based on these findings, we plan to initiate IND-enabling studies of ZL-6201 as a potential treatment for patients with sarcoma and other LRRC15-positive solid tumors, such as breast cancer and other malignancies, in 2025.
- **ZL-1222 (PD-1/IL-12):** In April 2025, we presented data at the AACR Annual Meeting 2025, marking the first public disclosure of this global asset. Findings from the pre-clinical studies demonstrate its potent antitumor activity in both anti-PD-1 sensitive and resistant tumor models, with improved systemic safety. These results indicate its potential to benefit patients who are unresponsive or resistant to the current immune-oncology therapies.

Immunology, Neuroscience, and Infectious Disease

- **Efgartigimod (FcRn):** In April 2025, our partner argenx announced that the FDA had approved VYVGART Hytrulo PFS for self-injection in gMG and CIDP. PFS is the third approved administration option for efgartigimod, providing additional flexibility and convenience for patients. In July 2025, the China Guidelines for the Diagnosis and Treatment of Myasthenia Gravis (MG) (2025) was published, emphasizing the importance of MSE as the primary treatment goal in MG. The guidelines have highlighted VYVGART's ability to achieve MSE rapidly and provide durable benefit. VYVGART is now recommended for early use in mild-to-moderate and highly active patients and for sustained long-term treatment to maximize potential benefit.
- **ZL-1503 (IL-13/IL-31R):** In June 2025, we announced new preclinical data highlighting the potential of ZL-1503 as a promising treatment for moderate-to-severe atopic dermatitis and other IL-13 and IL-31-driven diseases. The favorable preclinical safety profile, prolonged half-life and durable suppression of both the inflammatory and pruritogenic (itch-causing) pathways in atopic dermatitis support the continued advancement of ZL-1503 toward clinical development.

MANAGEMENT DISCUSSION AND ANALYSIS

Factors Affecting Our Results of Operations

Our Commercial Products

We generate product revenue through the sale of our commercial products in Greater China, net of any related sales returns and rebates to distributors. Our cost of product revenue mainly consists of the costs of manufacturing ZEJULA and NUZYRA; costs of purchasing VYVGART/VYVGART Hytrulo, OPTUNE, QINLOCK, XACDURO, and AUGTYRO from our collaboration partners; any royalty fees incurred as a result of sales of our commercial products under our license and collaboration agreements; and amortization of capitalized post-approval milestone fees incurred under our license and collaboration agreements. We expect our product revenue to increase in coming years as we continue to focus on increasing patient access to our existing commercial products, such as through NRDL listing or increased supplemental insurance coverage in the private-pay market, and as we launch additional commercial products, if and when we obtain required regulatory approvals. We expect our cost of product revenue to increase as the volume of products sold increases.

Research and Development Expenses

We believe our ability to successfully develop product candidates will be the primary factor affecting our long-term competitiveness, as well as our future growth and development. Developing high quality product candidates requires a significant investment of resources over a prolonged period of time. We are committed to advancing and expanding our pipeline of potential best-in-class and first-in-class products, such as through clinical and pre-clinical trials and business development activities. As a result, we expect to continue making significant investments in research and development, including internal discovery activities.

Elements of research and development expenditures primarily include:

- payroll and other related costs of personnel engaged in research and development activities;
- fees for exclusive development rights of products granted to the Company;
- costs related to pre-clinical testing of the Company's technologies and clinical trials, such as payments to CROs and CMOs, investigators, and clinical trial sites that conduct our clinical studies; and
- costs to produce the product candidates, including raw materials and supplies, product testing, depreciation, and facility-related expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling, General, and Administrative Expenses

Our selling, general, and administrative expenses consist primarily of personnel compensation and related costs, including share-based compensation for commercial and administrative personnel. Other selling, general, and administrative expenses include product distribution and promotion costs, and professional service fees for legal, intellectual property, auditing, and tax services as well as other direct and allocated expenses for rent and maintenance of facilities, insurance, and other supplies used in selling, general, and administrative activities. We expect these costs to continue to be significant to support sales of our commercial products and preparation to launch and subsequent sales of additional product candidates if and when approved.

Our Ability to Commercialize Our Product Candidates

We have multiple product candidates in late-stage clinical development and various others in clinical and pre-clinical development in Greater China and globally. Our ability to generate revenue from our product candidates is dependent on our receipt of regulatory approvals for and successful commercialization of such product candidates, which may not occur. Certain of our product candidates may require additional pre-clinical and/or clinical development, regulatory approvals in multiple jurisdictions, manufacturing supply, and significant marketing efforts before we generate any revenue from product sales.

License and Collaboration Arrangements

Our results of operations have been, and will continue to be, affected by our license and collaboration agreements. In accordance with these agreements, we may be required to make upfront payments and milestone payments upon the achievement of certain development, regulatory, and sales-based milestones for the relevant products as well as certain royalties at tiered percentage rates based on annual net sales of the licensed products in the licensed territories. As of June 30, 2025, we may in the future be required to pay development and regulatory milestone payments of up to an additional aggregate amount of \$211.0 million for our current clinical programs and \$366.0 million for other programs. Such development and regulatory milestone payments are contingent on the progress of our product candidates prior to commercialization, and we see these payments as favorable because they indicate that product candidates are advancing. As of June 30, 2025, we also in the future may be required to pay sales-based milestone payments of up to an additional aggregate amount of \$1,753.0 million as well as certain royalties at tiered percentage rates on annual net sales. Such sales-based milestone and royalty payments are contingent on the performance of our commercial products, and we see these payments as favorable because they signify that a product is achieving higher sales levels.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE AND OUTLOOK

Our mission is to be a leading global biopharmaceutical company focused on discovering, developing, and commercializing innovative therapies that improve the lives of patients.

To execute on that mission, we have developed a corporate strategy with the following three pillars to help us drive innovation in China and beyond:

- **Accelerate Medicines to Patients:** We seek to advance our global and regional pipelines by continuing to invest in research and development activities;
- **Expand and Strengthen Our Pipeline:** We seek to continue to expand and strengthen our differentiated global and regional pipelines through our internal discovery efforts and synergistic collaborations and corporate development activities; and
- **Continue Our Commercial Excellence and Execution:** We seek to continue delivering strong financial performance, including by increasing access to our existing commercial products and driving further increases in our efficiency and productivity as we prepare to launch additional products or new indications for existing products, as we advance along our path to achieve profitability.

We also seek to build and maintain the trust of our stakeholders, including through our Trust for Life strategy, which includes three commitments: improve human health, create better outcomes, and act right now with ethical business practices and strong corporate governance. As part of our corporate strategy, and the actions taken in support of our corporate goals, we will continue to develop and integrate our Trust for Life strategy into our business and operations.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Results of Operations

In this section, we discuss our results of operations for the six months ended June 30, 2025 compared to the same period in 2024.

The following table presents our results of operations (\$ in thousands):

	Six Months Ended June 30,		Change	
	2025	2024	\$	%
Revenues				
Product revenue, net	214,735	187,255	27,480	15 %
Collaboration revenue	1,729	398	1,331	334 %
Total revenues	216,464	187,653	28,811	15 %
Expenses				
Cost of product revenue	(81,455)	(68,767)	(12,688)	18 %
Cost of collaboration revenue	(412)	(85)	(327)	385 %
Research and development	(111,343)	(116,270)	4,927	(4)%
Selling, general, and administrative	(134,460)	(148,904)	14,444	(10)%
Loss from operations	(111,206)	(146,373)	35,167	(24)%
Interest income	17,449	18,988	(1,539)	(8)%
Interest expenses	(2,449)	(605)	(1,844)	305 %
Foreign currency gains (losses)	3,488	(6,176)	9,664	(156)%
Other income, net	3,553	418	3,135	750 %
Loss before income tax	(89,165)	(133,748)	44,583	(33)%
Income tax expense	—	—	—	— %
Net loss	(89,165)	(133,748)	44,583	(33)%

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Product Revenue, Net

The following table presents net revenue by commercial program (\$ in thousands):

	Six Months Ended June 30,		Change	
	2025	2024	\$	%
ZEJULA	90,571	90,500	71	— %
VYVGART/VYVGART Hytrulo	44,602	36,352	8,250	23 %
NUZYRA	29,410	22,208	7,202	32 %
OPTUNE	23,718	25,064	(1,346)	(5)%
QINLOCK	17,045	13,131	3,914	30 %
XACDURO	5,739	—	5,739	NM
AUGTYRO	3,025	—	3,025	NM
Other (i)	625	—	625	NM
Total product revenue, net	214,735	187,255	27,480	15 %

NM — Not Meaningful

(i) Other includes product candidates sold in patient programs prior to commercialization.

Our product revenue is primarily derived from the sales of our commercial products primarily in mainland China, net of sales returns and rebates to distributors with respect to the sales of these products.

Our net product revenue increased by \$27.5 million in the six months ended June 30, 2025, primarily due to higher sales of VYVGART, driven by an extension of duration of therapy and increasing market penetration, NUZYRA, supported by increasing market coverage and penetration, and XACDURO, which was launched since the fourth quarter of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Product Revenue

Cost of product revenue increased by \$12.7 million in the six months ended June 30, 2025, primarily due to increasing sales volumes.

Collaboration Revenue and Cost of Collaboration Revenue

In the six months ended June 30, 2025, collaboration revenue increased by \$1.3 million, and cost of collaboration revenue increased by \$0.3 million, which are related to promotional activities in mainland China.

Research and Development Expenses

The following table presents the components of our research and development expenses (\$ in thousands):

	Six Months Ended June 30,		Change	
	2025	2024	\$	%
Personnel compensation and related costs	46,527	59,217	(12,690)	(21)%
Licensing fees	19,997	—	19,997	NM
CRO/CMO/Investigator expenses	29,765	44,209	(14,444)	(33)%
Other costs	15,054	12,844	2,210	17 %
Total	111,343	116,270	(4,927)	(4)%

NM — Not Meaningful

Research and development expenses decreased by \$4.9 million in the six months ended June 30, 2025, primarily due to:

- a decrease of \$14.4 million in CRO/CMO/Investigator expenses related to ongoing clinical trials;
- a decrease of \$12.7 million in personnel compensation and related costs, primarily driven by our resource prioritization and efficiency efforts; partially offset by,
- an increase of \$20.0 million in licensing fees for our license and collaboration agreements.

The following table presents our research and development expenses by program (\$ in thousands):

	Six Months Ended June 30,		Change	
	2025	2024	\$	%
Clinical programs	45,059	40,136	4,923	12 %
Pre-Clinical programs	8,383	5,188	3,195	62 %
Unallocated research and development expenses	57,901	70,946	(13,045)	(18)%
Total	111,343	116,270	(4,927)	(4)%

MANAGEMENT DISCUSSION AND ANALYSIS

Research and development expenses attributable to clinical programs increased by \$4.9 million in the six months ended June 30, 2025, primarily driven by an increase in licensing fees for our license and collaboration agreements, partially offset by decreases in CRO/CMO/Investigator expenses related to ongoing clinical trials.

Although we manage our external research and development expenses by program, we do not allocate our internal research and development expenses by program because our employees and internal resources may be engaged in projects for multiple programs at any given time.

Selling, General, and Administrative Expenses

The following table presents our selling, general and administrative expenses by category (\$ in thousands):

	Six Months Ended June 30,		Change	
	2025	2024	\$	%
Personnel compensation and related costs	83,322	94,173	(10,851)	(12)%
Other costs	51,138	54,731	(3,593)	(7)%
Total	134,460	148,904	(14,444)	(10)%

Selling, general, and administrative expenses decreased by \$14.4 million in the six months ended June 30, 2025, primarily due to decreases in personnel compensation and related costs related to our resource prioritization and efficiency efforts.

MANAGEMENT DISCUSSION AND ANALYSIS

Interest Income

Interest income decreased by \$1.5 million in the six months ended June 30, 2025, primarily due to decreased interest rates.

Interest Expense

Interest expense increased by \$1.8 million in the six months ended June 30, 2025, primarily due to higher levels of short-term debt.

Foreign Currency Gains (Losses)

Foreign currency gains were \$3.5 million in the six months ended June 30, 2025, primarily driven by remeasurement gain due to appreciation of the RMB against the U.S. dollar, compared to foreign currency losses of \$6.2 million in the six months ended June 30, 2024, primarily driven by remeasurement loss due to depreciation of the RMB against the U.S. dollar.

Other Income, Net

Other income, net was \$3.6 million in the six months ended June 30, 2025, compared to \$0.4 million in the six months ended June 30, 2024, primarily due to decreased loss on our equity investment in MacroGenics.

Income Tax Expense

Income tax expense was nil in both the six months ended June 30, 2025 and 2024.

Net Loss

Net loss was \$89.2 million in the six months ended June 30, 2025, or a loss per ordinary share attributable to stockholders of \$0.08 (or loss per ADS of \$0.82), compared to a net loss of \$133.7 million in the six months ended June 30, 2024, or a loss per ordinary share of \$0.14 (or loss per ADS of \$1.37).

MANAGEMENT DISCUSSION AND ANALYSIS

Discussion of Certain Key Balance Sheet Items

This section includes discussion of certain key balance sheet items as of June 30, 2025 compared to December 31, 2024.

Cash, Cash Equivalents, and Restricted Cash

As of June 30, 2025, the Company's cash, cash equivalents, and restricted cash amounted to \$833.4 million and primarily comprised of (i) \$819.6 million denominated in U.S. dollars; (ii) \$12.2 million denominated in RMB; and (iii) \$1.6 million in aggregate denominated in HK dollars, Australian dollars, and Taiwan dollars.

Accounts Receivable

Accounts receivable increased by \$3.3 million to \$88.5 million as of June 30, 2025, primarily due to increased product revenue.

Inventories, Net

Inventories, net increased by \$21.8 million to \$61.7 million as of June 30, 2025, primarily due to increased inventory levels to support anticipated sales growth.

Property and Equipment, Net

Property and equipment, net increased by \$2.2 million to \$50.2 million as of June 30, 2025, primarily due to the purchase of new equipment.

Intangible Assets, Net

Intangible assets, net remained relatively flat as of June 30, 2025 compared to December 31, 2024.

Accounts Payable

Accounts payable increased slightly by \$6.5 million to \$107.4 million as of June 30, 2025, based on the timing of accrual and payments.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Current Liabilities

Other current liabilities decreased by \$14.7 million to \$44.1 million as of June 30, 2025, primarily due to payments of employee bonuses.

Short-Term Debt

Short-term debt increased by \$42.8 million to \$174.5 million as of June 30, 2025, primarily due to net new borrowings made in the first half of 2025.

Liquidity, Financial Resources, and Capital Structure

The following table represents our cash and cash equivalents, short-term investments, and restricted cash (\$ in thousands):

	June 30, 2025	December 31, 2024
Cash and cash equivalents	732,159	449,667
Restricted cash, current	100,111	100,000
Short-term investments	—	330,000
Restricted cash, non-current	1,114	1,114
Total	833,384	880,781

To date, we have financed our activities primarily through private placements and public offerings, including our September 2017 initial public offering and various follow-on offerings on Nasdaq and our September 2020 secondary listing and initial public offering on the Hong Kong Stock Exchange. We have raised approximately \$164.6 million in private equity financing and approximately \$2,677.8 million in net proceeds from public offerings after deducting underwriting commissions and the offering expenses payable by us. Our operations have consumed substantial amounts of cash since inception. The net cash used in our operating activities was \$92.7 million and \$132.3 million in the six months ended June 30, 2025 and 2024, respectively. For information on our research and development activities and related expenditures, see the *Research and Development Expenses*, *Selling, General, and Administrative Expenses*, *License and Collaboration Arrangements*, and *Results of Operations* sections above. In addition, as of June 30, 2025, we had commitments of \$1.1 million related to commercial manufacturing development activities and capital expenditures.

We have also identified opportunities to access capital through debt arrangements on favorable commercial terms. As of June 30, 2025, we had such debt arrangements with Chinese financial institutions that allow certain of our subsidiaries to borrow up to approximately \$240.2 million (or RMB1,721.7 million) to support our working capital needs in mainland China. As of June 30, 2025, we had short-term debt outstanding of \$174.5 million (or RMB1,244.7 million) pursuant to these debt arrangements. These debt arrangements provide us with additional capital capacity that will give us enhanced flexibility to execute on our corporate strategic goals. For more information, see *Note 12*.

MANAGEMENT DISCUSSION AND ANALYSIS

As of June 30, 2025, we had cash and cash equivalents and current restricted cash of \$832.3 million, which we expect will enable us to meet our cash requirements including the funding of operating expenses, capital expenditures, and debt obligations for at least the next twelve months.

Although we believe that we have sufficient capital to fund our operations for at least the next twelve months, we may, from time to time, utilize debt arrangements on favorable commercial terms or consider additional funding sources to bring to fruition our strategic objectives. There can be no assurances that such funding will be made available to us on acceptable terms or at all.

The following table presents information regarding our cash flows (\$ in thousands):

	Six Months Ended June 30,		Change
	2025	2024	\$
Net cash used in operating activities	(92,723)	(132,279)	39,556
Net cash provided by investing activities	323,211	2,446	320,765
Net cash provided by financing activities	51,990	69,870	(17,880)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	125	(137)	262
Net increase (decrease) in cash, cash equivalents and restricted cash	282,603	(60,100)	342,703

Net Cash Used in Operating Activities

Net cash used in operating activities decreased by \$39.6 million in the six months ended June 30, 2025, primarily due to a decrease of \$44.6 million in net loss and an increase of \$11.5 million in net changes in operating assets and liabilities, partially offset by a decrease of \$16.5 million in other adjustments to reconcile net loss to net cash used in operating activities.

Net Cash Provided by Investing Activities

Net cash provided by investing activities increased by \$320.8 million in the six months ended June 30, 2025, primarily due to an increase of \$313.7 million in proceeds from the maturity of short-term investments, a decrease of \$8.5 million from acquisitions of intangible assets, and an increase of \$1.2 million in proceeds from the sale of our equity investment in MacroGenics, partially offset by an increase of \$2.7 million in purchases of property and equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

Net Cash Provided by Financing Activities

Net cash provided by financing activities decreased by \$17.9 million in the six months ended June 30, 2025, primarily due to \$82.8 million in repayment of short-term bank borrowings and \$0.9 million in payments of public offering costs, partially offset by an increase of \$54.4 million in short-term debt proceeds and an increase of \$11.4 million in proceeds from exercises of stock options.

Effect of Exchange Rates on Cash

We have substantial operations in mainland China, which generate a significant amount of RMB-denominated cash from product sales and require a significant amount of RMB-denominated cash to pay our obligations. Since the reporting currency of the Company is the U.S. dollar, periods of volatility in exchange rates may have a significant impact on our consolidated cash balances.

Operating Capital Requirements

We may require or seek to obtain additional funding in connection with our operations through public or private equity offerings, debt financing, collaborations or licensing arrangements, or other sources. If we are unable to raise capital when needed or on acceptable terms, we could incur losses or be forced to delay, reduce, or terminate certain programs or activities.

Although we believe our cash and cash equivalents as of June 30, 2025 will enable us to fund our operating expenses and capital expenditure requirements for at least the next twelve months, we could use our capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- revenues from our approved commercial products and related product costs;
- the cost and timing of future commercialization activities for our products and any other product candidates for which we receive regulatory approval;
- the cost, timing, and outcome of seeking, obtaining, and maintaining regulatory approval for our products and product candidates;
- the scope, progress, timing, results, and costs of researching and developing our product candidates, including additional indications for our existing commercial products and conducting pre-clinical and clinical trials;
- our ability to establish and maintain strategic partnerships, including collaboration, licensing, or other arrangements, and the economic and other terms, timing, and success of such arrangements, such as with respect to any upfront fees, development and regulatory milestones that may be payable prior to commercialization or before we have generated revenue from the related product, and sales-based milestones or royalty payments that may be payable after commercial launch;

MANAGEMENT DISCUSSION AND ANALYSIS

- the cost, timing, and outcome of preparing, filing, and prosecuting patent applications, maintaining and enforcing our intellectual property rights, and defending any intellectual property related claims;
- cash requirements of any future acquisitions;
- resources and costs required to promote compliance with applicable laws and regulations by us and our third-party partners;
- costs of our personnel; and
- the costs of operating as a public company in both the United States and Hong Kong.

Contractual Obligations and Commitments

As of June 30, 2025, our commitments were \$1.1 million and related to commercial manufacturing development activities and capital expenditures that are contracted but not yet reflected in the unaudited condensed consolidated financial statements. These commitments were expected to be incurred within one year.

Disclosures About Market Risk

We are exposed to market risk including foreign exchange risk, credit risk, and interest rate risk.

Foreign Exchange Risk

Renminbi, or RMB, is not a freely convertible currency. The State Administration of Foreign Exchange, under the authority of the People's Bank of China, controls the conversion of RMB into foreign currencies. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market. The cash and cash equivalents of the Company included aggregated amounts of \$12.2 million and \$19.0 million, which were denominated in RMB, representing 2% and 4% of the cash and cash equivalents as of June 30, 2025 and December 31, 2024, respectively.

While our financial statements are presented in U.S. dollars, our business mainly operates in mainland China with a significant portion of our transactions settled in RMB, and as such, we do not believe that we currently have significant direct foreign exchange risk and have not used derivative financial instruments to hedge our exposure to such risk. Although, in general, our exposure to foreign exchange risk should be limited, the value of your investment in our ADSs and ordinary shares will be affected by the exchange rate between the U.S. dollar and the RMB and between the HK dollar and the RMB, respectively, because the value of our business is effectively denominated in RMB, while ADSs and ordinary shares are traded in U.S. dollars and HK dollars, respectively.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in Greater China's political and economic conditions. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on rates set by the People's Bank of China.

MANAGEMENT DISCUSSION AND ANALYSIS

The value of our ADSs and our ordinary shares will be affected by the foreign exchange rates between U.S. dollars, HK dollars, and the RMB. For example, to the extent that we need to convert U.S. dollars or HK dollars into RMB for our operations or if any of our arrangements with other parties are denominated in U.S. dollars or HK dollars and need to be converted into RMB, appreciation of the RMB against the U.S. dollar or the HK dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars or HK dollars for the purpose of making payments for dividends on ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar or the HK dollar against the RMB would have a negative effect on the conversion amounts available to us.

Since 1983, the HKMA has pegged the HK dollar to the U.S. dollar at the rate of approximately HK\$7.80 to US\$1.00. However, there is no assurance that the HK dollar will continue to be pegged to the U.S. dollar or that the HK dollar conversion rate will remain at HK\$7.80 to US\$1.00. If the HK dollar conversion rate against the U.S. dollar changes and the value of the HK dollar depreciates against the U.S. dollar, our assets denominated in HK dollars will be adversely affected. Additionally, if the HKMA were to repeg the HK dollar to, for example, the RMB rather than the U.S. dollar, or otherwise restrict the conversion of HK dollars into other currencies, then our assets denominated in HK dollars will be adversely affected.

Credit Risk

Financial instruments that are potentially subject to significant concentration of credit risk consist of cash and cash equivalents, restricted cash, short-term investments, accounts receivable, and notes receivable.

The carrying amounts of cash and cash equivalents and short-term investments represent the maximum amount of losses due to credit risk. As of June 30, 2025 and December 31, 2024, we had cash and cash equivalents of \$732.2 million and \$449.7 million, respectively, restricted cash of \$101.2 million and \$101.1 million, respectively, and short-term investments of nil and \$330.0 million, respectively. As of June 30, 2025 and December 31, 2024, all of our cash and cash equivalents, restricted cash, and short-term investments were held by major financial institutions located in mainland China and international financial institutions outside of mainland China which we believe are of high credit quality and for which we monitor continued credit worthiness.

Accounts receivable are typically unsecured and are derived from product revenue. We manage credit risk related to our accounts receivable through ongoing monitoring of outstanding balances and limiting the amount of credit extended based upon payment history and credit worthiness. Historically, we have collected receivables from customers within the credit terms with no significant credit losses incurred. As of June 30, 2025, our two largest customers accounted for approximately 20% of our total accounts receivable collectively.

Certain accounts receivable balances are settled in the form of notes receivable. As of June 30, 2025, such notes receivable included bank acceptance promissory notes that are non-interest bearing and due within six months. These notes receivable were used to collect the receivables based on an administrative convenience, given these notes are readily convertible to known amounts of cash. In accordance with the sales agreements, whether to use cash or bank acceptance promissory notes to settle the receivables is at our discretion, and this selection does not impact the agreed contractual purchase prices.

MANAGEMENT DISCUSSION AND ANALYSIS

Interest Rate Risk

We are exposed to risks related to changes in interest rates on our cash and cash equivalents, restricted cash, and short-term investments. As of June 30, 2025 and December 31, 2024, we had cash and cash equivalents of \$732.2 million and \$449.7 million, respectively, restricted cash of \$101.2 million and \$101.1 million, respectively, and short-term investments of nil and \$330.0, respectively. Our investment portfolio, which relates to cash equivalents and short-term investments, primarily consists of time deposits. The primary objectives of our investment activities are to preserve principal, provide liquidity, and maximize income without significantly increasing risk. Given the short-term nature of our deposits and investments, we believe that a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. For example, a hypothetical 10% relative change in interest rates during any of the periods presented would not have a material impact on future interest income.

We are also exposed to risks related to changes in interest rates on our short-term debt, which is currently subject to a mix of fixed and floating interest rates. As of June 30, 2025 and December 31, 2024, we had short-term debt of \$174.5 million and \$131.7 million, respectively. A 100-basis point increase in interest rates would not materially increase our interest expense. Our interest rate exposure from short-term debt is also offset by our exposure in cash and cash equivalents, restricted cash, and short-term investments, as discussed above. For more information on our short-term debt, see *Note 12*.

Gearing Ratio

The gearing ratio of the Company, which was calculated by dividing total interest-bearing loans by total shareholders' equity as of the end of the period, was 22% and 16% as of June 30, 2025 and December 31, 2024, respectively.

Significant Investments Held

We did not hold any significant investments as of June 30, 2025 and December 31, 2024.

Future Plans for Material Investments and Capital Assets

We did not have any future plans for material investments or capital assets as of June 30, 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the first half of 2025, we did not have any material acquisitions or disposals of subsidiaries, associates, or joint ventures.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee and Remuneration Policy

As of June 30, 2025, we had a global team of 1,850 full-time employees, which increased from 1,844 full-time employees as of December 31, 2024.

The remuneration policy for our employees is periodically reviewed by the Compensation Committee. Employee remuneration packages are determined in consideration of a variety of factors, including our pay-for-performance compensation model and market data for companies in similar industries and with similar complexity and size. In addition to cash compensation and benefits, we may issue share options, share appreciation rights, restricted shares, unrestricted shares, share units including restricted share units, performance awards, and other types of awards to our employees in accordance with our equity incentive plans. For more details about share-based compensation, please refer to the section headed “Equity Incentive Plans” and *Note 15* to the unaudited condensed consolidated financial statements contained in this report.

The total remuneration cost incurred by the Company was \$131.4 million and \$153.4 million for the first half of 2025 and 2024, respectively.

Charges on Group Assets

As of June 30, 2025 and December 31, 2024, we had a charge over deposit of \$100.0 million in restricted cash with BOC HK to secure the standby letters of credit.

Contingent Liabilities

As of June 30, 2025 and December 31, 2024, we did not have any material contingent liabilities. See *Note 16* to the unaudited condensed consolidated financial statements for contractual obligations under licenses and collaborative agreements.

Interim Dividend

The Board did not recommend any interim dividend for the first half of 2025 and 2024.

Recent Accounting Pronouncements

See *Note 2* to the unaudited condensed consolidated financial statements included in this report for recent accounting pronouncements.

OTHER INFORMATION

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

As of June 30, 2025, so far as was known to the Directors and chief executive of the Company, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares, and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, which were required to be (a) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or were deemed to have under such provisions of the SFO); (b) recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of interest	Number of Shares	Approximate percentage of holding ⁽¹⁾
Samantha (Ying) Du	Beneficial owner	49,127,910 ⁽²⁾	4.42%
	Beneficiary of a trust (other than a discretionary interest)	5,000,000	0.45%
	Founder of a discretionary trust who can influence how the trustee exercises his discretion	198,570 ⁽³⁾	0.01%
	Other	3,061,410 ⁽⁴⁾	0.27%
John David Diekman	Beneficial owner	997,690	0.08%
Richard Brian Gaynor	Beneficial owner	548,990	0.04%
Nisa Bernice Wing-Yu Leung	Beneficial owner	739,260	0.06%
William David Lis	Beneficial owner	351,060	0.03%
Scott William Morrison	Beneficial owner	345,330	0.03%
Leon Oliver Moulder, Jr.	Beneficial owner	726,020	0.06%
Michel Pericles Vounatsos	Beneficial owner	504,160	0.04%
Peter Karl Wirth	Beneficial owner	3,937,500	0.35%

Notes:

- (1) These calculations are based on the total number of 1,110,783,740 Shares in issue as of June 30, 2025.
- (2) These Shares include, among others, Dr. Du's entitlements to receive up to (i) 41,549,880 Shares pursuant to share options granted to her and not yet exercised or expired, subject to any applicable conditions thereof; and (ii) 2,541,980 Shares pursuant to non-option awards granted to her and not yet vested, subject to satisfaction of applicable service-based or performance-based conditions thereof.
- (3) These Shares are held by Ying Du Revocable Trust for the benefit of Dr. Du, of which Dr. Du is the trustee and is the founder having power to influence the exercise of the trustee's discretion.
- (4) These Shares are held by certain other shareholders, including members of the Company's management and their affiliates, who have granted to Dr. Du the right to vote their Shares and for which Dr. Du may be deemed to have an "interest" based on her right to vote such Shares, however Dr. Du has no pecuniary interest therein.
- (5) All interests stated above are long positions.

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

As of June 30, 2025, so far as was known to the Directors and based on the information filed with the Disclosure of Interest Online (DION) System, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholders	Capacity/Nature of Interest	Number of Shares Held	L/S/P ⁽¹⁾	Approximate Percentage of Shareholding in the Company ⁽²⁾
JPMorgan Chase & Co. ⁽ⁱ⁾	Beneficial owner	19,965,962 ⁽³⁾	(L)	1.79%
	Beneficial owner	23,895,340 ⁽³⁾	(S)	2.15%
	Investment manager	55,410 ⁽³⁾	(L)	0.00%
	Person having a security interest in shares	6,970,367 ⁽³⁾	(L)	0.62%
	Trustee	25,710 ⁽³⁾	(L)	0.00%
	Approved lending agent	86,801,595 ⁽³⁾	(L)	7.81%
FMR LLC ⁽ⁱⁱ⁾	Interest of corporation controlled by you	95,696,821 ⁽⁴⁾	(L)	8.61%
BAILLIE GIFFORD & CO ⁽ⁱⁱⁱ⁾	Investment manager	405,906 ⁽⁵⁾	(L)	0.36%
	Interest of corporation controlled by you	5,510,261 ⁽⁵⁾	(L)	4.96%
Citigroup Inc. ^(iv)	Person having a security interest in shares	500 ⁽⁵⁾⁽⁶⁾	(L)	0.00%
	Interest of corporation controlled by you	31,314 ⁽⁵⁾⁽⁶⁾	(L)	0.02%
	Interest of corporation controlled by you	4,202 ⁽⁵⁾⁽⁶⁾	(S)	0.00%
	Approved lending agent	5,200,946 ⁽⁵⁾⁽⁶⁾	(P)	4.68%
Qiming Corporate GP IV, Ltd. Qiming GP IV, L.P.	Interest of corporation controlled by you	66,329,320	(L)	5.97%
Qiming Venture Partners IV, L.P.				
QM11 Limited				
The Capital Group Companies, Inc. ^(v)	Interest of corporation controlled by you	65,153,170 ⁽⁷⁾	(L)	5.86%

OTHER INFORMATION

Notes:

- (1) Long position (L)/Short position(S)/Lending pool (P)
- (2) These calculations are based on the total number of 996,087,670 Shares in issue as of June 30, 2025.
- (3) According to the Corporate Substantial Shareholder Notice regarding the relevant event dated June 17, 2025 submitted by JPMorgan Chase & Co. to the Hong Kong Stock Exchange on June 20, 2025, an aggregated 113,819,044 Shares (long position), 23,895,340 Shares (short position), and 86,801,595 Shares (lending pool) are held by JPMorgan Chase & Co. indirectly through its certain subsidiaries. Among them, 1,470,370 Shares (long position) and 5,172,200 Shares (short position) are cash settled unlisted derivatives.
- (4) According to the Corporate Substantial Shareholder Notice regarding the relevant event dated June 30, 2025 submitted by FMR LLC to the Hong Kong Stock Exchange on July 4, 2025, an aggregated 95,696,821 Shares (long position) are held by FMR LLC indirectly through its certain subsidiaries. Among them, 62,549,450 Shares (long position) are physically settled listed derivatives.
- (5) As the number of Shares held is based on the Corporate Substantial Shareholder Notice filed to the Hong Kong Stock Exchange before the Share Subdivision, for the purpose of calculating the shareholding percentage in this section, the relevant number of Shares has been adjusted to ten times of the original number of ordinary shares held to reflect the impact of the Share Subdivision.
- (6) According to the Corporate Substantial Shareholder Notice regarding the relevant event dated September 28, 2020 submitted by Citigroup Inc. to the Hong Kong Stock Exchange on October 5, 2020, an aggregated 5,232,760 Shares (long position), 4,202 Shares (short position), and 5,200,946 Shares (lending pool) are held by Citigroup Inc. indirectly through its certain subsidiaries. Among them, 5,080,573 Shares (long position) and 4,202 Shares (short position) are physically settled listed derivatives, and 137 Shares (long position) are cash settled unlisted derivatives.
- (7) According to the Corporate Substantial Shareholder Notice regarding the relevant event dated March 21, 2025 submitted by The Capital Group Companies, Inc. to the Hong Kong Stock Exchange on March 25, 2025, an aggregated 65,153,170 Shares (long position), are held by The Capital Group Companies, Inc. indirectly through its certain subsidiaries. Among them, 60,070,370 Shares (long position) are physically settled listed derivatives.
- (i) According to the Form 13F filed by JPMorgan Chase & Co with the SEC on August 12, 2025 (https://www.sec.gov/Archives/edgar/data/19617/000091918525000009/xslForm13F_X02/Information_Table_06.30.2025.xml), as of June 30, 2025, it (and other managers noted in the filing) held 9,791 ADSs of the Company. No corresponding record is found on the DION System.
- (ii) According to the Form 13F filed by FMR LLC with the SEC on August 14, 2025 (https://www.sec.gov/Archives/edgar/data/315066/000031506625002231/xslForm13F_X02/20250814_FMRLLC.xml), as of June 30, 2025, it (and other managers noted in the filing) held 6,197,423 ADSs of the Company. No corresponding record is found on the DION System.
- (iii) According to the Form 13F filed by Baillie Gifford & Co with the SEC on August 8, 2022 (https://www.sec.gov/Archives/edgar/data/1088875/000108887522000108/xslForm13F_X01/edgbgcojun22.xml), as of June 30, 2022, it (and other managers noted in the filing) held 737,152 ADSs of the Company. According to the Form 13F filed by Baillie Gifford & Co with the SEC on August 6, 2025 (https://www.sec.gov/Archives/edgar/data/1088875/000108887525000057/xslForm13F_X02/edgbgcojun25.xml), as of June 30, 2025, it (and other managers noted in the filing) did not appear to hold any ADSs of the Company. No corresponding record is found on the DION System.
- (iv) According to the Form 13F filed by Citigroup Inc. with the SEC on August 11, 2025 (https://www.sec.gov/Archives/edgar/data/831001/000083100125000145/xslForm13F_X02/CITIGROUP_13F_HR_INFOTABLE.xml), as of June 30, 2025, it (and other managers noted in the filing) held 8,512 ADSs of the Company. No corresponding record is found on the DION System.
- (v) According to the Form 13F filed by Capital World Investors with the SEC on August 13, 2025 (https://www.sec.gov/Archives/edgar/data/1422849/000142284925000151/xslForm13F_X02/form13finfoTable.xml), as of June 30, 2025, it (and other managers noted in the filing) held 6,036,185 ADSs of the Company. No corresponding record is found on the DION System.

OTHER INFORMATION

Save as disclosed above and to the best knowledge of the Directors, as of June 30, 2025, the Directors are not aware of any other person (other than the Directors or the chief executive of the Company whose interests are set out in the section headed “*Directors’ and Chief Executive’s Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or Any of Its Associated Corporations*” above) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

EQUITY INCENTIVE PLANS

The Company has 4 equity incentive plans, namely the 2015 Plan, the 2017 Plan, the 2022 Plan, and the 2024 Plan. The 2022 Plan was adopted by the shareholders of the Company and took effect on the Primary Conversion Effective Date, and the Board determined that no new grants would be made under the 2015 Plan and the 2017 Plan after the Primary Conversion Effective Date. The 2024 Plan was adopted by the shareholders of the Company and took effect on June 18, 2024, and the Board determined that no new grants would be made under the 2022 Plan after June 18, 2024.

As at January 1, 2025, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2015 Plan, the 2017 Plan, the 2022 Plan, and the 2024 Plan was 101,015,470. As at June 30, 2025, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2015 Plan, 2017 Plan, the 2022 Plan, and the 2024 Plan was 92,521,370.

The number of Shares that may be issued in respect of the options and non-option awards granted under the 2024 Plan during the Reporting Period represented 1.32% of the weighted average number of Shares in issue for the Reporting Period.

1. 2015 Plan

The 2015 Plan was approved by the Board on March 5, 2015 and most recently amended with effect on April 10, 2016. The Board determined that no new grants would be made under the 2015 Plan after the Primary Conversion Effective Date. However, for illustration purpose only, as at both January 1, 2025 and June 30, 2025, the number of Shares available for future grant under the 2015 Plan was 11,835,790.

OTHER INFORMATION

Details of the outstanding options under the 2015 Plan are set out below:

Number of shares underlying the options											
Name of grantee	Category of grantees	Date of grant	Vesting period ⁽¹⁾	Exercise period ⁽²⁾	Exercise (grant) price (in \$) ⁽³⁾	Price on	Outstanding as of January 1, 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of June 30, 2025
						day prior					
						to exercise					
						during the Reporting Period (in \$) ⁽⁴⁾					
Directors and chief executive of the Company											
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	10/22/2015	5 years	10 years	0.06	2.92	5,891,650	3,927,780	0	0	1,963,870
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	3/9/2016	5 years	10 years	0.12	—	6,043,760	0	0	0	6,043,760
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	8/25/2016	5 years	10 years	0.174	—	9,221,840	0	0	0	9,221,840
Employee Participants (other than chief executive)											
In aggregate	Employee Participants	3/5/2015	5 years	10 years	0.06	3.44	1,230	1,230	0	0	0
In aggregate	Employee Participants	10/22/2015	5 years	10 years	0.06	2.92	2,754,360	2,751,330	0	0	3,030
In aggregate	Employee Participants	3/9/2016	5 years	10 years	0.12	—	262,690	0	0	0	262,690
In aggregate	Employee Participants	8/25/2016	5 years	10 years	0.174	3.42	708,820	546,670	0	0	162,150
In aggregate	Employee Participants	8/25/2016	3 years	10 years	0.174	—	4,160	0	0	0	4,160
In aggregate	Employee Participants	12/6/2016	3 years	10 years	0.174	—	4,160	0	0	0	4,160
In aggregate	Employee Participants	5/12/2017	5 years	10 years	0.3	3.19	161,670	58,350	0	0	103,320
In aggregate	Employee Participants	5/12/2017	3 years	10 years	0.3	—	4,160	0	0	0	4,160
Total							25,058,500	7,285,360	0	0	17,773,140

Notes:

- (1) The options had been fully vested as at the end of the Reporting Period.
- (2) The relevant portion of the options becomes exercisable upon vesting on each anniversary of the date of grant, with the validity period of the options being ten years from the date of grant.
- (3) The stated exercise (grant) price was determined in good faith by the administrator of the 2015 Plan in the absence of an established market for the Shares.
- (4) The stated price was the weighted-average closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the trading day immediately prior to the date on which the options were exercised during the Reporting Period.

2. 2017 Plan

The 2017 Plan was approved by the Board on August 7, 2017. The 2017 Plan provides for the grant of share options, SARs, restricted and unrestricted shares, and share units, performance awards, and other awards that are convertible into or otherwise based on Shares. Dividend equivalents may also be provided in connection with awards under the 2017 Plan. The Board determined that no new grants would be made under the 2017 Plan after the Primary Conversion Effective Date. However, for illustration purpose only, as at January 1, 2025 and June 30, 2025, the number of Shares available for future grant under the 2017 Plan was 87,679,300 and 89,317,840, respectively.

Options

Details of the outstanding options under the 2017 Plan are set out below:

							Number of shares underlying the options				
Name of grantee	Category of grantees	Date of grant	Vesting period ^(a) (b)	Exercise period ^(a)	Exercise (grant) price (in \$) ^(c)	Price on	Outstanding as of January 1, 2025	Exercised	Cancelled	Lapsed during the Reporting Period	Outstanding as of June 30, 2025
						day prior to exercise during the Reporting Period		during the Reporting Period	during the Reporting Period		
Directors and chief executive of the Company											
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	3/28/2018	5 years	10 years	2.09	—	3,500,000	0	0	0	3,500,000
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	3/8/2019	5 years	10 years	3.893	—	3,000,000	0	0	0	3,000,000
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	3/12/2020	5 years	10 years	4.494	—	2,500,000	0	0	0	2,500,000
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	4/1/2021	5 years	10 years	13.096	—	870,000	0	0	0	870,000
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	4/1/2022	5 years	10 years	4.547	—	2,820,000	0	0	0	2,820,000

OTHER INFORMATION

							Number of shares underlying the options				
						Price on					
						day prior					
						to exercise		Exercised	Cancelled		
						during the	Outstanding as	during the	during the	Lapsed during	Outstanding
Name of	Category of	Date of	Vesting	Exercise	Exercise (grant)	Reporting	of January 1,	Reporting	Reporting	the Reporting	as of June 30,
grantee	grantees	grant	period ⁽¹⁾ (2) (3)	period ⁽⁴⁾	price (in \$) ⁽⁵⁾	Period (in \$) ⁽⁶⁾	2025	Period	Period	Period	2025
Employee Participants (other than chief executive)											
In aggregate	Employee Participants	9/20/2017	3 years	10 years	1.8	—	75,000	0	0	0	75,000
In aggregate	Employee Participants	9/20/2017	5 years	10 years	1.8	—	7,860	0	0	0	7,860
In aggregate	Employee Participants	1/22/2018	5 years	10 years	2.374	3.47	353,400	41,000	0	0	312,400
In aggregate	Employee Participants	1/26/2018	5 years	10 years	2.458	—	370,000	0	0	0	370,000
In aggregate	Employee Participants	3/22/2018	5 years	10 years	2.074	3.58	1,250,000	1,150,000	0	0	100,000
In aggregate	Employee Participants	8/14/2018	5 years	10 years	2.193	3.38	375,000	90,000	0	0	285,000
In aggregate	Employee Participants	11/26/2018	5 years	10 years	1.76	3.5	358,000	223,000	0	0	135,000
In aggregate	Employee Participants	2/25/2019	3 years	10 years	2.912	—	50,000	0	0	0	50,000
In aggregate	Employee Participants	3/8/2019	5 years	10 years	2.775	3.44	590,000	320,000	0	15,000	255,000
In aggregate	Employee Participants	3/27/2019	5 years	10 years	2.807	3.57	1,100,210	105,000	0	0	995,210
In aggregate/	Employee Participants	6/28/2019	5 years	10 years	3.487	—	315,000	0	0	40,000	275,000
In aggregate	Employee Participants	9/30/2019	5 years	10 years	3.235	3.65	88,000	8,000	0	0	80,000
In aggregate	Employee Participants	12/31/2019	5 years	10 years	4.159	—	296,130	0	0	0	296,130
In aggregate	Employee Participants	10/14/2019	5 years	10 years	3.343	4.14	250,000	250,000	0	0	0
In aggregate	Employee Participants	10/7/2019	3 years	10 years	3.188	—	25,000	0	0	0	25,000
In aggregate	Employee Participants	3/12/2020	5 years	10 years	4.494	—	310,000	0	0	0	310,000
In aggregate	Employee Participants	3/31/2020	5 years	10 years	5.148	—	2,416,000	0	0	69,000	2,347,000
In aggregate	Employee Participants	6/30/2020	5 years	10 years	8.213	—	285,420	0	0	2,000	283,420
In aggregate	Employee Participants	8/17/2020	5 years	10 years	8.25	—	377,500	0	0	0	377,500
In aggregate	Employee Participants	9/21/2020	5 years	10 years	7.33	—	203,410	0	0	0	203,410
In aggregate	Employee Participants	12/21/2020	5 years	10 years	12.872	—	349,570	0	0	20,400	329,170
In aggregate	Employee Participants	5/1/2021	5 years	10 years	16.621	—	12,000	0	0	0	12,000
In aggregate	Employee Participants	3/1/2021	5 years	10 years	16.202	—	28,000	0	0	1,600	26,400
In aggregate	Employee Participants	4/1/2021	5 years	10 years	13.096	—	1,915,630	0	0	126,400	1,789,230
In aggregate	Employee Participants	6/1/2021	5 years	10 years	18	—	73,000	0	0	0	73,000
In aggregate	Employee Participants	7/1/2021	5 years	10 years	17.837	—	18,750	0	0	3,000	15,750
In aggregate	Employee Participants	8/1/2021	5 years	10 years	14.461	—	9,230	0	0	1,270	7,960
In aggregate	Employee Participants	9/1/2021	5 years	10 years	14.718	—	82,070	0	0	16,000	66,070
In aggregate	Employee Participants	10/1/2021	5 years	10 years	10.275	—	223,810	0	0	5,400	218,410
In aggregate	Employee Participants	11/1/2021	5 years	10 years	10.442	—	30,000	0	0	8,400	21,600
In aggregate	Employee Participants	11/1/2021	4 years	10 years	10.442	—	451,500	0	0	19,000	432,500

OTHER INFORMATION

Number of shares underlying the options											
Name of grantee	Category of grantees	Date of grant	Vesting period ⁽¹⁾ (2) (3)	Exercise period ⁽⁴⁾	Exercise (grant) price (in \$) ⁽⁵⁾	Price on day prior to exercise during the Reporting Period (in \$) ⁽⁶⁾	Outstanding as of January 1, 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of June 30, 2025
In aggregate	Employee Participants	12/1/2021	5 years	10 years	7.123	—	66,790	0	0	0	66,790
In aggregate	Employee Participants	12/1/2021	4 years	10 years	7.123	—	65,500	0	0	3,390	62,110
In aggregate	Employee Participants	12/30/2021	3 years	10 years	6.692	—	29,000	0	0	0	29,000
In aggregate	Employee Participants	1/1/2022	5 years	10 years	6.285	—	4,000	0	0	0	4,000
In aggregate	Employee Participants	2/1/2022	5 years	10 years	5.359	—	173,760	0	0	46,500	127,260
In aggregate	Employee Participants	3/1/2022	5 years	10 years	5.255	—	295,640	0	0	82,200	213,440
In aggregate	Employee Participants	4/1/2022	5 years	10 years	4.547	—	7,105,100	0	0	457,470	6,647,630
In aggregate	Employee Participants	5/1/2022	5 years	10 years	3.955	—	459,000	0	0	27,430	431,570
In aggregate	Employee Participants	6/1/2022	5 years	10 years	2.95	3.44	108,750	28,600	0	30,000	50,150
Total							33,287,030	2,215,600	0	974,460	30,096,970

Notes:

- (1) Where the vesting period is five years, one-fifth of the options shall vest on each anniversary of the date of grant for the next five years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (2) Where the vesting period is four years, one-fourth of the options shall vest on each anniversary of the date of grant for the next four years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (3) Where the vesting period is three years, one-third of the options shall vest on each anniversary of the date of grant for the next three years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (4) The relevant portion of the options becomes exercisable upon vesting on each anniversary of the date of grant, with the validity period of the options being ten years from the date of grant.
- (5) The stated exercise (grant) price was the closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the date of grant or the Nasdaq trading day immediately prior to or after the date of grant if the date of grant is not a Nasdaq trading day.
- (6) The stated price was the weighted-average closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the trading day immediately prior to the date on which the options were exercised during the Reporting Period.

OTHER INFORMATION

Non-Option Awards

As of June 30, 2025, the Company had conditionally granted certain RSUs, PSUs, and RSAs under the 2017 Plan. The purchase price for the grant of such non-option awards under the 2017 Plan was nil.

Details of the unvested non-option awards under the 2017 Plan are set out below:

Number of shares underlying the non-option awards										
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ⁽¹⁾ ⁽²⁾ ⁽³⁾	Price on day prior to vesting during the Reporting Period (in \$) ⁽⁴⁾	Unvested as of January 1, 2025	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of June 30, 2025
Directors and chief executive of the Company										
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	PSU	12/1/2021	(1)	—	315,880	0	0	0	315,880
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	RSU	4/1/2021	5 years	3.61	68,000	34,000	0	0	34,000
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	RSU	4/1/2022	5 years	3.61	324,000	108,000	0	0	216,000
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	RSU	6/25/2022	4 years	3.76	1,176,000	588,000	0	0	588,000

OTHER INFORMATION

						Number of shares underlying the non-option awards				
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ⁽¹⁾ ⁽²⁾ ⁽³⁾	Price on day prior to vesting during the Reporting Period (in \$) ⁽⁴⁾	Unvested as of January 1, 2025	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of June 30, 2025
Employee Participants (other than chief executive)										
In aggregate	Employee Participants	PSU	12/1/2021	(1)	—	280,790	0	0	35,100	245,690
In aggregate	Employee Participants	RSU	8/17/2020	5 years	—	48,500	0	0	0	48,500
In aggregate	Employee Participants	RSU	12/21/2020	5 years	—	6,000	0	0	0	6,000
In aggregate	Employee Participants	RSU	3/1/2021	5 years	3.46	800	400	0	400	0
In aggregate	Employee Participants	RSU	4/1/2021	5 years	3.61	409,700	201,860	0	12,500	195,340
In aggregate	Employee Participants	RSU	5/1/2021	5 years	3.17	3,600	1,800	0	0	1,800
In aggregate	Employee Participants	RSU	6/1/2021	5 years	3.01	14,800	7,400	0	0	7,400
In aggregate	Employee Participants	RSU	7/1/2021	5 years	—	4,000	0	0	800	3,200
In aggregate	Employee Participants	RSU	8/1/2021	5 years	—	7,330	0	0	480	6,850
In aggregate	Employee Participants	RSU	9/1/2021	5 years	—	73,940	0	0	24,000	49,940
In aggregate	Employee Participants	RSU	10/1/2021	5 years	—	69,420	0	0	3,800	65,620
In aggregate	Employee Participants	RSU	11/1/2021	5 years	—	11,800	0	0	3,600	8,200
In aggregate	Employee Participants	RSU	11/1/2021	4 years	—	45,410	0	0	4,250	41,160
In aggregate	Employee Participants	RSU	12/1/2021	4 years	—	6,400	0	0	390	6,010
In aggregate	Employee Participants	RSU	12/1/2021	5 years	—	10,050	0	0	0	10,050
In aggregate	Employee Participants	RSU	1/1/2022	5 years	2.62	900	300	0	0	600
In aggregate	Employee Participants	RSU	2/1/2022	5 years	2.72	38,190	11,830	0	3,500	22,860
In aggregate	Employee Participants	RSU	3/1/2022	5 years	3.46	77,280	25,750	0	4,400	47,130
In aggregate	Employee Participants	RSU	4/1/2022	5 years	3.61	1,486,770	482,850	0	96,600	907,320
In aggregate	Employee Participants	RSU	5/1/2022	5 years	3.17	123,040	37,970	0	9,090	75,980
In aggregate	Employee Participants	RSU	6/1/2022	5 years	3.01	27,020	4,480	0	13,500	9,040
In aggregate	Employee Participants	RSU	6/25/2022	4 years	3.76	5,349,240	2,450,930	0	451,670	2,446,640
Total						9,978,860	3,955,570	0	664,080	5,359,210

OTHER INFORMATION

Notes:

- (1) Vesting of PSUs is directly linked to achieving milestone goals. Up to 100% of the PSUs can be earned for maximum performance; 50% for threshold performance; 0% for below threshold performance. Any unearned awards at the end of the performance period from December 1, 2021 to December 31, 2025 will be forfeited.
- (2) Where the vesting period is five years, one-fifth of the RSUs shall vest on each anniversary of the date of grant for the next five years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (3) Where the vesting period is four years, one-fourth of the RSUs shall vest on each anniversary of the date of grant for the next four years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (4) The stated price was the weighted-average closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the trading day immediately prior to the date on which the applicable non-option awards were vested during the Reporting Period.

3. 2022 Plan

The 2022 Plan was approved at the Company's 2022 annual general meeting of shareholders on June 22, 2022. Under the 2022 Plan, the Compensation Committee may award share options, share appreciation rights, restricted shares, restricted share units, performance-based awards, unrestricted shares, and cash-based awards subject to such conditions and restrictions as it may determine. Dividend equivalents may also be provided in connection with awards under the 2022 Plan. The Board determined that no new grants would be made under the 2022 Plan upon the adoption of the 2024 Plan on June 18, 2024. However, for illustration purpose only, as at January 1, 2025 and June 30, 2025, the number of Shares available for future grant under the 2022 Plan was 31,921,793 and 36,790,513, respectively.

OTHER INFORMATION

Options

Details of the outstanding options under the 2022 Plan are set out below:

								Number of shares underlying the options			
Name of grantee	Category of grantees	Date of grant	Vesting period ^{(1) (2) (3)}	Exercise period ⁽⁴⁾	Exercise (grant) price (in \$) ⁽⁵⁾	Price on day prior	Outstanding as of January 1, 2025	Exercised	Cancelled	Lapsed during the Reporting Period	Outstanding as of June 30, 2025
						to exercise during		during the	during the		
						the Reporting		Reporting	Reporting		
Directors and chief executive of the Company											
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	4/3/2023	4 years	10 years	3.395	—	3,773,910	0	0	0	3,773,910
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	4/3/2024	4 years	10 years	1.618	—	5,330,650	0	0	0	5,330,650
Employee Participants (other than chief executive)											
In aggregate	Employee Participants	8/15/2022	5 years	10 years	4.578	—	1,418,300	0	0	0	1,418,300
In aggregate	Employee Participants	9/12/2022	5 years	10 years	5.169	—	26,440	0	0	0	26,440
In aggregate	Employee Participants	10/3/2022	5 years	10 years	3.672	—	5,000	0	0	5,000	0
In aggregate	Employee Participants	11/14/2022	5 years	10 years	3.695	—	1,103,560	0	0	420,000	683,560
In aggregate	Employee Participants	12/12/2022	5 years	10 years	3.518	—	13,000	0	0	0	13,000
In aggregate	Employee Participants	12/30/2022	5 years	10 years	3.07	—	1,837,000	0	0	0	1,837,000
In aggregate	Employee Participants	3/6/2023	5 years	10 years	3.986	4.06	91,090	5,200	0	0	85,890
In aggregate	Employee Participants	4/3/2023	4 years	10 years	3.395	3.59	13,755,000	1,196,100	0	1,225,310	11,333,590
In aggregate	Employee Participants	4/7/2023	3 years	10 years	3.351	—	29,000	0	0	0	29,000
In aggregate	Employee Participants	5/15/2023	4 years	10 years	3.602	—	426,000	0	0	0	426,000
In aggregate	Employee Participants	6/7/2023	4 years	10 years	3.403	3.65	95,940	4,500	0	13,500	77,940
In aggregate	Employee Participants	7/3/2023	4 years	10 years	2.877	3.41	50,000	12,500	0	37,500	0
In aggregate	Employee Participants	8/14/2023	4 years	10 years	2.571	—	241,710	0	0	0	241,710
In aggregate	Employee Participants	9/18/2023	4 years	10 years	2.593	3.45	700,000	175,000	0	0	525,000
In aggregate	Employee Participants	10/2/2023	4 years	10 years	2.466	—	51,000	0	0	0	51,000
In aggregate	Employee Participants	11/13/2023	4 years	10 years	2.852	—	135,000	0	0	0	135,000
In aggregate	Employee Participants	12/4/2023	4 years	10 years	2.76	—	55,000	0	0	0	55,000
In aggregate	Employee Participants	3/4/2024	4 years	10 years	2.127	—	347,000	0	0	200,000	147,000
In aggregate	Employee Participants	4/1/2024	4 years	10 years	1.672	3.38	12,451,260	688,250	0	1,165,030	10,597,980
In aggregate	Employee Participants	5/14/2024	4 years	10 years	2.155	—	504,000	0	0	0	504,000
In aggregate	Employee Participants	6/3/2024	4 years	10 years	1.806	—	22,000	0	0	0	22,000
Total							42,461,860	2,081,550	0	3,066,340	37,313,970

OTHER INFORMATION

Notes:

- (1) Where the vesting period is five years, one-fifth of the options shall vest on each anniversary of the date of grant for the next five years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (2) Where the vesting period is four years, one-fourth of the options shall vest on each anniversary of the date of grant for the next four years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (3) Where the vesting period is three years, one-third of the options shall vest on each anniversary of the date of grant for the next three years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (4) The relevant portion of the options becomes exercisable upon vesting on each anniversary of the date of grant, with the validity period of the options, being ten years from the date of grant.
- (5) The stated exercise (grant) price represents the higher of (i) the closing price of the underlying ADSs, divided by ten, on the date of grant, and (ii) the average closing price of the underlying ADSs, divided by ten, for the five Nasdaq trading days immediately preceding the date of grant.
- (6) The stated price was the weighted-average closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the trading day immediately prior to the date on which the options were exercised during the Reporting Period.

OTHER INFORMATION

Non-Option Awards

As of June 30, 2025, the Company had conditionally granted certain RSUs and RSAs under the 2022 Plan. The purchase price for the grant of such non-option awards under the 2022 Plan was nil.

Details of the unvested non-option awards under the 2022 Plan are set out below:

Number of shares underlying the non-option awards										
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ⁽¹⁾ ⁽²⁾ ⁽³⁾	Price on day prior to	Unvested as	Cancelled	Lapsed	Unvested as	
					vesting during the	of January 1,	during the	during the		
					Reporting Period (in \$) ⁽⁴⁾	2025	Vested during the Reporting Period	Reporting Period	Reporting Period	of June 30, 2025
Directors and chief executive of the Company										
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	RSU	6/29/2023	4 years	3.47	539,100	179,700	0	0	359,400
Mr. Michel Vounatsos	Independent non- executive director	RSA	3/3/2023	3 years	3.46	122,220	61,110	0	0	61,110
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	RSU	4/3/2024	4 years	3.64	270,000	67,500	0	0	202,500

OTHER INFORMATION

Number of shares underlying the non-option awards										
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ⁽¹⁾ ⁽²⁾ ⁽³⁾	Price on day prior to vesting during the Reporting Period (in \$) ⁽⁴⁾	Unvested as of January 1, 2025	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of June 30, 2025
Employee Participants (other than chief executive)										
In aggregate	Employee Participants	RSU	8/15/2022	5 years	—	519,480	0	0	4,800	514,680
In aggregate	Employee Participants	RSU	9/12/2022	5 years	—	6,070	0	0	0	6,070
In aggregate	Employee Participants	RSU	10/3/2022	5 years	—	16,200	0	0	0	16,200
In aggregate	Employee Participants	RSU	11/14/2022	5 years	—	369,210	0	0	241,200	128,010
In aggregate	Employee Participants	RSU	12/12/2022	5 years	—	160,800	0	0	1,200	159,600
In aggregate	Employee Participants	RSU	12/30/2022	5 years	—	630,000	0	0	0	630,000
In aggregate	Employee Participants	RSU	3/6/2023	5 years	3.59	66,130	16,530	0	1,200	48,400
In aggregate	Employee Participants	RSU	4/3/2023	4 years	3.64	3,162,630	1,023,540	0	264,660	1,874,430
In aggregate	Employee Participants	RSU	5/15/2023	4 years	2.81	168,640	56,210	0	0	112,430
In aggregate	Employee Participants	RSU	6/7/2023	4 years	3.81	39,790	11,010	0	6,750	22,030
In aggregate	Employee Participants	RSU	7/3/2023	4 years	—	15,750	0	0	14,250	1,500
In aggregate	Employee Participants	RSU	8/14/2023	4 years	—	56,630	0	0	1,500	55,130
In aggregate	Employee Participants	RSU	9/18/2023	4 years	—	301,500	0	0	0	301,500
In aggregate	Employee Participants	RSU	10/2/2023	4 years	—	19,500	0	0	0	19,500
In aggregate	Employee Participants	RSU	11/13/2023	4 years	—	39,000	0	0	0	39,000
In aggregate	Employee Participants	RSU	12/4/2023	4 years	—	24,000	0	0	0	24,000

OTHER INFORMATION

Number of shares underlying the non-option awards										
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ⁽¹⁾ (2) (3)	Price on day prior to vesting during the Reporting Period (in \$) ⁽⁴⁾	Unvested as of January 1, 2025	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of June 30, 2025
In aggregate	Employee	RSU	3/4/2024	4 years	3.17	342,500	21,620	0	260,500	60,380
	Participants									
In aggregate	Employee	RSU	4/1/2024	4 years	3.61	11,708,240	2,853,660	0	1,006,320	7,848,260
	Participants									
In aggregate	Employee	RSU	5/14/2024	4 years	2.86	370,000	92,500	0	0	277,500
	Participants									
In aggregate	Employee	RSU	6/3/2024	4 years	3.12	36,000	9,000	0	0	27,000
	Participants									
Total						18,983,390	4,392,380	0	1,802,380	12,788,630

Notes:

- (1) Where the vesting period is five years, one-fifth of the RSUs shall vest on each anniversary of the date of grant for the next five years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (2) Where the vesting period is four years, one-fourth of the RSUs shall vest on each anniversary of the date of grant for the next four years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (3) Where the vesting period is three years, such RSAs shall vest ratably over three years on the anniversary of the date of grant, subject to the grantee's continued service as a member of the Board through such date.
- (4) The stated price was the weighted-average closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the trading day immediately prior to the date on which the applicable non-option awards were vested during the Reporting Period.

OTHER INFORMATION

4. 2024 Plan

The 2024 Plan was approved at the Company's 2024 annual general meeting of shareholders on June 18, 2024. Under the 2024 Plan, the Compensation Committee may award share options, share appreciation rights, restricted shares, share units (including restricted share units), performance awards, unrestricted shares, and other types of awards that are convertible into or otherwise based on shares subject to such conditions and restrictions as it may determine. Dividend equivalents may also be provided in connection with awards under the 2024 Plan. The 2024 Plan is subject to the requirements under Chapter 17 of the HK Listing Rules, and all types of awards granted under the 2024 Plan which involve the issue of new shares or use of treasury shares (as defined in the HK Listing Rules) shall comply with Chapter 17 of the HK Listing Rules.

As at January 1, 2025 and June 30, 2025, the number of options and non-option awards available for grant under the 2024 Plan was 96,223,733 and 81,788,463, respectively.

Options

Details of the outstanding options under the 2024 Plan are set out below:

								Number of shares underlying the options			
Name of grantee	Category of grantees	Date of grant	Vesting period ⁽¹⁾	Exercise period ⁽²⁾	Exercise (grant) price (in \$) ⁽³⁾	Price on day	Outstanding as of January 1, 2025	Exercised	Cancelled	Lapsed during the Reporting Period	Outstanding as of June 30, 2025
						prior to exercise		during the Reporting Period	during the Reporting Period		
Directors and chief executive of the Company											
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	3/10/2025	4 years	10 years	3.469	—	0	0	0	0	2,525,850
Employee Participants (other than chief executive)											
In aggregate	Employee Participants	7/1/2024	4 years	10 years	1.802	—	6,000	0	0	0	6,000
In aggregate	Employee Participants	9/9/2024	4 years	10 years	1.996	—	2,080	0	0	0	2,080
In aggregate	Employee Participants	10/7/2024	4 years	10 years	2.635	—	200,000	0	0	0	200,000
In aggregate	Employee Participants	3/3/2025	4 years	10 years	3.419	—	0	0	0	0	47,000
In aggregate	Employee Participants	3/12/2025	4 years	10 years	3.555	—	0	0	0	0	2,489,860
In aggregate	Employee Participants	4/1/2025	4 years	10 years	3.729	—	0	0	0	5,000	2,041,500
In aggregate	Employee Participants	6/3/2025	4 years	10 years	3.113	—	0	0	0	0	25,000
Total							208,080	0	0	5,000	7,337,290

OTHER INFORMATION

Details of the options granted under the 2024 Plan during the Reporting Period are as follows:

Number of shares underlying the options														
Name of grantee	Category of grantees	Date of grant	Vesting period ⁽¹⁾	Exercise period ⁽²⁾	Exercise price (in \$) ⁽³⁾	Fair value on day of grant during the Reporting Period (in \$) ⁽⁴⁾	Price on day prior to grant during the Reporting Period (in \$) ⁽⁵⁾	Price on day prior to exercise during the Reporting Period (in \$) ⁽⁶⁾	Outstanding as of January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period ⁽⁷⁾	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of June 30, 2025
Directors and chief executive of the Company														
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	3/10/2025	4 years	10 years	3.469	2.305	3.642	—	0	2,525,850	0	0	0	2,525,850
Employee Participants (other than chief executive)														
In aggregate	Employee Participants	3/3/2025	4 years	10 years	3.419	2.065	3.464	—	0	47,000	0	0	0	47,000
In aggregate	Employee Participants	3/12/2025	4 years	10 years	3.555	2.356	3.535	—	0	2,489,860	0	0	0	2,489,860
In aggregate	Employee Participants	4/1/2025	4 years	10 years	3.729	2.478	3.614	—	0	2,046,500	0	0	5,000	2,041,500
In aggregate	Employee Participants	6/3/2025	4 years	10 years	3.113	2.072	3.119	—	0	25,000	0	0	0	25,000
Total									0	7,134,210	0	0	5,000	7,129,210

Notes:

- (1) Where the vesting period is four years, one-fourth of the options shall vest on each anniversary of the date of grant for the next four years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (2) The relevant portion of the options becomes exercisable upon vesting on each anniversary of the date of grant, with the validity period of the options, being ten years from the date of grant.
- (3) The stated exercise (grant) price represents the higher of (i) the closing price of the underlying ADSs, divided by ten, on the date of grant, and (ii) the average closing price of the underlying ADSs, divided by ten, for the five Nasdaq trading days immediately preceding the date of grant.
- (4) No options granted under the 2024 Plan during the Reporting Period had been vested and become exercisable as of June 30, 2025, and there was no exercise of options under the 2024 Plan during the Reporting Period.
- (5) The fair value of options at the date of grant was determined on the basis of the Black-Scholes option valuation model, the key inputs into the model are as follows: (i) risk-free rate based on the average daily treasury rate at the time of grant for the period equal to the expected term; (ii) expected volatility primarily based on the historical volatility of the trading of the Shares on Nasdaq; (iii) expected dividends yield of zero as we have never paid dividends and do not currently anticipate paying any in the foreseeable future; and (iv) expected term which is based on the average period the share options are expected to remain outstanding. As the Company does not have sufficient historical information since its IPO to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior, the expected term of options granted is derived from the average midpoint between the weighted average vesting and the contractual term, also known as the simplified method.
- (6) The stated price was the closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the trading day immediately prior to the date of grant.

OTHER INFORMATION

Non-Option Awards

As of June 30, 2025, the Company had conditionally granted certain RSUs, PSUs, and RSAs under the 2024 Plan. The purchase price for the grant of such non-option awards under the 2024 Plan was nil.

Details of the unvested non-option awards under the 2024 Plan are set out below:

						Number of shares underlying the non-option awards				
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ^{(1) (2) (3)}	Price on day	Unvested as of January 1, 2025	Vested during the Reporting Period ⁽⁴⁾	Cancelled		Unvested as of June 30, 2025
					prior to vesting during the Reporting Period (in \$) ⁽⁴⁾			during the Reporting Period	Lapsed during the Reporting Period	
Directors and chief executive of the Company										
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	RSU	7/1/2024	4 years	—	720,000	0	0	0	720,000
Dr. John Diekman	Independent non-executive director	RSA	6/18/2024	1 year	3.72	212,530	212,530	0	0	0
Dr. Richard Gaynor	Independent non-executive director	RSA	6/18/2024	1 year	3.72	212,530	212,530	0	0	0
Mr. William Lis	Independent non-executive director	RSA	6/18/2024	1 year	3.72	212,530	212,530	0	0	0
Mr. Scott W. Morrison	Independent non-executive director	RSA	6/18/2024	1 year	3.72	212,530	212,530	0	0	0
Mr. Leon O. Moulder, Jr.	Independent non-executive director	RSA	6/18/2024	1 year	3.72	212,530	212,530	0	0	0
Mr. Michel Vounatsos	Independent non-executive director	RSA	6/18/2024	1 year	3.72	212,530	212,530	0	0	0
Mr. Peter Wirth	Independent non-executive director	RSA	6/18/2024	1 year	3.72	212,530	212,530	0	0	0
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	RSU	3/10/2025	4 years	—	0	0	0	0	106,200
Dr. John Diekman	Independent non-executive director	RSA	6/18/2025	1 year	—	0	0	0	0	108,310
Ms. Nisa Leung	Independent non-executive director	RSA	6/18/2025	1 year	—	0	0	0	0	108,310

OTHER INFORMATION

Number of shares underlying the non-option awards										
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ^{(1) (2) (3)}	Price on day	Unvested as of January 1, 2025	Vested during the Reporting Period ⁽⁴⁾	Cancelled		Unvested as of June 30, 2025
					prior to vesting			during the	Lapsed during	
					during the Reporting Period (in \$) ⁽⁴⁾			Reporting Period	the Reporting Period	
Dr. Richard Gaynor	Independent non-executive director	RSA	6/18/2025	1 year	—	0	0	0	0	108,310
Mr. William Lis	Independent non-executive director	RSA	6/18/2025	1 year	—	0	0	0	0	108,310
Mr. Scott W. Morrison	Independent non-executive director	RSA	6/18/2025	1 year	—	0	0	0	0	108,310
Mr. Leon O. Moulder, Jr.	Independent non-executive director	RSA	6/18/2025	1 year	—	0	0	0	0	108,310
Mr. Michel Vounatsos	Independent non-executive director	RSA	6/18/2025	1 year	—	0	0	0	0	108,310
Mr. Peter Wirth	Independent non-executive director	RSA	6/18/2025	1 year	—	0	0	0	0	108,310
Employee Participants (other than chief executive)										
In aggregate	Employee Participants	RSU	7/1/2024	4 years	—	9,000	0	0	0	9,000
In aggregate	Employee Participants	RSU	8/12/2024	4 years	—	70,000	0	0	2,000	68,000
In aggregate	Employee Participants	RSU	9/9/2024	4 years	—	96,220	0	0	4,000	92,220
In aggregate	Employee Participants	RSU	10/7/2024	4 years	—	238,000	0	0	6,000	232,000
In aggregate	Employee Participants	RSU	11/18/2024	4 years	—	150,000	0	0	7,000	143,000
In aggregate	Employee Participants	RSU	12/2/2024	4 years	—	6,000	0	0	0	6,000
In aggregate	Employee Participants	RSU	3/3/2025	4 years	—	0	0	0	0	101,000
In aggregate	Employee Participants	RSU	3/12/2025	4 years	—	0	0	0	0	809,170
In aggregate	Employee Participants	PSU	3/12/2025	(3)	—	0	0	0	0	809,170
In aggregate	Employee Participants	RSU	4/1/2025	4 years	—	0	0	0	36,750	4,164,250
In aggregate	Employee Participants	PSU	4/1/2025	(3)	—	0	0	0	0	329,750
In aggregate	Employee Participants	RSU	5/12/2025	4 years	—	0	0	0	0	98,000
In aggregate	Employee Participants	RSU	6/3/2025	4 years	—	0	0	0	0	41,040
Total						2,776,930	1,487,710	0	55,750	8,595,280

OTHER INFORMATION

Details of the non-option awards granted under the 2024 Plan during the Reporting Period are as follows:

Number of shares underlying the non-option awards													
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ^{(1) (2) (3)}	Fair value on			Unvested as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period ⁽⁴⁾	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of June 30, 2025
					day of grant	Price on day	Price on						
					during the	prior to grant	day prior to						
					Reporting	during the	vesting during						
					Period	Reporting Period	the Reporting						
Directors and chief executive of the Company													
Dr. Samantha Du	Executive Director, Chairperson and Chief Executive Officer	RSU	3/10/2025	4 years	3.469	3.642	—	0	106,200	0	0	0	106,200
Dr. John Diekman	Independent non- executive director	RSA	6/18/2025	1 year	3.693	3.722	—	0	108,310	0	0	0	108,310
Ms. Nisa Leung	Independent non- executive director	RSA	6/18/2025	1 year	3.693	3.722	—	0	108,310	0	0	0	108,310
Dr. Richard Gaynor	Independent non- executive director	RSA	6/18/2025	1 year	3.693	3.722	—	0	108,310	0	0	0	108,310
Mr. William Lis	Independent non- executive director	RSA	6/18/2025	1 year	3.693	3.722	—	0	108,310	0	0	0	108,310
Mr. Scott W. Morrison	Independent non- executive director	RSA	6/18/2025	1 year	3.693	3.722	—	0	108,310	0	0	0	108,310
Mr. Leon O. Moulder, Jr.	Independent non- executive director	RSA	6/18/2025	1 year	3.693	3.722	—	0	108,310	0	0	0	108,310
Mr. Michel Vounatsos	Independent non- executive director	RSA	6/18/2025	1 year	3.693	3.722	—	0	108,310	0	0	0	108,310
Mr. Peter Wirth	Independent non- executive director	RSA	6/18/2025	1 year	3.693	3.722	—	0	108,310	0	0	0	108,310

OTHER INFORMATION

Number of shares underlying the non-option awards													
Name of grantee	Category of grantees	Type of award	Date of grant	Vesting period ⁽¹⁾ (2) (3)	Fair value on			Unvested as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period ⁽⁴⁾	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of June 30, 2025
					day of grant	Price on day	Price on						
					during the	prior to grant	day prior to						
					Reporting	during the	vesting during						
					Period	the Reporting	the Reporting						
Employee Participants (other than chief executive)													
In aggregate	Employee Participants	RSU	3/3/2025	4 years	3.173	3.464	—	0	101,000	0	0	0	101,000
In aggregate	Employee Participants	RSU	3/12/2025	4 years	3.543	3.535	—	0	809,170	0	0	0	809,170
In aggregate	Employee Participants	PSU	3/12/2025	(3)	3.497	3.535	—	0	809,170	0	0	0	809,170
In aggregate	Employee Participants	RSU	4/1/2025	4 years	3.729	3.614	—	0	4,201,000	0	0	36,750	4,164,250
In aggregate	Employee Participants	PSU	4/1/2025	(3)	3.497	3.614	—	0	329,750	0	0	0	329,750
In aggregate	Employee Participants	RSU	5/12/2025	4 years	2.94	2.924	—	0	98,000	0	0	0	98,000
In aggregate	Employee Participants	RSU	6/3/2025	4 years	3.113	3.119	—	0	41,040	0	0	0	41,040
Total								0	7,361,810	0	0	36,750	7,325,060

Notes:

- (1) Where the vesting period is four years, one-fourth of the RSUs shall vest on each anniversary of the date of grant for the next four years, in each case, subject to the grantee's continued employment relationship with the Company on such vesting dates.
- (2) Where the vesting period is one year, such RSAs shall vest in full on the first anniversary of the date of grant, subject to the grantee's continued service as a member of the Board through such date.
- (3) The PSUs shall vest on the three-year anniversary of the date of grant, subject to the grantee's continued employment relationship with the Company through the vesting date and the achievement of the performance targets set forth in the award agreement for the January 1, 2025 through December 31, 2025 performance period. In no event shall more than one hundred and fifty percent (150%) of the target Performance Share Units become vested.
- (4) The stated price was the weighted-average closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the trading day immediately prior to the date on which the applicable non-option awards were vested during the Reporting Period. None of the non-option awards granted under the 2024 Plan during the Reporting Period had been vested as of June 30, 2025.
- (5) The fair value of non-option awards at the date of grant was determined based on the closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the date of grant or the immediately following trading day if the date of grant is not a Nasdaq trading day.
- (6) The stated price was the closing price of the underlying ADSs as quoted on Nasdaq, divided by ten, on the trading day immediately prior to the date of grant.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions set forth in Part 2 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the responsibilities of the Chairperson and the Chief Executive Officer should be segregated and should not be performed by the same individual. Our Founder and Chief Executive Officer, Dr. Samantha Du, currently serves as the Chairperson of the Board. The Board believes that Dr. Du is the director best suited to serve as Chairperson. Dr. Du has an extensive understanding of our business and industry, is adept at identifying strategic opportunities, promoting the effective execution of those strategic initiatives, and facilitating the flow of information between management and the Board. To promote strong corporate governance while the roles of Chairman and Chief Executive Officer are combined, the Board has established a lead independent director and appointed Dr. John Diekman to serve in this important position. Our lead independent director, among other things, leads meetings of the Board when the Chairperson is not present, serves as liaison between the Chairperson and independent directors, has the authority to call meetings of the independent directors, and, if requested by a significant portion of our shareholders, will be available for consultation and direct communication. While the roles of Chairperson of the Board and Chief Executive officer are combined, the Board believes that the balance of power and authority on the Board will not be impaired due to this arrangement. The Board will continue to review the corporate governance structure and practices from time to time and shall make changes the Board considers appropriate.

Except as disclosed above, during the Reporting Period, the Company has complied with the code provisions set out in Part 2 of the CG Code.

The Board will continue to periodically review and monitor its corporate governance practices for compliance with the CG Code and maintain a high standard of corporate governance practices of the Company.

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

The Company has adopted its own securities dealing policies on terms no less exacting than those in the Model Code regarding director dealings in the securities of the Company.

Having made specific enquiry of all the Directors, all of the Directors confirmed that they have complied with the required standards set forth in the Company's securities dealing policies during the Reporting Period.

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

During the Reporting Period, the Company did not purchase, sell, or redeem any of the Company's listed securities.

During the Reporting Period and as at June 30, 2025, the Company did not have any treasury shares (as defined in the HK Listing Rules).

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

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

Director	Changes in Positions held with the Company
Nisa Leung	Appointed as a member of the Nominating and Corporate Governance Committee with effect from April 16, 2025

USE OF NET PROCEEDS

Use of Net Proceeds from the April 2021 Offering

In April 2021, the Company issued 224,000 ordinary shares (equivalent to 2,240,000 ordinary shares after the Share Subdivision) of the Company at a price of HK\$1,164.20 per share (equivalent to HK\$116.42 per ordinary share after the Share Subdivision) and 5,492,400 ADSs at a price of US\$150.00 per ADS for aggregate cash consideration (before deducting underwriting discounts and commissions and other offering expenses) of approximately \$857.5 million.

As of the date of this report, there has been no change in the intended use of net proceeds raised from this offering, which amounted to approximately \$818.0 million, as disclosed in the announcement of the Company dated April 21, 2021:

- Approximately 30.0% to fund new business and corporate development and licensing opportunities;
- Approximately 30.0% to complete clinical trials and advance new drug candidates;
- Approximately 20.0% to expand the Company's commercialization efforts;
- Approximately 15.0% to enhance the Company's global pipeline; and
- Approximately 5.0% for working capital and other general corporate purposes.

OTHER INFORMATION

The following table sets forth a summary of the utilization of the net proceeds from this offering as of June 30, 2025 (\$ in millions):

Purpose	Percentage to total amount	Net proceeds from the offering	Amount of net proceeds utilized as of January 1, 2025	Amount of net proceeds utilized during the Reporting Period	Actual use of proceeds up to June 30, 2025	Unutilized amount as of June 30, 2025	Expected timeline for use of unutilized proceeds
Fund new business and corporate development and licensing opportunities	30.0%	245.4	245.4	25.9	25.9	219.5	By December 2027
Complete clinical trials and advance new drug candidates	30.0%	245.4	—	—	245.4	—	Not applicable
Expand the Company's commercialization efforts	20.0%	163.6	—	—	163.6	—	Not applicable
Enhance the Company's global pipeline	15.0%	122.7	87.1	15.0	50.6	72.1	By December 2027
Working capital and other general corporate purposes	5.0%	40.9	40.9	—	—	40.9	By December 2027
Total	100.0%	818.0	373.4	40.9	485.5	332.5	

The Company plans to gradually utilize the remaining net proceeds from the April 2021 offering in accordance with such intended purpose depending on actual business, which is expected to be fully utilized by the end of 2027. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company and remains subject to change based on current and future development of market conditions and actual business needs.

Use of Net Proceeds from the Global Offering

Dealings in ordinary shares on the Hong Kong Stock Exchange commenced on September 28, 2020. The net proceeds raised from the Global Offering as described in the Prospectus, after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering, were approximately HK\$6,636.2 million (US\$850.8 million). The intended uses for the net proceeds received by the Company from the Global Offering, as previously disclosed in “Use of Proceeds” in the Prospectus and as modified per the Company’s announcement dated March 28, 2024, included the following:

- Approximately 7.2% for ZEJULA to seek indication expansion and hire high-caliber R&D staff dedicated to its development, and to develop and improve the Company’s manufacturing facilities to bring ZEJULA to commercialization;
- Approximately 6.2% for ongoing and planned clinical trials and preparation for registration filings of Tumor Treating Fields in multiple solid tumor cancer indications;
- Approximately 16.0% for ZEJULA to enhance the Company’s commercialization capabilities through increasing its sales and marketing headcounts, among other efforts;
- Approximately 8.0% to strengthen commercialization efforts for Tumor Treating Fields through recruiting key talents in relevant indications to drive sales and future potential product launch;
- Approximately 20.6% to fund the Company’s ongoing and planned clinical trials and preparation for registration filings of other drug candidates in the pipeline, especially late-stage drug candidates;
- Approximately 25.0% to explore new global licensing and collaboration opportunities and bring in potentially global best-in-class/first-in-class assets with clinical validation, synergistic with the Company’s current pipeline, and aligned to its expertise;
- Approximately 7.0% to continue investing in and expanding the Company’s internal discovery pipeline and recruit and train talent globally; and
- Approximately 10.0% to fund working capital and other general corporate purposes.

OTHER INFORMATION

The following table presents a summary of the utilization of the net proceeds from the Global Offering as of June 30, 2025 (\$ in millions):

Purpose	Percentage to total amount	Net proceeds from the offering	Amount of net proceeds unutilized as of January 1, 2025	Amount of net proceeds utilized during the Reporting Period	Actual use of proceeds up to June 30, 2025	Unutilized amount as of June 30, 2025	Expected timeline for use of unutilized proceeds
For ZEJULA to seek indication expansion and hire high-caliber R&D staff dedicated to its development, and to develop and improve the Company's manufacturing facilities to bring ZEJULA to commercialization	7.2%	61.6	—	—	61.6	—	Not Applicable
Fund ongoing and planned clinical trials and preparation for registration filings of Tumor Treating Fields in multiple solid tumor cancer indications	6.2%	52.7	28.7	1.1	25.1	27.6	By December 2027
For ZEJULA to enhance the Company's commercialization capabilities through increasing its sales and marketing headcounts, among other efforts	16.0 %	136.1	—	—	136.1	—	Not Applicable
Strengthen commercialization efforts for Tumor Treating Fields through recruiting key talents in relevant indications to drive sales and future potential product launch	8.0%	68.1	7.3	4.3	65.1	3.0	By December 2025
Fund the Company's ongoing and planned clinical trials and preparation for registration filings of other drug candidates in the pipeline, especially late-stage drug candidates	20.6%	174.9	—	—	174.9	—	Not applicable
Explore new global licensing and collaboration opportunities and bring in potentially global best-in-class/first-in-class assets with clinical validation, synergistic with the Company's current pipeline and aligned to its expertise	25.0%	212.7	2.1	2.1	212.7	—	Not applicable
Continue investing in and expanding the Company's internal discovery pipeline and recruit and train talent globally	7.0%	59.6	—	—	59.6	—	Not applicable
Fund working capital and other general corporate purposes	10.0%	85.1	30.7	—	54.4	30.7	By December 2027
Total	100.0%	850.8	68.8	7.5	789.5	61.3	

During the Reporting Period, there was no change in the intended use of net proceeds as previously disclosed in the section “Use of Proceeds” in the Prospectus and the Company’s announcement dated March 28, 2024.

The Company plans to gradually utilize the remaining net proceeds from the Global Offering in accordance with such intended purposes depending on actual business, which is expected to be fully utilized by the end of 2027. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company and remains subject to change based on current and future development of market conditions and actual business needs.

Use of Net Proceeds from the November 2024 Offering

In order to raise additional capital for the Group’s business and operations, broaden the Company’s shareholder base and capital base and enhance further liquidity of the securities of the Company, on November 14, 2024 (U.S. Eastern time), the Company and the Underwriters entered into the underwriting agreement, pursuant to which the Company (i) agreed to issue and sell to the Underwriters an aggregate of 7,843,137 ADSs (representing 78,431,370 underlying ordinary shares with the aggregate nominal value of \$470.59) at the Offer Price; and (ii) granted to the Underwriters the Option to purchase up to an additional 1,176,470 ADSs (representing 11,764,700 underlying ordinary shares with the aggregate nominal value of \$70.59) at the Offer Price less the underwriting discounts and commissions. The Offer Price represents (i) a discount of approximately 4.39% to the closing price per ADS of US\$26.67 as quoted on Nasdaq on November 14, 2024 (U.S. Eastern time), being the last trading day immediately prior to the date of the underwriting agreement and the pricing date; and (ii) a discount (calculated based on the ten-to-one share-to-ADS ratio) of approximately 10.64% to the closing price per ordinary share of HK\$22.20 as quoted on the Hong Kong Stock Exchange on November 14, 2024 (Hong Kong time).

Closing of the November 2024 Offering took place on November 18, 2024 (U.S. Eastern time). In addition, since the Underwriters fully exercised their Option, the additional closing took place on November 19, 2024 (U.S. Eastern time). A total of 9,019,607 ADSs were issued.

Based on the information currently available to the Company, the net proceeds of the November 2024 Offering, after deduction of the underwriting fees and other expenses relating to the November 2024 Offering, were approximately US\$215.0 million (equivalent to approximately HK\$1,673.1 million), and the net Offer Price amounted to approximately US\$23.84 per ADS (equivalent to approximately HK\$18.55 per ordinary share calculated based on the ten-to-one share-to-ADS ratio).

As previously disclosed in “Use of Proceeds” in the Final Prospectus Supplement and as supplemented per the Closing Announcement, the Company intends to apply the net proceeds of the November 2024 Offering for general corporate purposes, more specifically, to continue its research and development of its global pipeline, advance its product candidates and drive commercialization of its products, and pursue strategic business and corporate development and licensing opportunities, details of which are further discussed in the Company’s press release associated with its third quarter 2024 earnings dated November 12, 2024.

As of January 1, 2025, the unutilized amount of net proceeds from the November 2024 Offering was \$195.3 million. During the Reporting Period, the Company utilized \$143.3 million of the net proceeds from the November 2024 Offering for general corporate purposes, mainly in the areas of advancing its product candidates and driving commercialization of its products, and the unutilized amount of net proceeds as of June 30, 2025 was \$52.0 million.

During the Reporting Period, there was no change in the intended use of net proceeds as previously disclosed in the section “Use of Proceeds” in the Final Prospectus Supplement and the Closing Announcement.

OTHER INFORMATION

The Company plans to gradually utilize the remaining net proceeds from the November 2024 Offering in accordance with such intended purposes depending on actual business, which is expected to be fully utilized by the end of 2025. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

DIFFERENCES BETWEEN U.S. GAAP AND IFRS

The financial statements for the six months ended June 30, 2025 are prepared under U.S. GAAP and reviewed by the Audit Committee, and the differences between U.S. GAAP and IFRS have been disclosed in *Note 21* to the Company's unaudited condensed consolidated financial statements.

Basis of Preparation

The Directors of the Company are responsible for the preparation of the Reconciliation Statement, as disclosed in *Note 21* to the Company's unaudited condensed consolidated financial statements in accordance with the relevant requirements of the HK Listing Rules and relevant guidance in HKEX-GL111-22.

Reconciliation Process

The process applied in the preparation of Reconciliation Statement includes:

- (i) Extracting relevant financial information from the Company's unaudited condensed consolidated financial statements for the six months ended June 30, 2025 prepared in accordance with U.S. GAAP as the "Amounts as reported under U.S. GAAP" in respect of the unaudited condensed consolidated statements of operations for the six months ended June 30, 2025 and 2024 and the condensed consolidated balance sheets as of June 30, 2025 (unaudited) and December 31, 2024;
- (ii) Identifying changes to the accounting policies under U.S. GAAP which are considered necessary in order for the accounting policies to conform to the relevant requirements of IFRS and quantifying the financial effects resulting from such changes; and
- (iii) Preparing the description of the reconciling items to explain the differences in the accounting policies.

Limited Assurance Engagement and Results

KPMG was engaged by the Company to conduct work on the Reconciliation Statement and to report thereon in the form of an independent limited assurance conclusion to the Directors based on the evidence obtained in accordance with HKSAE 3000 (Revised) issued by the HKICPA.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Reconciliation Statement, assessing the suitability of the basis of preparation and the reconciliation process, and applying other procedures. The procedures selected depend on their understanding of the Reconciliation Statement and other engagement circumstances, and the consideration of areas where material misstatements are likely to arise. These procedures included:

- (1) Comparing the financial information in the columns *“Amounts as reported under U.S. GAAP”* as set out in the Reconciliation Statement with the corresponding financial statement line items in the Company’s unaudited condensed consolidated financial statements for the six months ended June 30, 2025;
- (2) Evaluating the adjustments made and evidence supporting the adjustments made in arriving at the *“Amounts as reported under IFRS”* as set out in the Reconciliation Statement with reference to the basis of preparation and the reconciliation process;
- (3) Checking the arithmetic accuracy of the computation of the *“Amounts as reported under IFRS”* as set out in the Reconciliation Statement; and
- (4) Reading the description of the material differences to determine whether it is in line with the knowledge obtained in performing the above procedures.

OTHER INFORMATION

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG's engagement did not involve independent examination of any of the underlying records or other sources from which the Reconciliation Statement was extracted. The procedures performed in accordance with HKSAE 3000 (Revised) is different in scope from an audit or a review conducted in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and consequently, KPMG did not express an audit opinion nor a review conclusion on the Reconciliation Statement. KPMG's engagement was intended solely for the use of the Directors in connection with the Company's interim report for the six months ended June 30, 2025 and may not be suitable for another purpose. Based on the procedures performed and evidence obtained, nothing has come to KPMG's attention that causes them to believe:

- (1) The amounts in the columns "*Amounts as reported under U.S. GAAP*" as set out in the Reconciliation Statement are not in agreement with the amounts of corresponding financial statement line items in the Company's unaudited condensed consolidated financial statements for the six months ended June 30, 2025;
- (2) The adjustments made in arriving at the "*Amounts as reported under IFRS*" as set out in the Reconciliation Statement are not prepared, in all material respects, in accordance with the basis of preparation and reconciliation process as set out above; and
- (3) The computation of the amounts in the columns "*Amounts as reported under IFRS*" as set out in the Reconciliation Statement are not arithmetically accurate.

AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

The Audit Committee oversees the accounting and financial reporting processes of the Company and the audits of the Company's financial statements, including but not limited to assisting the Board in its oversight of the integrity of the consolidated financial statements of the Company, the Company's compliance program, and the Company's risk management and internal control over financial reporting. The Audit Committee consists of three members, namely Mr. Scott W. Morrison, Dr. John Diekman, and Mr. Peter Wirth, all of whom are independent Directors. Mr. Morrison is the chairperson of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements and interim results of the Company for the six months ended June 30, 2025. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal controls with members of senior management and the external auditors of the Company.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Board has a Compensation Committee, a Nominating and Corporate Governance Committee, a Research and Development Committee, and a Commercial Committee.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Except as disclosed in *Note 22* to the unaudited condensed consolidated financial statements contained in this report, there were no important events after the Reporting Period and up to the date of this report.

CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars ("\$\$"), except for number of shares and per share data)

	Notes	June 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	3	732,159	449,667
Restricted cash, current		100,111	100,000
Short-term investments		—	330,000
Accounts receivable (net of allowance for credit losses of \$26 and \$25 as of June 30, 2025 and December 31, 2024, respectively)	4	88,499	85,178
Notes receivable		10,843	4,233
Inventories, net	5	61,700	39,875
Prepayments and other current assets		40,750	41,527
Total current assets		1,034,062	1,050,480
Restricted cash, non-current		1,114	1,114
Property and equipment, net	6	50,160	47,961
Operating lease right-of-use assets		16,787	21,496
Land use rights, net		2,860	2,907
Intangible assets, net	7	56,519	56,027
Other non-current assets		2,599	5,768
Total assets		1,164,101	1,185,753
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable	8	107,357	100,906
Current operating lease liabilities		5,584	8,048
Short-term debt	12	174,509	131,711
Other current liabilities	13	44,051	58,720
Total current liabilities		331,501	299,385
Deferred income		29,233	31,433
Non-current operating lease liabilities		11,307	13,712
Other non-current liabilities		325	325
Total liabilities		372,366	344,855

CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

(in thousands of U.S. dollars ("\$\$"), except for number of shares and per share data) (Continued)

	Notes	June 30, 2025	December 31, 2024
Commitments and contingencies (Note 19)			
Shareholders' equity			
Ordinary shares (par value of \$0.000006 per share; 5,000,000,000 shares authorized; 1,104,032,910 and 1,082,614,740 shares issued as of June 30, 2025 and December 31, 2024, respectively; 1,099,112,890 and 1,077,702,540 shares outstanding as of June 30, 2025 and December 31, 2024, respectively)		7	7
Additional paid-in capital		3,308,491	3,264,295
Accumulated deficit		(2,542,248)	(2,453,083)
Accumulated other comprehensive income		46,348	50,515
Treasury Stock (at cost, 4,920,020 and 4,912,200 shares as of June 30, 2025 and December 31, 2024, respectively)		(20,863)	(20,836)
Total shareholders' equity		791,735	840,898
Total liabilities and shareholders' equity		1,164,101	1,185,753

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of \$, except for number of shares and per share data)

	Notes	Six Months Ended June 30,	
		2025	2024
Revenues			
Product revenue, net	9	214,735	187,255
Collaboration revenue	9	1,729	398
Total revenues		216,464	187,653
Expenses			
Cost of product revenue		(81,455)	(68,767)
Cost of collaboration revenue		(412)	(85)
Research and development		(111,343)	(116,270)
Selling, general, and administrative		(134,460)	(148,904)
Loss from operations		(111,206)	(146,373)
Interest income		17,449	18,988
Interest expenses		(2,449)	(605)
Foreign currency gains (losses)		3,488	(6,176)
Other income, net	17	3,553	418
Loss before income tax		(89,165)	(133,748)
Income tax expense	10	—	—
Net loss		(89,165)	(133,748)
Loss per share — basic and diluted	11	(0.08)	(0.14)
Weighted-average shares used in calculating net			
loss per ordinary share — basic and diluted		1,086,413,130	974,541,780

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands of \$)

	Six Months Ended June 30,	
	2025	2024
Net loss	(89,165)	(133,748)
Other comprehensive (loss) income, net of tax of nil:		
Foreign currency translation adjustments	(4,167)	5,147
Comprehensive loss	(93,332)	(128,601)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands of \$, except for number of shares)

	Ordinary Shares		Additional paid in capital	Accumulated deficit	Accumulated other comprehensive income	Treasury Stock		Total
	Number of Shares	Amount				Shares	Amount	
Balance at December 31, 2024	1,082,614,740	7	3,264,295	(2,453,083)	50,515	(4,912,200)	(20,836)	840,898
Issuance of ordinary shares upon								
vesting of restricted shares	9,835,660	0	0	—	—	—	—	—
Exercise of share options	11,582,510	0	11,451	—	—	—	—	11,451
Issuance cost of the follow-on public offering	—	—	(28)	—	—	—	—	(28)
Receipt of shares netted to satisfy tax								
withholding obligations related to								
share-based compensation	—	—	—	—	—	(7,820)	(27)	(27)
Share-based compensation	—	—	32,773	—	—	—	—	32,773
Net loss	—	—	—	(89,165)	—	—	—	(89,165)
Foreign currency translation	—	—	—	—	(4,167)	—	—	(4,167)
Balance at June 30, 2025	1,104,032,910	7	3,308,491	(2,542,248)	46,348	(4,920,020)	(20,863)	791,735
Balance at December 31, 2023	977,151,270	6	2,975,302	(2,195,980)	37,626	(4,912,200)	(20,836)	796,118
Issuance of ordinary shares upon								
vesting of restricted shares	9,134,070	0	0	—	—	—	—	—
Exercise of share options	25,000	0	44	—	—	—	—	44
Share-based compensation	—	—	36,618	—	—	—	—	36,618
Net loss	—	—	—	(133,748)	—	—	—	(133,748)
Foreign currency translation	—	—	—	—	5,147	—	—	5,147
Balance at June 30, 2024	986,310,340	6	3,011,964	(2,329,728)	42,773	(4,912,200)	(20,836)	704,179

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements. "0" in above table means less than 1,000 dollars.

CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of \$)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities		
Net loss	(89,165)	(133,748)
Adjustments to reconcile net loss to net cash used in operating activities:		
Allowance for credit losses	1	3
Inventory write-down	294	756
Depreciation and amortization expenses	7,193	5,953
Amortization of deferred income	(2,661)	(1,679)
Share-based compensation	32,773	36,618
Loss from fair value changes of equity investment with readily determinable fair value	1,912	5,147
Losses on disposal of property and equipment	211	450
Noncash lease expenses	5,377	4,141
Debt issuance costs	104	700
Foreign currency remeasurement impact	(3,488)	6,176
Changes in operating assets and liabilities:		
Accounts receivable	(2,945)	(10,842)
Notes receivable	(6,611)	(2,013)
Inventories	(22,096)	2,037
Prepayments and other current assets	854	2,612
Other non-current assets	51	(232)
Accounts payable	6,474	(6,117)
Other current liabilities	(15,948)	(35,607)
Operating lease liabilities	(5,418)	(5,086)
Deferred income	365	(1,548)
Net cash used in operating activities	(92,723)	(132,279)
Cash flows from investing activities		
Proceeds from maturity of short-term investment	330,000	16,300
Proceeds from the sale of equity investment	1,203	—
Purchases of property and equipment	(4,419)	(1,715)
Proceeds from the sale of property and equipment	48	29
Acquisition of intangible assets	(3,621)	(12,168)
Net cash provided by investing activities	323,211	2,446

CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(in thousands of \$) (Continued)

	Six Months Ended June 30,	
	2025	2024
Cash flows from financing activities		
Proceeds from short-term debt	124,349	70,526
Repayment of short-term bank borrowings	(82,818)	—
Payments of debt issuance costs	(104)	(700)
Proceeds from exercises of stock options	11,444	44
Payments of public offering costs	(854)	—
Employee taxes paid related to net share settlement of equity awards	(27)	—
Net cash provided by financing activities	51,990	69,870
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	125	(137)
Net increase (decrease) in cash, cash equivalents and restricted cash	282,603	(60,100)
Cash, cash equivalents and restricted cash — beginning of period	550,781	791,264
Cash, cash equivalents and restricted cash — end of period	833,384	731,164
Supplemental disclosure on non-cash investing and financing activities		
Payables for purchase of property and equipment	2,498	2,391
Payables for acquisition of intangible assets	2,419	32,525
Payables for public offering costs	168	—
Right-of-use asset acquired under operating leases	—	2,389
Receivables for stock option exercise under equity incentive plans	77	—
Supplemental disclosure of cash flow information		
Cash paid for interest	2,301	496

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Zai Lab Limited was incorporated on March 28, 2013 in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands (as amended). Zai Lab Limited and its subsidiaries (collectively referred to as the “Company”) are focused on discovering, developing, and commercializing products that address medical conditions with significant unmet needs in the areas of oncology, immunology, neuroscience, and infectious disease.

The Company’s principal operations and geographic markets are in Greater China. The Company has a substantial presence in Greater China and the United States.

2. BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP, and applicable rules and regulations of the SEC, and the disclosure requirements of the HK Listing Rules regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP and the HK Listing Rules have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this report should be read in conjunction with the consolidated financial statements and accompanying notes included in the 2024 Annual Report. The December 31, 2024 condensed consolidated balance sheet data included in this report were derived from the audited financial statements in the 2024 Annual Report.

The accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments that are necessary to present fairly the results for the interim periods presented. Interim results are not necessarily indicative of the results for the year ending December 31, 2025.

(b) Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Zai Lab Limited and its subsidiaries, which are wholly owned. All intercompany transactions and balances are eliminated upon consolidation.

CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, accrual of rebates, recognition of research and development expenses based on the Company's estimates of the actual services performed by the CROs and CMOs, fair value of share-based compensation expenses, recoverability of deferred tax assets, and useful life of intangible assets for commercial products. These estimates, judgments, and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates.

(d) Fair Value Measurements

Financial instruments of the Company primarily include cash and cash equivalents, current restricted cash, short-term investments, accounts receivable, notes receivable, prepayments and other current assets, non-current restricted cash, accounts payable, short-term debt, and other current liabilities. As of June 30, 2025 and December 31, 2024, the carrying values of cash and cash equivalents, current restricted cash, short-term investments, accounts receivable, prepayments and other current assets, accounts payable, short-term debt, and other current liabilities approximated their fair value due to the short-term maturity of these instruments, and the carrying value of notes receivable and non-current restricted cash approximated their fair value based on the assessment of the ability to recover these amounts.

(e) Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*. This ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. This ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is permitted. This ASU will result in additional disclosure in the consolidated financial statements, once adopted. The Company is currently evaluating the impact of this ASU and expects to adopt it for the year ending December 31, 2025.

CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Recent Accounting Pronouncements (Continued)

Recently Issued Accounting Pronouncements Not Yet Adopted (Continued)

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires disclosure in the notes to financial statements of specified information about certain costs and expenses. This ASU will be effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this ASU and expects to adopt it for the year ending December 31, 2027.

For additional information on the Company's significant accounting policies, refer to the notes to the consolidated financial statements in the 2024 Annual Report.

3. CASH AND CASH EQUIVALENTS

The following table presents the Company's cash and cash equivalents (\$ in thousands):

	June 30, 2025	December 31, 2024
Cash	730,971	448,508
Cash equivalents (i)	1,188	1,159
	732,159	449,667
Denominated in:		
US\$	718,384	429,887
Renminbi (ii)	12,167	18,979
Hong Kong dollar	606	114
Australian dollar	536	522
Taiwan dollar	466	165
	732,159	449,667

(i) Cash equivalents represent short-term and highly liquid investments in a money market fund.

(ii) Certain cash and bank balances denominated in RMB were deposited with banks in mainland China. The conversion of these RMB-denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the Chinese government.

CONSOLIDATED FINANCIAL STATEMENTS

4. ACCOUNTS RECEIVABLE

The following table presents the Company's accounts receivable (\$ in thousands):

	June 30, 2025	December 31, 2024
Accounts receivable, gross	88,525	85,203
Allowance for credit losses	(26)	(25)
Accounts receivable, net	88,499	85,178

The Company's trading terms with its customers are mainly on credit, and the credit period generally ranges from 40 to 90 days. The Company seeks to maintain strict control over its outstanding receivables, and overdue balances are regularly reviewed. The Company does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

The following table presents an aging analysis of the accounts receivable, based on the invoice date (\$ in thousands):

	June 30, 2025	December 31, 2024
Within 3 months	88,474	85,167
3 months to 6 months	25	11
Total	88,499	85,178

5. INVENTORIES, NET

The following table presents the Company's inventories, net (\$ in thousands):

	June 30, 2025	December 31, 2024
Finished goods	36,534	24,063
Raw materials	21,232	13,268
Work in progress	3,934	2,544
Inventories, net	61,700	39,875

The Company writes down inventory for any excess or obsolete inventory or when the Company believes that the net realizable value of inventory is less than the carrying value. The Company recorded write-downs in inventory, which were included in cost of product revenue, of \$0.3 million in the six months ended June 30, 2025 and \$0.8 million in the six months ended June 30, 2024.

CONSOLIDATED FINANCIAL STATEMENTS

6. PROPERTY AND EQUIPMENT, NET

The following table presents the components of the Company's property and equipment, net (\$ in thousands):

	June 30, 2025	December 31, 2024
Office equipment	1,237	1,230
Electronic equipment	9,279	9,211
Vehicle	196	196
Laboratory equipment	20,444	20,516
Manufacturing equipment	17,573	17,493
Leasehold improvements	14,560	11,306
Building	24,150	—
Construction in progress	1,242	25,129
	88,681	85,081
Less: accumulated depreciation	(38,521)	(37,120)
Property and equipment, net	50,160	47,961

Depreciation expense was \$4.3 million in the six months ended June 30, 2025 and \$4.4 million in the six months ended June 30, 2024.

7. INTANGIBLE ASSETS, NET

The following table presents the components of the Company's intangible assets, net (\$ in thousands):

	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Finite-lived intangible assets						
Commercial products	60,544	(5,279)	55,265	57,104	(2,637)	54,467
Software	4,377	(3,123)	1,254	4,360	(2,800)	1,560
Total	64,921	(8,402)	56,519	61,464	(5,437)	56,027

Intangible assets for commercial products include capitalized post-approval milestone fees and acquired commercial manufacturing know-how and related development costs. The Company is amortizing intangible assets for commercial products as cost of product revenue over the estimated remaining useful life of the related products. Intangible assets for externally purchased software are amortized over three to five years on a straight-line basis.

CONSOLIDATED FINANCIAL STATEMENTS

7. INTANGIBLE ASSETS, NET (CONTINUED)

Amortization expense was \$2.9 million in the six months ended June 30, 2025 and \$1.5 million in the six months ended June 30, 2024. The weighted-average remaining amortization period for intangible assets for commercial products and software was 9.2 years and 2.8 years, respectively.

8. ACCOUNTS PAYABLE

The following table presents an aging analysis of the accounts payable, based on the invoice date (\$ in thousands):

	June 30, 2025	December 31, 2024
Within 3 months	106,870	100,456
3 months to 6 months	190	145
6 months to 1 year	56	23
Over 1 year	241	282
Total	107,357	100,906

The accounts payable are non-interest-bearing and repayable within the normal operating cycle.

9. REVENUES

Product Revenue, Net

The Company's product revenue is derived from the sales of its commercial products in Greater China. The table below presents the Company's gross and net product revenue (\$ in thousands):

	Six Months Ended June 30,	
	2025	2024
Product revenue — gross	228,863	199,723
Less: Rebates and sales returns	(14,128)	(12,468)
Product revenue — net	214,735	187,255

Sales rebates are offered to distributors in mainland China, and the amounts are recorded as a reduction of product revenue. Estimated rebates are determined based on contracted rates, sales volumes, and level of distributor inventories.

CONSOLIDATED FINANCIAL STATEMENTS

9. REVENUES (CONTINUED)

The following table presents the Company's net revenue by commercial program (\$ in thousands):

	Six Months Ended June 30,	
	2025	2024
ZEJULA	90,571	90,500
VYVGART/VYVGART Hytrulo	44,602	36,352
NUZYRA	29,410	22,208
OPTUNE	23,718	25,064
QINLOCK	17,045	13,131
XACDURO	5,739	—
AUGTYRO	3,025	—
Other (i)	625	—
Product revenue — net	214,735	187,255

(i) Other includes product candidates sold in patient programs prior to commercialization.

Collaboration Revenue

Collaboration revenue was \$1.7 million in the six months ended June 30, 2025, and \$0.4 million in the six months ended June 30, 2024 and related to promotional activities in mainland China.

10. INCOME TAX

No provision for income taxes has been accrued because the Company is in a cumulative loss position for the periods presented.

The Company recorded a full valuation allowance against deferred tax assets of all its consolidated entities because all entities were in a cumulative loss position as of June 30, 2025 and December 31, 2024. No unrecognized tax benefits and related interest and penalties were recorded in the periods presented.

CONSOLIDATED FINANCIAL STATEMENTS

11. LOSS PER SHARE

The following table presents the computation of the basic and diluted net loss per share (\$ in thousands, except share and per share data):

	Six Months Ended June 30,	
	2025	2024
Numerator:		
Net loss	(89,165)	(133,748)
Denominator:		
Weighted-average number of ordinary shares — basic and diluted	1,086,413,130	974,541,780
Net loss per share — basic and diluted	(0.08)	(0.14)

As a result of the Company's net loss in the six months ended June 30, 2025 and 2024, share options and non-vested restricted shares outstanding in the respective periods were excluded from the calculation of diluted loss per share as their inclusion would have been anti-dilutive.

	June 30,	
	2025	2024
Share options	92,521,370	121,522,950
Non-vested restricted shares	26,743,120	35,535,640

12. BORROWINGS

The Company has debt arrangements with the Bank of China, SPD Bank, CMB, BOCOM, and Ningbo Bank to support its working capital needs in mainland China. The following table presents the Company's short-term debt as of June 30, 2025 (\$ in thousands):

	Weighted-average interest rate per annum	June 30, 2025
Bank of China Working Capital Loans	2.42%	48,891
SPD Bank Working Capital Loans	2.80%	41,908
China Merchant Bank Working Capital Loans	2.87%	34,895
Bank of Communications Working Capital Loans	2.75%	41,908
Ningbo Bank Discounted Bills	1.90%	6,907
Total short-term debt	2.66%	174,509

12. BORROWINGS (CONTINUED)

Bank of China Working Capital Loan Facility

In February 2024, the Company entered into an uncommitted facility letter with the BOC HK pursuant to which BOC HK will provide standby letters of credit in favor of the BOC Pudong Branch for loans of up to \$100.0 million for a term of one year, which are or may become payable by the Company's wholly-owned subsidiary, Zai Lab Shanghai. BOC HK and BOC Pudong Branch are collectively referred to as Bank of China. In accordance with this agreement, the Company also maintained restricted deposits of \$100.0 million, which are presented as restricted cash-current on the unaudited condensed consolidated balance sheet, to secure the standby letters of credit. Each working capital loan has a one-year term and is subject to a floating interest rate, which is subject to adjustment every six months.

SPD Bank Working Capital Loan Facility

In February 2024, the Company entered into a maximum-amount guarantee contract with the SPD Bank pursuant to which the Company will guarantee working capital loans of up to RMB300.0 million (approximately \$42.0 million) from SPD Bank to Zai Lab Shanghai over a three-year period. Each working capital loan has a one-year term and is subject to a fixed interest rate.

China Merchants Bank Working Capital Loan Facility

In July 2024, the Company issued a maximum-amount irrevocable letter of guarantee to CMB pursuant to which the Company will guarantee working capital loans of up to RMB250.0 million (approximately \$34.4 million) from CMB to Zai Lab Shanghai, and Zai Lab Shanghai entered into a Credit Agreement with CMB with respect to the RMB250.0 million facility. The credit facility will be available for one year. Each working capital loan has a one-year term and is subject to a floating interest rate, which is subject to adjustment every three months.

Bank of Communications Working Capital Loan Facility

In January 2025, the Company entered into a guarantee contract with BOCOM pursuant to which the Company will guarantee working capital loans from BOCOM to Zai Lab Shanghai, and Zai Lab Shanghai entered into a working capital loan contract with BOCOM with respect to a revolving credit facility of up to RMB300.0 million (approximately \$41.1 million). The working capital loan has a one-year term and is subject to a floating interest rate, which is subject to adjustment every three months.

Ningbo Bank Working Capital Loan Facility

In February 2024, the Company's wholly-owned subsidiary, Zai Lab Suzhou, entered into the Ningbo Bank Agreements with the Ningbo Bank. The Ningbo Bank Agreements permit Zai Lab Suzhou to utilize, including through discounting or working capital loan agreements and subject to the terms and conditions in related master agreements, up to RMB230.3 million (approximately \$32.4 million), of which Zai Lab Suzhou is authorized to utilize up to RMB160.0 million (approximately \$22.5 million). The cash proceeds from the discounting arrangement were classified as short-term debt. The discounted bill has a 6-month term.

CONSOLIDATED FINANCIAL STATEMENTS

13. OTHER CURRENT LIABILITIES

The following table presents the Company's other current liabilities (\$ in thousands):

	June 30, 2025	December 31, 2024
Accrued payroll	18,004	30,198
Accrued professional service fee	3,532	5,728
Payables for purchase of property and equipment	2,498	449
Accrued rebate to distributors	10,453	10,839
Tax payables	4,762	5,154
Other (i)	4,802	6,352
Total	44,051	58,720

(i) Other primarily includes accrued travel, business-related expenses, and advance payments from partners.

14. RELATED PARTY TRANSACTIONS

In January 2025, the Company entered into a license agreement with Zenas, pursuant to which the Company obtained a license under certain patents and know-how of Zenas to develop and commercialize products containing a differentiated humanized monoclonal antibody targeting IGF-1R as an active ingredient in Greater China. One of the members of the Company's Board of Directors, Mr. Moulder, is also the Chairman of the Board of Directors and Chief Executive Officer of Zenas. The Company recorded a \$10.0 million upfront fee into research and development expenses in the first quarter of 2025. As of June 30, 2025, the Company may be required to pay an additional aggregate amount of up to \$117.0 million in development and sales-based milestones as well as certain royalties at tiered percentage rates ranging from high-single digits to mid-teens on annual net sales of the licensed products in the licensed territories.

15. SHARE-BASED COMPENSATION

During the six months ended June 30, 2025, the Company granted share options to purchase up to 7,134,210 ordinary shares and restricted shares representing 7,361,810 ordinary shares under its equity incentive plans. The share options granted have a contractual term of ten years. Share options granted since April 2023 generally vest ratably over a four-year period, and share options granted prior to April 2023 generally vest ratably over a five-year period, with 25% or 20% of the awards vesting on each anniversary of the grant date, respectively, subject to continued employment/service with the Company on the vesting date. The restricted shares granted generally vest ratably over a specified period on the anniversary of the grant date, subject to continued employment/service with the Company on the vesting date. For a description of the Company's equity incentive plans and more details on the terms of the share-based awards, see *Note 15* in the 2024 Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE-BASED COMPENSATION (CONTINUED)

The following table presents the share-based compensation expense that has been reported in the Company's unaudited condensed consolidated statements of operations and comprehensive loss as follows (\$ in thousands):

	Six Months Ended June 30,	
	2025	2024
Selling, general and administrative	21,470	21,456
Research and development	11,303	15,162
Total	32,773	36,618

As of June 30, 2025, there was unrecognized share-based compensation expense related to unvested share options and unvested restricted shares of \$64.7 million and \$75.4 million, respectively, which the Company expects to recognize over a weighted-average period of 2.52 years and 2.46 years, respectively.

16. LICENSE AND COLLABORATION AGREEMENTS

The Company has entered into various license and collaboration agreements with third parties to develop and commercialize product candidates.

Significant License and Collaboration Arrangements

For a description of the material terms of the Company's significant license and collaboration agreements, see *Note 16* of the 2024 Annual Report. In the six months ended June 30, 2025, the Company did not enter into any new significant license or collaboration agreements or incur any milestone fees under our existing significant license and collaboration agreements.

Other License and Collaboration Arrangements That Are Not Individually Significant

The Company recorded upfront fees of \$20.0 million into research and development expenses in the six months ended June 30, 2025 for license and collaboration agreements that are not individually significant.

CONSOLIDATED FINANCIAL STATEMENTS

17. OTHER INCOME, NET

The following table presents the Company's other income, net (\$ in thousands):

	Six Months Ended June 30,	
	2025	2024
Government grants	3,866	3,325
Loss on equity investments with readily determinable fair value	(1,912)	(5,147)
Other miscellaneous gain	1,599	2,240
Total	3,553	418

18. RESTRICTED NET ASSETS

Chinese laws and regulations restrict the Company's ability to receive distributions of funds from its Chinese subsidiaries. For example, relevant Chinese laws and regulations permit payments of dividends by the Company's Chinese subsidiaries only out of its retained earnings, if any, as determined in accordance with Chinese accounting standards and regulations.

In accordance with the Company Law of the People's Republic of China, each Chinese subsidiary of the Company is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's Chinese statutory accounts. The reserves can only be used for specific purposes and are not distributable as cash dividends. Foreign exchange and other regulations in mainland China may further restrict the Company's Chinese subsidiaries from transferring out funds in the form of dividends, loans, and advances.

No appropriation to statutory reserves was made in the six months ended June 30, 2025 and 2024 because the Chinese subsidiaries had substantial losses during such periods. The Company did not receive any distributions from its Chinese subsidiaries; such distributions were not permitted under Chinese laws and regulations due to the reserve requirements discussed above. As of June 30, 2025 and December 31, 2024, amounts restricted included the paid-in capital of the Company's subsidiaries in mainland China and were \$506.0 million.

CONSOLIDATED FINANCIAL STATEMENTS

19. COMMITMENTS AND CONTINGENCIES

(a) Purchase Commitments

As of June 30, 2025, the Company's commitments were \$1.1 million and related to commercial manufacturing development activities and capital expenditures that are contracted but not yet reflected in the unaudited condensed consolidated financial statements. These commitments were expected to be incurred within one year.

(b) Legal Proceedings

The Company is not currently a party to any material legal proceedings.

(c) Indemnifications

In the normal course of business, the Company enters into agreements that indemnify others for certain liabilities that may arise in connection with a transaction or certain events and activities. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations.

20. SEGMENT INFORMATION

The Company operates as a single operating segment that is engaged in discovering, developing, and commercializing products that address medical conditions with significant unmet needs in the areas of oncology, immunology, neuroscience, and infectious disease. A global research and development organization and a supply chain organization discover, develop, manufacture, and supply our products. A global commercial organization markets, distributes, and sells the products. The business is also supported by global corporate staff functions. CODM is the Chief Executive Officer, who assesses performance and allocates resources based on the significant expenses and net income on a consolidated basis. The significant expenses that are regularly provided to the CODM include those amounts that are also reported on the consolidated statement of operations as well as below additional disaggregated measures. The CODM also reviews cash position (which are cash and cash equivalents, current restricted cash, and short-term investments) that are also reported on the consolidated balance sheets when making operating decisions. In accordance with ASC 280, the Company has only one reportable segment.

CONSOLIDATED FINANCIAL STATEMENTS

20. SEGMENT INFORMATION (CONTINUED)

The following tables present disaggregated expenses that are regularly provided to the CODM:

	Six Months Ended June 30,	
	2025	2024
Personnel compensation and related costs	46,527	59,217
Licensing fees	19,997	—
CROs/CMOs/Investigators expenses	29,765	44,209
Other costs	15,054	12,844
Total research and development expenses	111,343	116,270

	Six Months Ended June 30,	
	2025	2024
Clinical programs	45,059	40,136
Pre-Clinical programs	8,383	5,188
Unallocated research and development expenses	57,901	70,946
Total research and development expenses	111,343	116,270

	Six Months Ended June 30,	
	2025	2024
Personnel compensation and related costs	83,322	94,173
Other costs	51,138	54,731
Total selling, general, and administrative expenses	134,460	148,904

	Six Months Ended June 30,	
	2025	2024
Selling and marketing expenses	88,703	96,869
General and administrative expenses	45,757	52,035
Total selling, general, and administrative expenses	134,460	148,904

CONSOLIDATED FINANCIAL STATEMENTS

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

The unaudited condensed consolidated financial statements of the Company are prepared in accordance with U.S. GAAP, which differ in certain respects from IFRS. The following tables present the Reconciliation Statement.

Reconciliation of Consolidated Statements of Operations (\$ in thousands)

	Six Months Ended June 30, 2025		
	Amounts as reported under U.S. GAAP	IFRS adjustments Share-based compensation (note (i))	Amounts as reported under IFRS
Consolidated statements of operations			
Expenses			
Research and development	(111,343)	4,727	(106,616)
Selling, general and administrative	(134,460)	711	(133,749)
Net loss	(89,165)	5,438	(83,727)

	Six Months Ended June 30, 2024		
	Amounts as reported under U.S. GAAP	IFRS adjustments Share-based compensation (note (i))	Amounts as reported under IFRS
Consolidated statements of operations			
Expenses			
Research and development	(116,270)	(1,105)	(117,375)
Selling, general and administrative	(148,904)	1,345	(147,559)
Net loss	(133,748)	240	(133,508)

CONSOLIDATED FINANCIAL STATEMENTS

21. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Reconciliation of Consolidated Balance Sheets (\$ in thousands)

	As of June 30, 2025		
	Amounts as reported under U.S. GAAP	IFRS adjustments Share-based compensation (note (i))	Amounts as reported under IFRS
Consolidated balance sheets			
Additional paid-in capital	3,308,491	43,601	3,352,092
Accumulated deficit	(2,542,248)	(43,601)	(2,585,849)
Total shareholders' equity	791,735	—	791,735

	As of December 31, 2024		
	Amounts as reported under U.S. GAAP	IFRS adjustments Share-based compensation (note (i))	Amounts as reported under IFRS
Consolidated balance sheets			
Additional paid-in capital	3,264,295	49,039	3,313,334
Accumulated deficit	(2,453,083)	(49,039)	(2,502,122)
Total shareholders' equity	840,898	—	840,898

NOTES:

(i) Share-Based Compensation

Under U.S. GAAP, the Company has elected to use the straight-line method to recognize compensation expense for instruments granted to employees with graded vesting based on service conditions, subject to the minimum amount of cumulative compensation expense recognized being no less than the portion of the award vested to date.

Under IFRS, the graded vesting method must be applied to recognize compensation expense.

In addition, under U.S. GAAP, the Company has elected to recognize the effect of award forfeitures as they occur, and previously recognized compensation cost is reversed in the period that the award is forfeited.

CONSOLIDATED FINANCIAL STATEMENTS

21. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Reconciliation of Consolidated Balance Sheets (\$ in thousands) (Continued)

NOTES: (CONTINUED)

(i) Share-Based Compensation (Continued)

Under IFRS, the number of instruments that are expected to vest is estimated by the Company initially at the time of grant. Subsequently, these estimates are adjusted for differences between the number of instruments expected to vest and the actual number of instruments vested.

A difference of \$5.4 million and \$0.2 million arose between the amount of share-based compensation (included in research and development expenses, and selling, general and administrative expenses) recognized under U.S. GAAP and IFRS in the six months ended June 30, 2025 and 2024, respectively.

The accumulated differences on share-based compensation recognized in accumulated deficit and additional paid in capital under U.S. GAAP and IFRS were \$43.6 million and \$49.0 million as of June 30, 2025 and December 31, 2024, respectively.

(ii) Leases

Under U.S. GAAP, as a lessee, the Company recognized a lease liability based on the present value of the total remaining lease payments and a corresponding right-of-use asset. The amortization of the right-of-use assets and the interest expenses related to the lease liabilities are recorded together as a single total lease expense on a straight-line basis on the condensed consolidated statements of operations.

Under IFRS, the amortization of the right-of-use assets is recognized on a straight-line basis while the interest expense related to the lease liabilities is recognized on the basis that the lease liabilities are measured at amortized cost. Compared to U.S. GAAP, this changes the allocation and the total amount of expenses recognized for each period of the lease terms and results in a higher total charge to profit or loss in the early years and a decreasing expense during the latter years of the lease terms. The amortization on the right-of-use assets and the interest expense on the lease liabilities are separately recorded on the condensed consolidated statements of operations.

Based on the Company's assessment, the differences on leases recognized on the condensed consolidated financial statements as of June 30, 2025 and December 31, 2024, respectively, and for the six months ended June 30, 2025 and 2024, respectively, under U.S. GAAP and IFRS were not material.

CONSOLIDATED FINANCIAL STATEMENTS

22. SUBSEQUENT EVENTS

On August 6, 2025, the Company entered into a new revolving credit facility with CMB, which replaced its previous RMB250.0 million (approximately \$34.4 million) credit facility that expired in July 2025. The Company issued a new maximum-amount irrevocable letter of guarantee to CMB pursuant to which the Company will guarantee working capital loans of up to RMB500.0 million (approximately \$69.6 million) from CMB to Zai Lab Shanghai, and Zai Lab Shanghai entered into a new credit agreement with CMB with respect to the RMB500.0 million facility. The new guarantee and credit facility include the outstanding working capital loans with CMB. The credit facility will be available for two years, and key terms of the specific working capital loans, including the amount, term, and interest rate, will be included in the specific transaction documents.

This Glossary includes acronyms and defined terms that are used throughout this report.

AACR:	American Association for Cancer Research
AChR:	Anti-acetylcholine receptor
ADC:	Antibody-drug conjugate
ADS(s):	American Depositary Share, each representing ten of the Company's ordinary shares
Affiliate(s):	With respect to any specified person or any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
argenx:	argenx BV
ASCO:	American Society of Clinical Oncology
Audit Committee:	Audit Committee of the Board
AUGTYRO (Repotrectinib):	A next-generation TKI of ROS proto-oncogene 1 (ROS1) tyrosine-protein kinase and of the tropomyosin receptor tyrosine kinases (TRKs) TRKA, TRKB, and TRKC
Bemarituzumab:	A humanized anti-FGFR2b IgG1 monoclonal antibody
Board:	The board of directors of the Company
BOC HK:	Bank of China (Hong Kong) Limited
BOCOM:	Bank of Communications Co., Ltd. Shanghai Zhangjiang Sub-Branch
BOC Pudong Branch:	Bank of China Pudong Development Zone Branch
CFIUS:	U.S. Committee on Foreign Investment
CG Code:	The Corporate Governance Code as set forth in Appendix C1 to the HK Listing Rules
Chief Executive:	Has the meaning ascribed to it in the HK Listing Rules
China (P.R. China, or the PRC):	The People's Republic of China
CIDP:	Chronic inflammatory demyelinating polyneuropathy
Closing Announcement:	The voluntary announcement of Zai Lab Limited dated November 22, 2024 with respect to the closing of the November 2024 Offering
CMB:	China Merchant Bank Co., Ltd., Shanghai Branch
CMO:	Contract Manufacturing Organization
CODM:	Chief Operating Decision Maker
Commercial Committee:	Commercial Committee of the Board

GLOSSARY

Companies Ordinance:	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
Company:	Zai Lab Limited and its subsidiaries, collectively
Compensation Committee:	Compensation Committee of the Board
CRO:	Contract Research Organization
Director(s):	the member(s) of the Board
DLL3:	An inhibitor of the Notch ligand that is overexpressed in SCLC and other neuroendocrine neoplasmas
Efgartigimod:	A human IgG1 antibody fragment that binds to FcRn
EMA:	European Medicines Agency
ES-SCLC:	Extensive-stage small cell lung cancer
FASB:	Financial Accounting Standards Board
FDA:	U.S. Food and Drug Administration
FGFR2b:	Human fibroblast growth factor receptor 2 isoform IIb
Final Prospectus Supplement:	The Final Prospectus Supplement of the Company dated November 15, 2024
GBM:	Glioblastoma multiforme, an aggressive form of brain tumor
GEJ:	Gastroesophageal junction
Global Offering:	The global offering of the Company as described in the Prospectus
gMG:	Generalized myasthenia gravis
GMPs:	Good Manufacturing Practices
Greater China:	Mainland China, Hong Kong, Macau, and Taiwan, collectively
HKICPA:	Hong Kong Institute of Certified Public Accountants
HK Listing Rules:	The Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time
HKMA:	Hong Kong Monetary Authority
HKSAE 3000 (Revised):	Hong Kong Standard on Assurance Engagements 3000 (Revised) <i>Assurance Engagements Other Than Audits or Reviews of Historical Financial Information</i>
Hong Kong (or HK):	Hong Kong Special Administrative Region of the PRC

GLOSSARY

Hong Kong Stock Exchange:	The Stock Exchange of Hong Kong Limited
IFRS:	International Financial Reporting Standards
IND:	Investigational New Drug
IPO:	Initial public offering
KPMG:	KPMG, a public interest entity auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
KPMG LLP:	KPMG LLP, an auditor located in the United States that is inspected by the PCAOB
Macau:	Macau Special Administrative Region of the PRC
MacroGenics:	MacroGenics, Inc.
MG:	Myasthenia gravis
Model Code:	The Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix C3 to the HK Listing Rules
MSE:	Minimal symptom expression
Nasdaq:	Nasdaq Global Market
NDA:	New Drug Application
Ningbo Bank:	Bank of Ningbo Co., Ltd. Suzhou Sub-branch
Ningbo Bank Agreements:	Maximum Credit Contract, Electronic Commercial Draft Discounting Master Agreement and Online Working Capital Loan Master Agreement, collectively
NMPA:	China's National Medical Products Administration
Nominating and Corporate Governance Committee:	Nominating and Corporate Governance Committee of the Board
November 2024 Offering:	The underwritten public offering of 7,843,137 ADSs (representing 78,431,370 underlying ordinary shares) at the Offer Price and the full exercise of the Option by the Underwriters in November 2024
NovoCure:	NovoCure Ltd.
NRDL:	China's National Reimbursement Drug List
NSCLC:	Non-small cell lung cancer
NTRK:	Neurotrophic tropomyosin-receptor kinase
NUZYRA (Omadacycline):	A novel tetracycline-class antibacterial with both oral and IV formulations that is a broad-spectrum antibiotic

GLOSSARY

Offer Price:	The offer price of the November 2024 Offering at US\$25.50 per ADS (equivalent to approximately HK\$19.84 per ordinary share calculated based on the ten-to-one share-to-ADS ratio)
Option:	With respect to the November 2024 Offering, a 30-day option to purchase up to an additional 1,176,470 ADSs (representing 11,764,700 underlying ordinary shares with the aggregate nominal value of \$70.59) at the Offer Price
OPTUNE:	Tumor Treating Fields (or TTFs) devices marketed under various brand names, including OPTUNE GIO® for GBM
Ordinary Share(s):	Ordinary share(s) in the authorized share capital of the Company with a par value of \$0.000006 per share after the Share Subdivision (or \$0.00006 per share before the Share Subdivision)
OS:	Overall survival
PARPi:	PARP (poly (ADP-ribose) polymerase) is a protein that helps repair DNA damage in cells; PARP inhibitors block PARP from repairing DNA damage, such as may be caused by radiation and/or certain chemotherapies, which may lead to cancer cell death and slow the return or progression of cancer
PBOC:	People's Bank of China
PCAOB:	U.S. Public Company Accounting Oversight Board
PFS:	Prefilled syringe
Primary Conversion Effective Date:	The date on which the Company's voluntary conversion from secondary listing status to primary listing on the Hong Kong Stock Exchange became effective, i.e., June 27, 2022
Prospectus:	The prospectus of the Company dated September 17, 2020
PSU:	Performance-based restricted share unit
QINLOCK (Ripretinib):	An orally administered switch-control TKI that broadly inhibits KIT and PDGFRα tyrosine kinases, including wild-type and forms with multiple primary mutations or secondary mutations
R&D:	Research and development
Reconciliation Statement:	The effects of material differences on the Company's financial information prepared under U.S. GAAP and IFRS as at June 30, 2025 and December 31, 2024 and for the six-month periods ended June 30, 2025 and 2024
Reporting Period:	The six months ended June 30, 2025
Research and Development Committee:	Research and Development Committee of the Board
RMB:	Chinese Renminbi

RSA:	Restricted share award
RSU:	Restricted share unit
SAR:	Share appreciation right
SCLC:	Small cell lung cancer
SEC:	U.S. Securities and Exchange Commission
Security Assessment Measures:	The Measures on Security Assessment of Cross-Border Data Transfer
SFO:	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
Share(s):	Ordinary share(s), or ADS(s) represented by such number of ordinary shares
Share Subdivision:	The subdivision of each of the Company's issued and unissued ordinary shares into ten ordinary shares effective as of March 30, 2022
SPD Bank:	Shanghai Pudong Development Bank Co., Ltd. Zhangjiang Hi-Tech Park Sub-branch
Subsidiary(ies):	Has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
Substantial Shareholder:	Has the meaning ascribed to it in the HK Listing Rules
TKI:	Tyrosine kinase inhibitor
Treasury Shares:	Has the same meaning ascribed to it under the HK Listing Rules
Trust for Life Strategy:	Our sustainability strategy, which includes three pillars: improve human health, create better outcomes, and act right now with ethical business practices and strong governance
Underwriters:	Goldman Sachs (Asia) L.L.C., Jefferies LLC and Leerink Partners LLC, collectively
U.S.:	United States
U.S. GAAP:	United States generally accepted accounting principles
VYVGART:	The brand name for the IV formulation of efgartigimod
VYVGART Hytrulo:	The brand name for the SC formulation of efgartigimod
XACDURO (SUL-DUR):	A combination of a beta-lactam antibiotic (sulbactam) and beta-lactamase inhibitor
Zai Lab Limited:	Zai Lab Limited, a holding company
Zai Lab Shanghai:	Zai Lab (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company
Zai Lab Suzhou:	Zai Lab (Suzhou) Co., Ltd., a wholly-owned subsidiary of the Company
ZEJULA (Niraparib):	An orally administered PARP 1/2 inhibitor

GLOSSARY

Zenas:	Zenas BioPharma (HK) Limited
1L:	First line
2L:	Second line
2015 Plan:	Zai Lab Limited 2015 Omnibus Equity Incentive Plan, as amended
2017 Plan:	Zai Lab Limited 2017 Equity Incentive Plan
2022 Plan:	Zai Lab Limited 2022 Equity Incentive Plan
2024 Plan:	Zai Lab Limited 2024 Equity Incentive Plan
2024 Annual Report:	2024 Annual Report for the year ended December 31, 2024 as filed with the Hong Kong Stock Exchange on April 29, 2025
\$:	U.S. Dollar
A\$:	Australian Dollar
HK\$:	Hong Kong Dollar
TW\$:	New Taiwan Dollar



www.zailaboratory.com

