SHANGHAI JUNSHI BIOSCIENCES CO., LTD.*
上海君實生物醫藥科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1877)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技股份有限公司) (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2022 (the "**Reporting Period**"), together with the comparative figures of the year ended 31 December 2021. The consolidated financial statements of the Company for the Reporting Period have been reviewed by the audit committee of the Company (the "**Audit Committee**") and audited by the Company's auditors. Unless otherwise specified, financial figures in this announcement are prepared under the International Financial Reporting Standards ("**IFRS**").

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

- As at 31 December 2022, total revenue of the Group was approximately RMB1,453 million for the Reporting Period, representing a decrease of approximately 64% compared to the corresponding period in 2021, which was mainly due to the decrease of income related to out-licensing from overseas. The sales revenue of TUOYI® (toripalimab) was approximately RMB736 million, representing an increase of approximately 79% compared to the corresponding period in 2021. With the increase in commercialization capability and approval and launch of two additional large indications for TUOYI® during the Reporting Period, the sales of the Group in the domestic market are gradually entering into a positive cycle.

- Total research and development ("**R&D**") expenses were approximately RMB2,384 million for the Reporting Period, representing an increase of approximately 15% compared to the corresponding period in 2021. The increase in R&D expenses was mainly due to (i) the Group continuously increasing its investment in R&D and enriching its product pipelines; (ii) the acceleration in the progress of current clinical projects and development of reserved R&D projects; and (iii) reserve of the R&D team.

- Net cash from financing activities was approximately RMB4,643 million for the Reporting Period, which was mainly attributable to the successful issuance of the Company's new A shares on the STAR Market of the Shanghai Stock Exchange on 2 December 2022 with net cash inflow from the issuance of RMB3,748 million and new bank borrowings with net cash inflow of RMB840 million. The net cash inflows from financing activities fully covered the cash used in operating and investing activities for the Reporting Period, leading to the increase of RMB2,492 million in bank balances and cash.

- Loss attributable to owners of the Company was RMB2,386 million for the Reporting Period, representing an increase of RMB1,667 million compared to the corresponding period in 2021, which was mainly attributable to the decline of revenue from out-licensing.

BUSINESS HIGHLIGHTS

As of the end of the Reporting Period, focusing on the "unmet clinical needs", we have made original, innovative and breakthrough progress in discovery, R&D, production and commercialization of innovative therapies and innovative drugs, which have filled various gaps domestically and are leading in related fields globally. The following achievements and milestones were attained:

- Our innovative R&D field has expanded from monoclonal antibodies to the development of various drug modalities, including small molecules drugs, polypeptide drugs, antibody drug conjugates (ADCs), bi-specific or multi-specific antibodies and nucleic acid drugs, as well as the exploration of next-generation innovative therapies including cancer and autoimmune diseases. Our product pipelines cover five major therapeutic areas including malignant tumors, autoimmune diseases, chronic metabolic diseases, neurologic diseases and infectious diseases. As of the date of this announcement, a total of four drugs (TUOYI®, JUNMAIKANG®, MINDEWEI (民得維®) and etesevimab) are being commercialized in the People's Republic of China ("**China**") or abroad, around 30 assets are undergoing clinical trials (amongst which, ongericimab, bevacizumab and PARP inhibitor are undergoing Phase III clinical trials) and over 20 drug candidates are at pre-clinical drug development stage.

  - In February 2022, the dosing of the first patient was completed in the Phase III clinical trial of TUOYI® in combination with standard chemotherapy as the adjuvant treatment after radical resection of gastric or esophagogastric junction adenocarcinoma (JUPITER-15 study, NCT05180734).

  - In February 2022, the investigational new drug ("**IND**") application for JS112 (Aurora A inhibitor) was approved by the National Medical Products Administration of China (the "**NMPA**").

  - In March 2022, the marketing of JUNMAIKANG® (adalimumab) for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis was approved by the NMPA.

- In March 2022, the results of three Phase I clinical studies of MINDEWEI were published in Acta Pharmacologica Sinica, a renowned journal in the pharmaceutical field, which showed that MINDEWEI exhibited satisfactory safety and tolerability in healthy subjects, was rapidly absorbed orally, and could be administered orally under fasting or normal diet conditions.

- In March 2022, the IND application for JS107 (recombinant humanized anti-Claudin18.2 monoclonal antibody-MMAE conjugate) was approved by the NMPA.

- In March 2022, the IND application for JS001sc (a toripalimab subcutaneous injection formulation) was approved by the NMPA.

- In April 2022, the IND application of TAB009/JS009 (recombinant humanized anti-CD112R monoclonal antibody injection) for the treatment of advanced solid tumors was approved by the United States Food and Drug Administration (the "**FDA**").

- In April 2022, the results of the pre-clinical in vivo efficacy study of MINDEWEI as a potent inhibitor of respiratory syncytial virus were published online in Signal Transduction and Targeted Therapy (STTT, IF: 38.104), a journal under *Nature*.

- In April 2022, TUOYI® was granted orphan-drug designation by the FDA for the treatment of small cell lung cancer ("**SCLC**"), which was the fifth FDA orphan-drug designation obtained by TUOYI®. Previously, TUOYI® was granted orphan-drug designations by the FDA for the treatment of mucosal melanoma, nasopharyngeal carcinoma ("**NPC**"), soft tissue sarcoma and esophageal cancer, respectively.

- In May 2022, the IND application for JS105 (PI3K-α inhibitor) jointly developed by us and Risen (Suzhou) Biosciences Co., Ltd.* (潤佳(蘇州)醫藥科技有限公司) ("**Risen Biosciences**") was approved by the NMPA.

- In May 2022, a Phase III registration clinical study (NCT05341609) of MINDEWEI versus nirmatrelvir tablet/ritonavir tablet (namely PAXLOVID) for the early treatment of mild to moderate coronavirus disease 2019 ("**COVID-19**") met its pre-specified primary endpoints and secondary efficacy endpoints. The MINDEWEI group achieved a shorter median time to sustained clinical recovery and attained statistical superiority, providing strong evidence that such therapy could accelerate the remission of COVID-19 symptoms. The relevant research results were published online in a global authoritative journal *The New England Journal of Medicine* (*NEJM*, IF: 176.082).

- In May 2022, the supplemental new drug application ("**sNDA**") for TUOYI® in combination with paclitaxel and cisplatin for the first-line treatment of patients with unresectable locally advanced/recurrent or distant metastatic esophageal squamous cell carcinoma ("**ESCC**") was approved by the NMPA.

- In June 2022, the IND application for JS116 (small molecule irreversible covalent inhibitor of $KRAS^{G12C}$) was approved by the NMPA.

- In June 2022, the IND application for JS113 (fourth-generation EGFR inhibitor) was approved by the NMPA.

- In July 2022, the IND application for JS105 (PI3K-α inhibitor) with fulvestrant for the treatment of postmenopausal female patients and male patients, with hormone receptor (HR)-positive, human epidermal growth factor receptor 2 (HER-2)-negative, PIK3CA-mutated, advanced or metastatic breast cancer was approved by the FDA.

- In July 2022, the IND application for JS203 (recombinant humanized anti-CD20 and CD3 bispecific antibody) was approved by the NMPA.

- In August 2022, the IND application for JS110 (XPO1 inhibitor) was approved by the FDA.

- In August 2022, the IND application for TAB009/JS009 (recombinant humanized anti-CD112R monoclonal antibody injection) was approved by the NMPA.

- In September 2022, the sNDA for TUOYI® in combination with pemetrexed and platinum as the first-line treatment of epidermal growth factor receptor ("**EGFR**") mutation-negative and anaplastic lymphoma kinase ("**ALK**") mutation-negative, unresectable, locally advanced or metastatic non-squamous non-small cell lung cancer ("**NSCLC**") was approved by the NMPA, which was also the sixth indication of TUOYI® approved by the NMPA.

- In October 2022, the IND application for JS015 (recombinant humanized anti-DKK1 monoclonal antibody injection) was approved by the NMPA.

- In November 2022, the supplemental application for additional indications of JUNMAIKANG® (adalimumab) for the treatment of Crohn's disease, uveitis, polyarticular juvenile idiopathic arthritis, pediatric plaque psoriasis and pediatric Crohn's disease was approved by the NMPA.

- In December 2022, the marketing authorization application (the "**MAA**") for toripalimab in combination with cisplatin and gemcitabine for the first-line treatment of patients with locally recurrent or metastatic NPC, and toripalimab in combination with paclitaxel and cisplatin for the first-line treatment of patients with unresectable locally advanced/recurrent or metastatic ESCC was accepted by the European Medicines Agency (the "**EMA**").

- External collaborations

  - In January 2022, based on the exclusive license and commercialization agreement (the "**Exclusive License and Commercialization Agreement**") that we entered into with Coherus BioSciences, Inc. ("**Coherus**") in February 2021, Coherus initiated the procedure for exercising the option of the recombinant humanized anti-TIGIT monoclonal antibody (TAB006/JS006), one of the option programs, in order to be licensed to develop TAB006/JS006 or any product containing TAB006/JS006 in the United States and Canada (the "**Coherus Territory**") for the treatment or prevention of human diseases. Coherus made an one-off exercise payment of US$35 million to us, and will pay up to an aggregate of US$255 million upon reaching the corresponding milestones, plus 18% royalty on the annual net sales of any product that contains TAB006/JS006 in the Coherus Territory.

  - In March 2022, we entered into the licensing and cooperation agreement (the "**Licensing and Cooperation Agreement**") with Wigen Biomedicine Technology (Shanghai) Co., Ltd. ("**Wigen Biomedicine**") to obtain the licenses of four small molecule anti-tumor drugs, namely JS120 (second-generation irreversible IDH1 inhibitor), JS121 (SHP2 inhibitor), JS122 (second-generation irreversible FGFR2 selective inhibitor) and JS123 (ATR inhibitor), thus further enriching our pipeline layout in the field of cancer treatment.

  - In June 2022, we entered into cooperation with Sun Yat-sen University Cancer Center (Sun Yat-sen University Affiliated Cancer Hospital* (中山大學附屬腫瘤醫院) and Sun Yat-sen University Cancer Institute* (中山大學腫瘤研究所)), and we obtained three patent applications including the "Application of a Bacterium in Preparation of a Synergist of an Immune Checkpoint Inhibitor", and their related technologies and rights by way of exclusive license.

  - In December 2022, we entered into an exclusive license and commercialization agreement with Hikma MENA FZE ("**Hikma**"). We granted Hikma an exclusive license to develop and commercialize toripalimab injection in all 20 Middle East and North Africa ("**MENA**") markets including Jordan, Kingdom of Saudi Arabia, United Arab Emirates, Qatar, Morocco and Egypt (the "**Hikma Territory**"). We may receive payments of up to an aggregate of US$12 million, together with high-teen tiered royalties of up to 20% of the net sales. In addition, we will grant the right of first negotiation to Hikma for the future commercial rights of three drugs in development phase in one or more countries in the Hikma Territory.

- Business operations

  - In May 2022, the NMPA approved for the production base in Lingang, Shanghai (the "**Shanghai Lingang Production Base**") of Shanghai Junshi Biotechnology Co., Ltd.* (上海君實生物工程有限公司) ("**Junshi Biotechnology**"), our wholly-owned subsidiary, to be responsible for the production of commercial batches of TUOYI® in parallel with the Company's Wujiang production base in Suzhou. The Shanghai Lingang Production Base was constructed in accordance with the CGMP standard, currently with a production capacity reaching 42,000L subsequent to an addition of 12,000L of production capacity during the Reporting Period. By virtue of economies of scale, the expansion of production capacity brought about by the Shanghai Lingang Production Base will enable the Company to gain the advantage of having more competitive production costs.

  - In December 2022, we completed the issuance of 70 million new A shares of the Company ("**Shares**") to 17 target subscribers at an issue price of RMB53.95 per Share. The gross proceeds amounted to RMB3,776.50 million, which will used for R&D projects of innovative drugs, Shanghai Junshi Biotech headquarters and R&D base project.

  From the end of the Reporting Period to the date of this announcement, we have also made significant progress in R&D and commercialization of several products, including:

  - In January 2023, the marketing of MINDEWEI, an oral nucleoside analog anti-SARS-CoV-2 Category 1 innovative drug, which was applied by Shanghai Vinnerna Biosciences Co., Ltd.* (上海旺實生物醫藥科技有限公司) ("**Vinnerna Biosciences**", a subsidiary controlled by the Company), for the treatment of adult patients with mild to moderate COVID-19 was conditionally approved by the NMPA.

  - In January 2023, the IND application for JS401 (a small interfering RNA ("**siRNA**") drug targeting angiopoietin-like protein 3 ("**ANGPTL3**") messenger RNA ("**mRNA**")) jointly developed by us and Risen (Shanghai) Medical Technology Co., Ltd.* (（潤佳（上海）醫藥技術有限公司) ("**Risen Shanghai**"）was accepted by the NMPA.

  - In January 2023, a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (Neotorch study, NCT04158440) of TUOYI® in combination with platinum-containing doublet chemotherapy as perioperative treatment for operable NSCLC patients finished the pre-specified interim analysis. The Independent Data Monitoring Committee (the "**IDMC**") had determined that the primary endpoint of event-free survival ("**EFS**") had met the pre-defined efficacy boundary.

  - In February 2023, a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (TORCHLIGHT study, NCT04085276) of TUOYI® in combination with paclitaxel for injection (albumin-bound) in patients with initial diagnosis of stage IV or recurrent metastatic triple-negative breast cancer finished the pre-specified interim analysis. The IDMC had determined that the primary endpoint had met the pre-defined efficacy boundary.

- In February 2023, two randomized, double-blind, placebo-controlled, multi-center phase III clinical studies (study nos.: JS002-003 and JS002-006) of ongericimab (a recombinant humanized anti-PCSK9 monoclonal antibody, code: JS002) for the treatment of primary hypercholesterolemia and mixed hyperlipidemia have met the primary endpoints.

- In February 2023, the MAA for toripalimab combined with cisplatin and gemcitabine for the first-line treatment of patients with locally recurrent or metastatic NPC, toripalimab combined with paclitaxel and cisplatin for the first-line treatment of patients with unresectable locally advanced/recurrent or metastatic ESCC was accepted by the United Kingdom's Medicines and Healthcare products Regulatory Agency (the "**MHRA**").

- In March 2023, the IND application for JS010 (recombinant humanized anti-CGRP monoclonal antibody injection) was approved by the NMPA.

- In March 2023, the Company entered into a shareholders agreement (the "**Shareholders Agreement**") with Rxilient Biotech Pte. Ltd. ("**Rxilient Biotech**") and its wholly-owned subsidiary, Excellmab Pte. Ltd. ("**Excellmab**"). The Company will subscribe for the newly issued shares of Excellmab by payment in kind to obtain 40% equity interest in Excellmab. Subject to the fulfillment of the conditions precedent as agreed under the Shareholders Agreement, the Company will substantially perform its capital contribution obligations, and intends to enter into a license agreement (the "**License Agreement**") with Excellmab in the form as agreed upon by the parties at the time of entering into the Shareholders Agreement, thereby granting Excellmab an exclusive license and other relevant rights to develop and commercialize intravenous toripalimab in Thailand, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines and Vietnam. According to the progress of the R&D of toripalimab and other matters, the Company may receive a milestone payment of up to approximately US$4.52 million, plus a percentage of royalty on the net sales.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

BUSINESS REVIEW

We are an innovation-driven biopharmaceutical company with all-round capabilities in innovative drug discovery and development, clinical research on a global scale, large-scale production capacity to commercialization on the full industry chain. Aiming to develop first-in-class or best-in-class drugs through ways of original innovation and co-development, we have successfully developed a drug candidate portfolio with tremendous market potential. Multiple products have milestone significance: one of our core products, toripalimab (JS001, trade name: 拓益® (TUOYI®)), was the first domestic anti-PD-1 monoclonal antibody approved to be marketed in China by the NMPA, with six indications approved in China, including for the treatment of locally advanced or metastatic melanoma after standard therapy failure, the treatment for recurrent/metastatic NPC after failure of second-line and later systemic treatment, the treatment of patients with locally advanced or metastatic urothelial carcinoma ("**UC**") who failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy, in combination with cisplatin and gemcitabine as the first-line treatment for patients with locally recurrent or metastatic NPC, in combination with paclitaxel and cisplatin for the first-line treatment for patients with unresectable locally advanced/recurrent or distant metastatic ESCC, and in combination with pemetrexed and platinum as the first-line treatment of EGFR mutation-negative and ALK mutation-negative, unresectable, locally advanced or metastatic NSCLC, respectively; tifcemalimab, being independently developed by the Company, was the world's first-in-human anti-tumor anti-BTLA monoclonal antibody and has obtained IND approvals from the FDA and the NMPA and is currently undergoing several Phase Ib/II clinical trials in China and the United States.

In the face of the pandemic, we have actively assumed the social responsibilities of Chinese pharmaceutical companies and collaborated with partners in utilizing our accumulated technology to rapidly develop a variety of innovative drugs for the prevention/treatment of COVID-19 since the beginning of the outbreak in 2020. These drugs include: etesevimab (JS016), the coronavirus neutralizing antibody, and MINDEWEI, a new oral nucleoside analog anti-SARS-CoV-2 drug. We will continuously contribute to the global fight against the pandemic as a representative from China.

As we continue to expand our product pipeline and further explore drug combination therapies, our innovation field has continued to expand to cover R&D of more drug modalities, including small molecules, polypeptide drugs, antibody drug conjugates (ADCs), bi-specific or multi-specific antibodies and nucleic acid drugs, as well as the exploration of the next-generation innovative therapies including cancer and autoimmune diseases. From the beginning of the Reporting Period to the date of this announcement, we made various major achievements in the business operations, external cooperation, industry chain expansion, talent reserve as well as the development of drug candidates of the Company, which are summarized as follows:

The indications for first-line treatment of ESCC and NSCLC of TUOYI® were approved, with domestic sales entering a positive cycle

In May 2022, the sNDA for TUOYI® in combination with paclitaxel and cisplatin for the first-line treatment for patients with unresectable locally advanced/recurrent or distant metastatic ESCC was approved by the NMPA. In September 2022, the sNDA for TUOYI® in combination with

pemetrexed and platinum as the first-line treatment of EGFR mutation-negative and ALK mutation-negative, unresectable, locally advanced or metastatic non-squamous NSCLC was approved by the NMPA, which was also the sixth indication of TUOYI® approved by the NMPA. With three indications being included in the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2022 Edition)* (the "**NRDL**") (《國家基本醫療保險、工傷保險和生育保險藥品目錄(2022)版》), TUOYI® is the only anti-PD-1 monoclonal antibody used in the treatment of melanoma in the NRDL. As of the end of the Reporting Period, TUOYI® has been sold in more than 4,000 medical institutions and about 2,000 specialty pharmacies and community pharmacies nationwide. The indications of TUOYI® that have been included in the NRDL, including second-line treatment of melanoma, third-line treatment of NPC and second-line treatment of UC, were entitled to supplementary reimbursement in 137 regions and cities through the urban commercial insurance across the country. The three newly added indications of first-line treatment of ESCC, first-line treatment of NPC and first-line treatment of NSCLC were entitled to supplementary reimbursement of commercial insurance in 93, 104 and 93 cities, respectively. Furthermore, TUOYI® has been successfully included in the special drug catalogues of commercial insurance in 33 regions and cities. The multi-level medical protection can comprehensively benefit more patients, while further reducing the burden of drugs on patients.

As of the end of the Reporting Period, the Company had a commercialization team with nearly 1,000 members, and the domestic sales revenue of TUOYI® reached approximately RMB736 million for the Reporting Period, representing a year-on-year increase of approximately 79%. By virtue of the improvement in commercialization capabilities and the approval of two new major indications for TUOYI® during the Reporting Period, the sales of TUOYI® in China have started to enter a positive cycle. With the acceleration in clinical research, more pivotal registered clinical studies on first-line treatment, perioperative treatment and postoperative adjuvant treatment of TUOYI® will gradually be completed, and more new indications will enter sNDA stage. We are fully confident about the commercialization of TUOYI® in 2023 and beyond.

MINDEWEI and JUNMAIKANG® were approved for marketing, with acceleration in R&D of several products that are close to commercialization

On 28 January 2023, the marketing of MINDEWEI, an oral nucleoside analog anti-SARS-CoV-2 Category 1 innovative drug, for the treatment of adult patients with mild to moderate COVID-19 has been conditionally approved by the NMPA. MINDEWEI is a new oral nucleoside analog antiviral drug, which can be non-covalently bound to the active center of RNA-dependent RNA polymerase ("**RdRp**") of SARS-CoV-2 in the form of nucleoside triphosphate, directly inhibiting the activity of RdRp of the virus and blocking the replication of virus, thus realizing the antiviral effect.

In March 2022, JUNMAIKANG® (adalimumab), which was jointly developed by us, Mabwell (Shanghai) Bioscience Co., Ltd.* ("**Mabwell Bio**") (邁威(上海)生物科技股份有限公司) and its subsidiaries for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis, received marketing approval from the NMPA, with the first prescription issued in May 2022. In November 2022, the supplemental application for additional indications of JUNMAIKANG® for the treatment of Crohn's disease, uveitis, polyarticular juvenile idiopathic arthritis, pediatric plaque psoriasis and pediatric Crohn's disease was approved by the NMPA. As our third commercialized product, JUNMAIKANG® has received support from the national "Major New Drug Development", a major scientific and technological project, during the "Twelfth Five-Year Plan", which would bring new treatment options for Chinese patients at large with autoimmune disease after its launch.

Ongericimab (JS002) is a recombinant humanized anti-PCSK9 monoclonal antibody independently developed by us for the treatment of primary hypercholesterolemia and mixed hyperlipidemia. In February 2023, both major pivotal registered clinical studies (study nos.: JS002-003 and JS002-006) of ongericimab had been successfully completed and had met the primary endpoints, of which JS002-003 study is to assess the efficacy and safety of subcutaneous injection of ongericimab for the treatment of patients with primary hypercholesterolemia and mixed hyperlipidemia, and JS002-006 study is to assess the efficacy and safety of subcutaneous injection by using two drug delivery systems (pre-filled syringes and pre-filled autosyringes) of ongericimab for the treatment of patients with primary hypercholesterolemia and mixed hyperlipidemia. Ongericimab showed obvious lipid-lowering efficacy in both studies, with good safety. In addition, we had completed Phase II clinical studies in patients with homozygous familial hypercholesterolemia. The enrollment of patients for Phase III clinical studies of heterozygous familial hypercholesterolemia had been completed. We plan to submit a new drug application ("**NDA**") application for such product to the NMPA in 2023.

The patient enrollment of Phase III clinical study of PARP inhibitor senaparib (JS109), which was jointly developed by us and IMPACT Therapeutics, Inc. ("**IMPACT Therapeutics**"), as the first-line maintenance treatment in platinum-sensitive advanced ovarian cancer patients has been completed, and is awaiting clinical data evaluation. In August 2022, the indication for the fixed-dose combination capsules of senaparib and temozolomide for the treatment of adult patients with SCLC was granted orphan-drug designation by the FDA. If the aforementioned Phase III clinical study of the product meets the pre-defined endpoints, we and IMPACT Therapeutics plan to submit a NDA application for such product to the NMPA in 2023.

In addition, a Phase III clinical study of bevacizumab (JS501) is currently underway.

Data of "globally new" drug tifcemalimab was first released at the ASCO annual meeting, the indications of TUOYI® such as NSCLC perioperative treatment and triple-negative breast cancer continued to expand, and our world-class clinical development capabilities were used to promote drug innovation

In June 2022, the annual meeting of the American Society of Clinical Oncology (ASCO) was held online and physically in Chicago, the United States at which almost 40 results of multi-tumor studies in relation to the two tumor immunotherapy drugs independently developed by the Company, including the anti-PD-1 monoclonal antibody toripalimab and the anti-BTLA monoclonal antibody tifcemalimab, were released at the ASCO annual meeting. Toripalimab continued to demonstrate strong synergies as cornerstone drugs in diverse combination therapies, and the initial data of tifcemalimab in single-agent and dual-immunotherapy studies also gave us confidence in the development prospects of this "globally new" drug. At the annual meeting of the ASCO 2022, tifcemalimab debuted its early clinical results for single drug treatment of solid tumor and combination treatment of lymphoma through poster presentations (#230, #297). As a first-in-class drug, the initial data release of tifcemalimab was an important milestone event for BTLA-targeted drugs in the field of oncology.

In December 2022, at the annual meeting of the 64th American Society of Hematology (ASH), the preliminary data of Phase I clinical trial of tifcemalimab in patients with relapsed or refractory lymphoma was updated through a poster presentation (#1613). Among the 28 evaluable patients who received tifcemalimab in combination with toripalimab, although 85% of the patients progressed upon prior anti-PD-1, an objective response rate ("**ORR**") of 39.3% and a disease control rate ("**DCR**") of 85.7% were achieved.

Over 30 clinical studies covering more than 15 indications in respect of toripalimab have been conducted in China, the United States and other countries. Among all pivotal registered clinical studies of toripalimab currently in progress, in addition to the extensive layout for the first-line treatment of multiple tumor types, we have also actively deployed the perioperative treatment/ postoperative adjuvant treatment for lung cancer, liver cancer, gastric cancer, esophageal cancer and other indications to promote the application of cancer immunotherapy in the early treatment of cancer patients.

In January 2023, a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (Neotorch study, NCT04158440) of TUOYI® in combination with platinum-containing doublet chemotherapy as perioperative treatment for operable NSCLC patients finished the pre-specified interim analysis. The IDMC had determined that the primary endpoint of EFS had met the pre-defined efficacy boundary. Perioperative immunotherapy covering the whole process of pre-surgery and post-surgery is expected to be a better treatment model for patients.

In February 2023, a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (TORCHLIGHT study, NCT04085276) of TUOYI® in combination with paclitaxel for injection (albumin-bound) in patients with initial diagnosis of stage IV or recurrent metastatic triple-negative breast cancer finished the pre-specified interim analysis. The IDMC has determined that the primary endpoint had met the pre-defined efficacy boundary. Based on the results of the interim analysis, compared with paclitaxel for injection (albumin-bound), TUOYI® in combination with paclitaxel for injection (albumin-bound) in patients with initial diagnosis of stage IV or recurrent metastatic triple-negative breast cancer can significantly prolong the progression-free survival ("**PFS**") of patients with PD-L1-positive, and at the same time, the secondary endpoint of all comers and PD-L1-positive population, i.e. the overall survival ("**OS**"), also showed a clear trend of improvement.

The Company is actively communicating with regulators on matters regarding the submission of application for the launch of the aforesaid two indications, and expects to submit sNDA for the above two indications to the NMPA in 2023.

Continued to explore cooperation of R&D and commercialization of drugs, while further expanding the international strategic layout

During the Reporting Period, we cooperated with outstanding domestic and foreign pharmaceutical companies and scientific research institutes in the R&D and commercialization of a number of products:

– In January 2022, based on the Exclusive License and Commercialization Agreement we entered into with Coherus in February 2021, Coherus initiated the procedure for exercising the option of the recombinant humanized anti-TIGIT monoclonal antibody (TAB006/JS006), one of the option programs, in order to be licensed to develop TAB006/JS006 or any product containing TAB006/JS006 in the Coherus Territory for the treatment or prevention of human diseases. Coherus made an one-off exercise payment of US$35 million to us, and will pay up to an aggregate of US$255 million upon reaching the corresponding milestones, plus 18% royalty on the annual net sales of any product that contains TAB006/JS006 in the Coherus Territory.

– In March 2022, we entered into the Licensing and Cooperation Agreement with Wigen Biomedicine to introduce four small molecule anti-tumor drugs, namely JS120 (second-generation irreversible IDH1 inhibitor), JS121 (SHP2 inhibitor), JS122 (second-generation irreversible FGFR2 selective inhibitor) and JS123 (ATR inhibitor), thus further enriching our pipeline layout in the cancer therapeutic area.

– In June 2022, we entered into cooperation with the Sun Yat-sen University Cancer Center, and obtained three patent applications including the "Application of a Bacterium in Preparation of a Synergist of an Immune Checkpoint Inhibitor", and their related technologies and rights by way of exclusive license. The technology was expected to significantly enhance the efficacy of an immune checkpoint inhibitor against multiple cancers and its safety, prolong the overall survival time of cancer patients, improve the response rate of cancer immunotherapy population, expand the population of cancer patients benefiting from cancer immunotherapy through protective anti-tumor immunity response stimulated by endogenous intestinal bacteria using human endogenous intestinal bacteria single-bacterium preparations combined with an immune checkpoint inhibitor, and produce synergistic effects with our other tumor immunotherapy products.

During the Reporting Period, the pace of toripalimab going global accelerated, and a number of cooperation and marketing applications have been commenced. The global commercialization layout of the Company began to expand to more regions. In the United States, we submitted the Biologics License Application (the "**BLA**") for toripalimab in combination with gemcitabine and cisplatin for the first-line treatment of patients with advanced recurrent or metastatic NPC and toripalimab monotherapy for the second-line or later treatment of recurrent or metastatic NPC after platinum-containing chemotherapy to the FDA. As no immunotherapies have been approved for the treatment of NPC in the United States, the BLA for toripalimab in the treatment of NPC meets the "unmet clinical needs". We have successfully completed the FDA's online inspection of the production base. We and our partner Coherus will remain in close communication with the FDA to advance the on-site inspection once possible with an aim to promote the commercialization of toripalimab in the United States as soon as possible. In the European Union and the United Kingdom, we submitted the MAA for toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC to the EMA and the MHRA respectively, both of which have been accepted.

In addition to our deployment in the North American and European markets, we also attach importance to the development of emerging markets.

In December 2022, we entered into the exclusive license and commercialization agreement with Hikma. Hikma is granted an exclusive license to develop and commercialize toripalimab injection in all 20 MENA markets including Jordan, Kingdom of Saudi Arabia, United Arab Emirates, Qatar, Morocco and Egypt. The Company may receive payments of up to an aggregate of US$12 million, together with high-teen tiered royalties of up to 20% of net sales. In addition, we will grant the right of first negotiation to Hikma for the future commercial rights of three drugs in development phase in one or more countries in the Hikma Territory. The cooperation is important for the continued expansion of our global business network and will accelerate the overseas market expansion of toripalimab and our other products, which will provide patients in MENA with high-quality treatment options.

In March 2023, we entered into the Shareholders Agreement with Rxilient Biotech and its wholly-owned subsidiary, Excellmab. We will subscribe for the newly issued shares of Excellmab by payment in kind to obtain 40% equity interest in Excellmab. Subject to the fulfillment of the conditions precedent as agreed under the Shareholders Agreement, we will substantially perform our capital contribution obligations, and intend to enter into the License Agreement with Excellmab in the form as agreed upon by the parties at the time of entering into the Shareholders Agreement, thereby granting Excellmab an exclusive license and other relevant rights to develop and commercialize intravenous toripalimab in Thailand, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines and Vietnam. According to the progress of the R&D of toripalimab and other matters, we may receive a milestone payment of up to approximately US$4.52 million, plus a percentage of royalty on the net sales. In addition, Excellmab will have the right of first negotiation for commercialization if we determine to grant any third party the relevant rights of the other four drug candidates as agreed in the License Agreement in one or more countries within the cooperation territory.

Significant increase in commercial production capacity

In terms of capacity expansion, in May 2022, the NMPA granted approval for the Shanghai Lingang Production Base to be responsible for the production of commercial batches of TUOYI® in parallel with the Company's Wujiang production base in Suzhou. The Shanghai Lingang Production Base was constructed in accordance with the CGMP standard, currently with a production capacity reaching 42,000L subsequent to an addition of 12,000L of production capacity during the Reporting Period. By virtue of economies of scale, the expansion of production capacity brought about by the Shanghai Lingang Production Base will enable the Company to gain the advantage of having more competitive production costs, support the supply of more drugs under clinical trials and accelerate the launch of new drugs, thus laying a solid foundation on drug production and supply for the continuous business expansion of the Company in the future.

Increased cash reserves to improve risk resistance and corporate development capabilities, and continued to strengthen ESG management

In order to improve its risk resistance, optimize shareholder structure, enhance its level of R&D and independent innovation, and promote its sustainable and stable development, in December 2022, the Company completed the issuance of 70 million new A Shares to 17 target subscribers at an issue price of RMB53.95 per Share. The gross proceeds amounted to RMB3,776.50 million, which will used for R&D projects of innovative drugs, Shanghai Junshi Biotech headquarters and R&D base project. The investment in the R&D project of innovative drugs will provide necessary funding support for promoting the R&D progress of drug candidates and enriching their R&D pipeline. The construction of global headquarters and R&D base will help integrate the Company's preclinical research laboratories and clinical research teams that are relatively scattered in Shanghai, thereby providing far superior R&D environment and conditions for the R&D team to carry out drug discovery, development and clinical research and adapt to the trend of international development of the Company. Through the implementation of the projects, the Company will further accelerate the R&D process of our drug candidates, and further strengthen our principal operations. As of the end of the Reporting Period, the Group had cash and cash equivalents of approximately RMB5,997 million.

During the Reporting Period, the Board continued to strengthen the formulation and implementation of environment, social and governance ("**ESG**") strategies, listened to the feedback from internal and external consultants on ESG tasks, reviewed the progress of ESG goals, and put forward improvement suggestions for future ESG efforts. In August 2022, Hang Seng Indexes Company Limited announced the inclusion of the Company's A Shares as a constituent of the Hang Seng (China A) Corporate Sustainability Benchmark Index with effect from 5 September 2022. The index selects the top 10% companies in terms of ESG from eligible candidates, reflecting the Company's outstanding performance in the three ESG categories and showing that the Company's ESG practice is recognized by reputable index compilers.

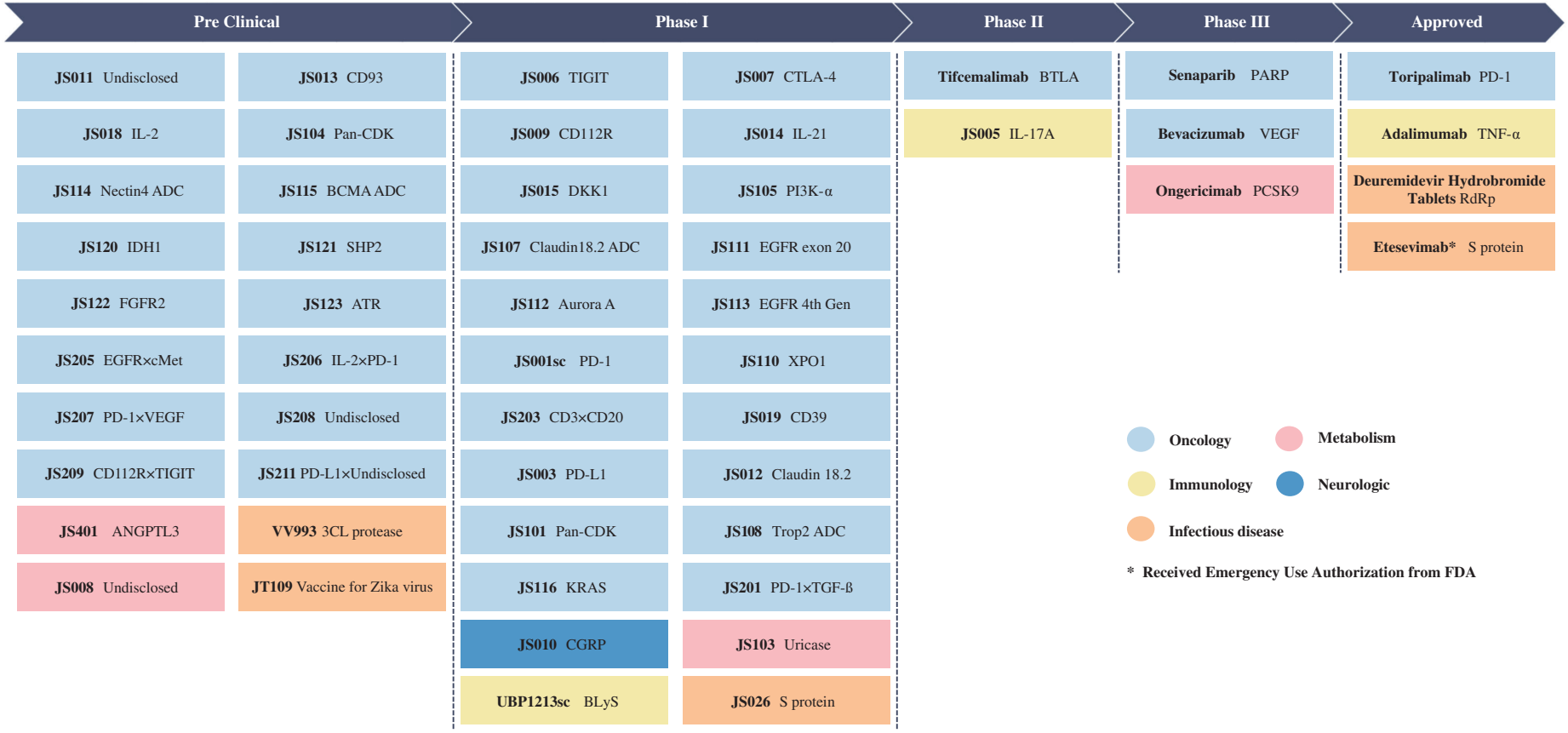
Retained and expanded talent pool

As of the end of the Reporting Period, the Group's number of employees was 2,961, among which 995 employees are responsible for R&D of drugs, 989 employees are responsible for product commercialization, 561 employees are responsible for production, and the remaining employees are responsible for finance, administration, IT, human resources and other supporting work. We attach importance to the attraction and development of various outstanding talents. We further improve our compensation system by establishing salary ranks and bands, taking into account competitiveness, motivation and fairness. We have also implemented an optimized performance management system across the Group, using scientific management measures to achieve the implementation of corporate strategic objectives and the continuous growth of employees' capabilities, and distinguishing between employees with high and low performance in the process, rewarding outstanding employees and disciplining the under-performing employees, thus forming a virtuous circle for the continuous output of organizational performance. In addition, we are also gradually improving promotion channels and policies within the enterprise to open up career development paths for high-performing and high-potential employees. At the same time, we also care about the working environment of our employees and continue to provide them with numerous employee benefits, including holiday care and a variety of employee activities throughout the year to enrich their work experience. We believe that our comprehensive and excellent talent team can provide inexhaustible impetus to support the Company in continuously advancing numerous innovative drugs from R&D to commercialization.

R&D Progress of Toripalimab

Therapeutic Area	Medicine Code	Clinical Trial Number	Indications	Pre Clinical / Phase I / Phase II / Phase III / NDA	Locations of Clinical Trial	Note
Oncology	JS001 Toripalimab	NCT03013101	Melanoma (second-line treatment, monotherapy)	NMPA approved on 17 December 2018	China	
		NCT02915432	Nasopharyngeal carcinoma (third-line treatment, monotherapy)	NMPA approved in February 2021, marketing application accepted by the FDA	China	FDA BTD, ODD, PR
		NCT03113266	Urothelial carcinoma (second-line treatment, monotherapy)	NMPA approved in April 2021	China	
		NCT03581786	Nasopharyngeal carcinoma (first-line treatment, combo with chemo)	NMPA approved in November 2021, marketing application accepted by the FDA, the EMA, the MHRA	International multi-center	FDA BTD, ODD, PR
		NCT03829969	Esophageal squamous cell carcinoma (first-line treatment, combo with chemo)	NMPA approved in May 2022, marketing application accepted by the EMA, the MHRA	China	FDA ODD
		NCT03856411	EGFR negative non-small cell lung cancer (first-line treatment, combo with chemo)	NMPA approved in September 2022	China	
		NCT04772287	Non-small cell lung cancer (perioperative treatment)	Pivotal registered clinical trial	China	
		NCT04085276	Triple negative breast cancer (combo with albumin-bound paclitaxel)	Pivotal registered clinical trial	China	
		NCT03924050	EGFR mutated TKI failed terminal stage non-small cell lung cancer (combo with chemo)	Pivotal registered clinical trial	China	
		NCT04012606	Small cell lung cancer (first-line treatment, combo with chemo)	Pivotal registered clinical trial	China	FDA ODD
		NCT04848753	Esophageal squamous cell carcinoma (perioperative treatment)	Pivotal registered clinical trial	China	
		NCT03430297	Melanoma (first-line treatment, monotherapy)	Pivotal registered clinical trial	China	
		NCT04523493	Hepatocellular carcinoma (first-line treatment, combo with lenvatinib)	Pivotal registered clinical trial	International multi-center	
		NCT04723004	Hepatocellular carcinoma (first-line treatment, combo with bevacizumab)	Pivotal registered clinical trial	International multi-center	
		NCT03859128	Hepatocellular carcinoma (postoperative adjuvant treatment)	Pivotal registered clinical trial	China	
		NCT05342194	Intrahepatic cholangiocarcinoma (first-line treatment, combo with lenvatinib and chemo)	Pivotal registered clinical trial	China	
		NCT04394975	Renal cell carcinoma (first-line treatment, combo with axitinib)	Pivotal registered clinical trial	China	
		NCT05302284	Urothelial carcinoma (first-line treatment, combo with disitamab vedotin)	Pivotal registered clinical trial	China	
		NCT05180734	Adenocarcinoma of the stomach or gastroesophageal junction (postoperative adjuvant treatment)	Pivotal registered clinical trial	International multi-center	
		/	Mucosal melanoma (combo with axitinib)		United States	FDA FTD, ODD; NMPA BTD
		NCT03474640	Sarcoma		United States	FDA ODD

R&D Pipelines Covering Various Therapeutic Areas (As of 30 March 2023)



Clinical Trials Approved by the FDA, the EMA, the MHRA

Therapeutic Areas	Name of Drug	Target	Indications	Pre Clinical	Phase I	Phase II	Phase III	NDA	Overseas Interests Partner
Oncology	Toripalimab (JS001)	PD-1	NPC, liver cancer, intrahepatic cholangiocarcinoma, esophageal cancer, head and neck squamous cell carcinoma, gastric cancer, etc.	Marketing application accepted by the FDA, the EMA, the MHRA					Coherus (United States and Canada) Hikma (20 countries in the Middle East and North Africa region) Rxilient (9 countries in Southeast Asia)
	Tifcemalimab (TAB004/JS004)	BTLA	Lung cancer, melanoma, lymphoma etc.						
	JS006 (TAB006)	TIGIT	Tumors						Coherus (United States and Canada)
	JS009 (TAB009)	CD112R/ PVRIG	Tumors						
	JS105	PI3K-α	Breast cancer, renal cell carcinoma						
	JS110	XPO1	Multiple myeloma etc.						
Anti-infection	Etesevimab (JS016)	S protein	COVID-19	EUA has been obtained in more than 15 countries and regions worldwide					Eli Lilly and Company (Except for the Greater China region)

BUSINESS REVIEW

Our Core Products

TUOYI® (toripalimab) (code: TAB001/JS001)

- Milestones and achievements of commercialization

  Our self-developed TUOYI® (toripalimab) is the first domestic anti-PD-1 monoclonal antibody successfully launched in China, addressing various malignant tumors. It was granted the "China Patent Gold Award", the highest award in the patent field nationally, and has been supported by two National Major Science and Technology Projects for "Major New Drugs Development" during the "Twelfth Five-Year Plan" and "Thirteenth Five-Year Plan" periods. As of the date of this announcement, six indications for TUOYI® have been approved in China: treatment for unresectable or metastatic melanoma after failure of standard systemic therapy (December 2018); treatment for recurrent/metastatic NPC after failure of at least two lines of prior systemic therapy (February 2021); treatment for locally advanced or metastatic UC that failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy (April 2021); first-line treatment in combination with cisplatin and gemcitabine for patients with locally recurrent or metastatic NPC (November 2021); first-line treatment in combination with paclitaxel and cisplatin for patients with unresectable locally advanced/recurrent or distant metastatic ESCC (May 2022); first-line treatment in combination with pemetrexed and platinum for patients with EGFR mutation-negative and ALK mutation-negative, unresectable, locally advanced or metastatic non-squamous NSCLC (September 2022). In addition, TUOYI® has been recommended by the Guidelines of the Chinese Society of Clinical Oncology ("**CSCO**") for the Diagnosis and Treatment of Melanoma* (《中國臨床腫瘤學會黑色素瘤診療指南》), Guidelines of CSCO for the Diagnosis and Treatment of Head and Neck Tumors* (《CSCO頭頸部腫瘤診療指南》), Guidelines of CSCO for the Diagnosis and Treatment of NPC* (《CSCO鼻咽癌診療指南》), Guidelines of CSCO for the Diagnosis and Treatment of UC* (《CSCO尿路上皮癌診療指南》), the Clinical Application Guidelines for Immune Checkpoint Inhibitors* (《CSCO免疫檢查點抑制劑臨床應用指南》), Guidelines of CSCO for the Diagnosis and Treatment of Esophageal Cancer* (《CSCO食管癌診療指南》) and others.

  With three indications being included in the NRDL, TUOYI® is the only anti-PD-1 monoclonal antibody used in the treatment of melanoma in the NRDL. As of the date of the announcement, TUOYI® has been sold in more than 4,000 medical institutions and about 2,000 specialty pharmacies and community pharmacies nationwide. The indications of TUOYI® that have been included in the NRDL, including second-line treatment of melanoma, third-line treatment of NPC and second-line treatment of UC, were entitled to supplementary reimbursement in 137 regions and cities through the urban commercial insurance across the country. The newly added three indications of first-line treatment of ESCC, first-line treatment of NPC and first-line treatment of NSCLC were entitled to supplementary reimbursement of commercial insurance in 93, 104 and 93 cities, respectively. Furthermore, TUOYI® has been successfully included in the special drug catalogues of commercial insurance in 33 regions and cities to provide patients with multi-level medical protection, thus reducing the burden on patients and benefiting more patients.

As of the end of the Reporting Period, the Company had a commercialization team with nearly 1,000 members, and the domestic sales revenue of TUOYI® reached approximately RMB736 million for the Reporting Period, representing a year-on-year increase of approximately 79%. By virtue of the improvement in commercialization capabilities and the approval and launch of two new major indications for TUOYI® during the Reporting Period, the sales of TUOYI® in China started to enter a positive cycle. With the acceleration in clinical research, more pivotal registered clinical studies on first-line treatment, perioperative treatment and postoperative adjuvant treatment of TUOYI® will gradually be completed, and more new indications will enter sNDA stage. We are fully confident about the commercialization of TUOYI® in 2023 and beyond.

- Milestones and achievements of clinical development

Over 30 clinical studies covering more than 15 indications in respect of toripalimab have been conducted in China, the United States, Southeast Asia, Europe and other regions, involving indications such as lung cancer, nasopharyngeal cancer, esophageal cancer, gastric cancer, bladder cancer, breast cancer, liver cancer, renal cancer and skin cancer. Among the pivotal registered clinical studies, the Company has actively deployed perioperative treatment/postoperative adjuvant treatment for lung cancer, liver cancer, gastric cancer, esophageal cancer and other indications in addition to the extensive layout of toripalimab for the first-line treatment of multiple tumor types, to promote the application of cancer immunotherapy in the early treatment of cancer patients.

Progress of clinical trials in China:

— In February 2022, the dosing of the first patient was completed in the Phase III clinical trial of TUOYI® in combination with standard chemotherapy as the adjuvant treatment after radical resection of gastric or esophagogastric junction adenocarcinoma (JUPITER-15 study, NCT05180734).

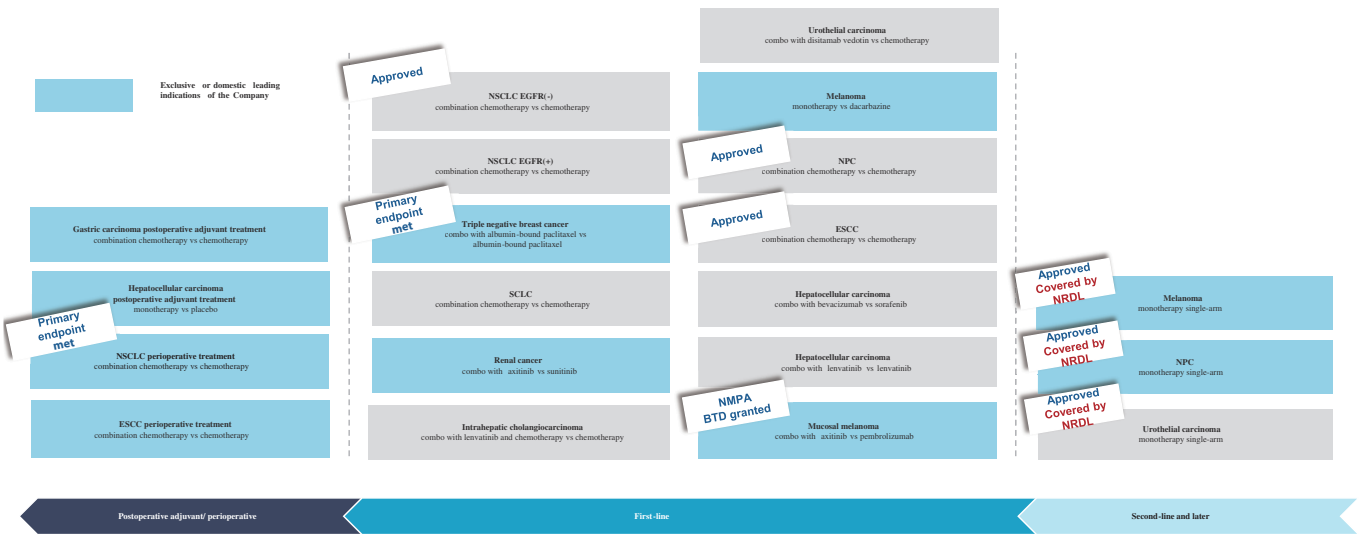
— In May 2022, the sNDA for TUOYI® in combination with paclitaxel and cisplatin in the first-line treatment of patients with unresectable locally advanced/recurrent or distant metastatic ESCC was approved by the NMPA. The study data showed that, compared with chemotherapy alone, TUOYI® in combination with platinum-containing chemotherapy showed a statistically significant increase in survival benefits, with median overall survival (mOS) significantly extended to 17 months, and extended by six months compared with the control group with chemotherapy alone. The risk of disease progression or death reduced by 42% (HR=5.8,P<0.0001), and patients benefited regardless of their PD-L1 expression. In terms of safety, no new safety signal was found when incorporating TUOYI® with chemotherapy for treatment.

- In September 2022, the sNDA for TUOYI® in combination with pemetrexed and platinum as the first-line treatment of EGFR mutation-negative and ALK mutation-negative, unresectable, locally advanced or metastatic non-squamous NSCLC was approved by the NMPA, which was the sixth indication of TUOYI® approved by the NMPA. The study data showed that, as compared to chemotherapy alone, TUOYI® in combination with chemotherapy in the first-line treatment of patients with advanced NSCLC without EGFR/ALK mutation can significantly improve the PFS and the OS of patients with a manageable safety profile regardless of PD-L1 expression status. In 245 non-squamous NSCLC patients, the median PFS of TUOYI® in combination with chemotherapy was 9.7 months, which was 4.2 months longer than placebo in combination with chemotherapy (HR = 0.48 [95% CI: 0.35-0.66], p < 0.0001); the median OS of TUOYI® in combination with chemotherapy has yet to be met, while OS benefits had already been observed, whereby the risk of death is reduced by 52% (HR=0.48 [95% CI: 0.32-0.71]).

- In January 2023, a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (Neotorch study, NCT04158440) of TUOYI® in combination with platinum-containing doublet chemotherapy as perioperative treatment for operable NSCLC patients finished the pre-specified interim analysis. The IDMC had determined that the primary endpoint of EFS had met the pre-defined efficacy boundary. The Company has submitted application for the pre-NDA communication for such indication to the NMPA.

- In February 2023, a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (TORCHLIGHT study, NCT04085276) of TUOYI® in combination with paclitaxel for injection (albumin-bound) in patients with initial diagnosis of stage IV or recurrent metastatic triple-negative breast cancer finished the pre-specified interim analysis. The IDMC had determined that the primary endpoint had met the pre-defined efficacy boundary. The Company has submitted application for the pre-NDA communication for such indication to the NMPA.

Pivotal registration clinical trial layout of Toripalimab



International progress:

- In April 2022, TUOYI® was granted orphan-drug designation by the FDA for the treatment of SCLC, the fifth FDA orphan-drug designation obtained by TUOYI®. Previously, TUOYI® was granted orphan-drug designations by the FDA for the treatment of mucosal melanoma, NPC, soft tissue sarcoma and esophageal cancer, respectively.

- In July 2022, the FDA accepted for review the resubmission of the BLA for TUOYI® in combination with gemcitabine/cisplatin for the first-line treatment of patients with advanced recurrent or metastatic NPC and toripalimab monotherapy for second-line or later treatment of recurrent or metastatic NPC after platinum-containing chemotherapy.

- In December 2022, the MAA for toripalimab in combination with cisplatin and gemcitabine for the first-line treatment of patients with locally recurrent or metastatic NPC, and toripalimab in combination with paclitaxel and cisplatin for the first-line treatment of patients with unresectable locally advanced/recurrent or metastatic ESCC was accepted by the EMA.

- In February 2023, the MAA for toripalimab combined with cisplatin and gemcitabine for the first-line treatment of patients with locally recurrent or metastatic NPC, toripalimab combined with paclitaxel and cisplatin for the first-line treatment of patients with unresectable locally advanced/recurrent or metastatic ESCC was accepted by the MHRA.

- Publication of academic achievements

  From the beginning of the Reporting Period to the date of this announcement, the milestones achieved in clinical studies of toripalimab have also been included in presentations of many international academic conferences and journals, details of which are as follows:

  — In March 2022, the results of the JUPITER-06 study were published in Cancer Cell (IF: 38.585), an authoritative academic journal of Cell Press. Research results showed that, compared with the placebo in combination with chemotherapy, toripalimab in combination with TP chemotherapy (paclitaxel and cisplatin) for the first-line treatment of patients with advanced or metastatic ESCC can significantly improve the PFS and the OS of patients, and regardless of their PD-L1 expression, the combination regimen was effective and significantly improved the objective response rate and the disease control rate with manageable safety, offering a new first-line treatment regimen for the treatment of advanced ESCC.

  — In March 2022, the latest data from the CHOICE-01 study was published by way of oral presentations at the ASCO Plenary Series 2022. The updated data further confirmed that compared with chemotherapy alone, toripalimab in combination with chemotherapy for the first-line treatment of advanced NSCLC without EGFR/ALK mutation can significantly extend the median PFS and reduce the risk of disease progression by 51%, which can also significantly extend the OS and reduce the risk of death by 31%, showing significant survival benefits.

  — In April 2022, at the 113th annual meeting of the American Association for Cancer Research (AACR), the analysis results of the study endpoint (namely progression free survival and median overall survival) of Phase III clinical research of toripalimab in combination with chemotherapy for first-line treatment of recurrent or metastatic NPC (RM NPC) versus placebo (JUPITER-02 study) were updated and presented by way of poster presentations (No.: CT226). Research results showed that, compared with the placebo in combination with chemotherapy group, the median PFS of toripalimab in combination with chemotherapy group was significantly extended, which was 21.4 months and 8.2 months, respectively, extended by 13.2 months. Toripalimab in combination with chemotherapy could reduce the risk of disease progression or death by 48%.

- In May 2022, The Innovation, a Cell Press partner journal, released the results of a Phase II clinical study of toripalimab in combination with chemotherapy for the first-line treatment of biliary tract cancer (BTCs).

- In June 2022, more than 30 researches in relation to toripalimab were selected at the annual meeting of the ASCO, particularly the use of toripalimab in combination with standard therapy or "new target" drugs, with numerous highlights regarding the promotion of its applications from backline to first-line treatment or even perioperative treatment/postoperative adjuvant treatment.

- In July 2022, the latest results of a Phase II clinical trial of toripalimab versus high-dose interferon-α2b (HDI) as an adjuvant therapy for resected mucosal melanoma (MuM) were published online in Annals of Oncology (IF: 51.769). Research results showed that the relapse-free survival (RFS) of toripalimab adjuvant therapy was similar to that of HDI therapy, and in patients with positive PD-L1 expression, toripalimab adjuvant therapy was significantly better than HDI therapy; and in terms of safety, toripalimab adjuvant therapy had better safety and tolerability, suggesting that toripalimab may be a new option for postoperative adjuvant therapy for MuM.

- In September 2022, the two-year EFS data of the clinical trial of toripalimab in combination with chemotherapy as a neoadjuvant treatment for resectable stage III NSCLC (NeoTAP01 study) was updated at the 2022 annual meeting of the European Society for Medical Oncology (ESMO), further demonstrating the long-term survival benefits of toripalimab in combination with chemotherapy as a neoadjuvant treatment for NSCLC.

- In October 2022, the study results of toripalimab in combination with chemotherapy as a neoadjuvant treatment for resectable locally advanced head and neck squamous cell carcinoma (HNSCC) were published in the Journal of Experimental & Clinical Cancer Research (IF: 12.658).

- In December 2022, the ESMO Immuno-Oncology Congress (ESMO-IO) was held in Geneva, Switzerland. The data of four Phase I/II studies of toripalimab in lung cancer was presented at the congress, involving multiple combination therapy strategies, all of which were presented by way of poster presentations.

- In December 2022, a research paper entitled "Clinical Benefit of First-Line Programmed Death-1 Antibody Plus Chemotherapy in Low Programmed Cell Death Ligand 1-Expressing Esophageal Squamous Cell Carcinoma: A Post Hoc Analysis of JUPITER-06 and Meta-Analysis" was published in ASCO's publication Journal of Clinical Oncology (IF: 50.739). The research results showed that in the first-line treatment of advanced ESCC, the efficacy of PD-1 monoclonal antibody in combination with chemotherapy in the population with low PD-L1 expression was still significantly better than that of chemotherapy alone, adding novel and strong evidence for the use of combination therapy in patients with ESCC with low PD-L1 expression.

- In March 2023, the results of a single-center, single-arm Phase II clinical study on the efficacy and safety of toripalimab in combination with GEMOX and lenvatinib for the treatment of unresectable intrahepatic cholangiocarcinoma were published in *Signal Transduction and Targeted Therapy* (*STTT*, IF: 38.104), a journal of Nature.

MINDEWEI (Deuremidevir Hydrobromide Tablets) (code: JT001/VV116)

MINDEWEI is a new oral nucleoside analog antiviral drug, which can be non-covalently bound to the active center of RdRp of SARS-CoV-2 in the form of nucleoside triphosphate, directly inhibiting the activity of RdRp of the virus and blocking the replication of virus, thus realizing the antiviral effect. Preclinical studies have shown that MINDEWEI exhibited significant antiviral effects against both the original COVID-19 strain and mutant strains, including Omicron, and exhibited no genetic toxicity. MINDEWEI was jointly developed by Shanghai Institute of Materia Medica, Chinese Academy of Sciences* (中國科學院上海藥物研究所), Wuhan Institute of Virology, Chinese Academy of Sciences* (中國科學院武漢病毒研究所), Xinjiang Technical Institute of Physics and Chemistry, Chinese Academy of Sciences* (中國科學院新疆理化技術研究所), Central Asian Center of Drug Discovery and Development of Chinese Academy of Sciences* (中國科學院中亞藥物研發中心)/China-Uzbekistan Medicine Technical Park (the Belt and Road Joint Laboratory of the Ministry of Science and Technology)* (中烏醫藥科技城(科技部"一帶一路"聯合實驗室)), Lingang Laboratory* (臨港實驗室), Suzhou Vigonvita Biomedical Co., Ltd.* (蘇州旺山旺水生物醫藥有限公司) and the Company.

On 29 December 2022, the results of a Phase III clinical study (NCT05341609) of VV116(MINDEWEI) versus nirmatrelvir tablet/ritonavir tablet (namely PAXLOVID) for the early treatment of patients with mild to moderate COVID-19 who are at high risk for progression to severe COVID-19, including death, were published online in the global authoritative journal The New England Journal of Medicine (NEJM, IF: 176.082). It is the first time that NEJM published the clinical trial results of a Chinese-developed anti-SARS-CoV-2 drug. The results showed that the primary endpoint of the study met the designed non-inferiority endpoint, and that compared with the PAXLOVID group, the clinical recovery time of the MINDEWEI group was shorter, and MINDEWEI showed fewer safety concerns.

On 28 January 2023, the marketing of MINDEWEI for the treatment of adult patients with mild to moderate COVID-19 has been conditionally approved by the NMPA. This approval was mainly based on a multi-center, double-blind, randomized, placebo-controlled phase III clinical study (NCT05582629) to evaluate the efficacy and safety of MINDEWEI among mild to moderate COVID-19 patients with or without high risk for progression to severe COVID-19 led by academician Li Lanjuan (李蘭娟), director of the State Key Laboratory for Diagnosis & Treatment of Infectious Diseases (Zhejiang University)* (浙江大學傳染病診治國家重點實驗室) as primary researcher. The primary endpoint of the study was the time from the first administration to sustained clinical symptoms resolution, while the secondary endpoints included time to sustained clinical symptoms alleviation, proportion of patients with disease progression through day 28, changes of SARS-CoV-2 nucleic acid and viral load, and safety, etc. The study results showed that, as of the data cut-off date of the interim analysis, among 1,277 randomized and treated subjects, compared with placebo, the primary endpoint from the first administration to sustained clinical symptoms resolution (the score of 11 COVID-19 related clinical symptom =0 and lasted for two days) of MINDEWEI was significantly shortened, the median time difference was two days; the time to sustained clinical symptoms alleviation was significantly shortened, the change of viral load from baseline and other virological indicators were better than those of the placebo group. The Company is hoping to provide better and safer treatment options for COVID-19 patients in China and around the world with this new therapy.

Tifcemalimab (code: TAB004/JS004)

Tifcemalimab is the world's first-in-human recombinant humanized anti-tumor anti-BTLA monoclonal antibody specific to B- and T-lymphocyte attenuator (BTLA) independently developed by us that has commenced clinical trial. As of the date of this announcement, tifcemalimab was at the dose-expansion stage in Phase Ib/II. We are conducting combination trials of tifcemalimab and toripalimab against multiple types of tumors in China and the United States. We believe that the combination of the two is a promising antitumor treatment strategy, which is expected to increase patients' response to immunotherapy and expand the range of potential beneficiaries. As of the date of this announcement, there is no other publicly disclosed anti-tumor product with the same target that has entered the clinical trial stage domestically and abroad.

At the annual meeting of the ASCO 2022, tifcemalimab debuted its early clinical results for the treatment of lymphoma and solid tumors by way of poster presentations. As a first-in-class drug, the initial data release of tifcemalimab was an important milestone event for BTLA-targeted drugs in the field of oncology. In a single-arm, open-label, multi-center, dose escalation Phase I study (NCT04477772) with Professor Zhu Jun from Peking University Cancer Hospital* (北京大學腫瘤醫院) and Professor Ma Jun from Harbin Institute of Hematology Oncology* (哈爾濱血液病腫瘤研究所) as the principal investigators, the safety and efficacy of tifcemalimab monotherapy or tifcemalimab in combination with toripalimab for the treatment of patients with relapsed or refractory (R/R) lymphoma was evaluated in human bodies for the first time. The research enrolled a total of 31 R/R patients (15 patients of Hodgkin's lymphoma and 16 patients of non-Hodgkin's lymphoma) who have previously received multiple lines of therapy. The median line of therapy was 4 (ranging from 1~10). 61.3% (19 patients) of patients previously received anti-PD-1/L1 antibody therapy. Research results showed that, among 25 patients available for evaluation under monotherapy, partial response (PR) was observed in one patient and stable disease (SD) was observed in seven patients, while among six patients available for evaluation under combination therapy (who have all progressed following anti-PD-1 antibody therapy), PR (ORR 50%) was observed in three patients and SD was observed in one patient. As of 26 April 2022 (median follow-up time of 31.9 weeks), the research recorded no dose-limiting toxicities (DLT). In the opinion of the researchers, tifcemalimab monotherapy or tifcemalimab in combination with toripalimab for the treatment of patients with R/R lymphoma showed good tolerability and demonstrated initial clinical efficacy. Preliminary biomarker analysis suggested that HVEM and PD-L1 expression may be associated with good clinical response. Tifcemalimab in combination with toripalimab for the treatment of R/R lymphoma is worthy of further development. Research in relation to the dose expansion phase under the combination therapy is currently underway.

At the annual meeting of the 64th American Society of Hematology (ASH) in 2022, tifcemalimab updated its preliminary data of Phase I clinical trial in patients with relapsed or refractory lymphoma. Among the 28 evaluable patients with relapsed or refractory lymphoma who received tifcemalimab in combination with toripalimab, although 85% of the patients progressed upon prior anti-PD-1 antiobody therapy, an ORR of 39.3% and a DCR of 85.7% were achieved, and the median duration of response (DoR) of all patients achieving response in such group remained immature.

The Company is communicating with the FDA and the NMPA on the launch of registrational clinical trials for tifcemalimab. If approved by regulatory authorities, the Company plans to conduct Phase III registrational clinical study for tifcemalimab in 2023.

Other Products That Have Been Commercialized or Are in the Late Clinical Stage R&D

JUNMAIKANG (君邁康®) (adalimumab) (code: UBP1211)

JUNMAIKANG® is an adalimumab jointly developed by us, Mabwell Bio and its subsidiaries. As our third commercialized product, JUNMAIKANG® has received support from the national "Major New Drug Development", a major scientific and technological project, during the "Twelfth Five-Year Plan", which would bring new treatment options for Chinese patients at large with autoimmune disease after its launch. In March 2022, the marketing of JUNMAIKANG® for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis was approved by the NMPA, with the first prescription issued in May 2022. In November 2022, the supplemental application for five additional indications of JUNMAIKANG® for the treatment of Crohn's disease, uveitis, polyarticular juvenile idiopathic arthritis, pediatric plaque psoriasis and pediatric Crohn's disease was approved by the NMPA.

Ongericimab (code: JS002)

Ongericimab is a recombinant humanized anti-PCSK9 monoclonal antibody independently developed by us for the treatment of primary hypercholesterolemia and mixed hyperlipidemia. In February 2023, both major pivotal registered clinical studies (study nos.: JS002-003 and JS002-006) of ongericimab had been successfully completed and met the primary endpoints, of which JS002-003 study is to assess the efficacy and safety of subcutaneous injection of ongericimab for the treatment of patients with primary hypercholesterolemia and mixed hyperlipidemia, and JS002-006 study is to assess the efficacy and safety of subcutaneous injection by using two drug delivery systems (pre-filled syringes and pre-filled autosyringes) of ongericimab for the treatment of patients with primary hypercholesterolemia and mixed hyperlipidemia. Ongericimab showed obvious lipid-lowering efficacy in both studies, with good safety. In addition, we had completed Phase II clinical studies in patients with homozygous familial hypercholesterolemia. The enrollment of patients for Phase III clinical studies of heterozygous familial hypercholesterolemia has been completed. As of the date of this announcement, there are two imported anti-PCSK9 monoclonal antibodies approved for marketing in China and there is no domestic anti-PCSK9 monoclonal antibody approved for marketing. We plan to submit an NDA application for such product to the NMPA in 2023.

PARP inhibitor senaparib (code: JS109)

Senaparib is a novel agent targeting PARP (poly-ADP ribose polymerase) developed by IMPACT Therapeutics. In August 2020, the Company and IMPACT Therapeutics entered into an agreement to form a joint venture company. The joint venture company mainly engages in the R&D and commercialization of small molecule anti-tumor drugs including senaparib. IMPACT Therapeutics contributes by way of injection of the asset right of senaparib, the PARP inhibitor, within the territories of mainland China, Hong Kong and Macau. The Company and IMPACT Therapeutics each owns 50% equity interest (please refer to the Company's announcements dated 20 August 2020 and 26 August 2020 for further details). The patient enrollment of Phase III clinical study of senaparib as the first-line maintenance treatment in platinum-sensitive advanced ovarian cancer patients has been completed, and is awaiting clinical data evaluation. In August 2022, the fixed-dose combination capsules of senaparib and temozolomide for the treatment of adult patients with SCLC was granted orphan-drug designation by the FDA. If the aforementioned Phase III clinical study of the product meets the pre-defined endpoints, we and IMPACT Therapeutics plan to submit an NDA application for such product to the NMPA in 2023.

Recombinant humanized anti-IL-17A monoclonal antibody (code: JS005)

JS005 is a specific anti-IL-17A monoclonal antibody developed independently by us. In preclinical studies, JS005 has shown efficacy and safety comparable to those of anti-IL-17 monoclonal antibodies that have been marketed. Data from preclinical study fully shows that JS005 has a clear target, definite efficacy, good safety, stable production process, and controllable product quality. As of the date of this announcement, the Phase I clinical study of JS005 has completed. The Phase II clinical trial on non-radiographic axial spondyloarthritis is in progress. The two Phase II clinical trials on moderate to severe psoriasis and ankylosing spondylitis have completed unblinding after a database lock, the efficacy results of which reached expectations with good safety. We have started the communication for registrational clinical trials, and the Phase III registrational clinical study is about to commence.

Other Products in the Early Clinical Stage of R&D and Are Planned to Be Prioritized

Recombinant humanized anti-TIGIT monoclonal antibody (code: TAB006/JS006)

TAB006/JS006 is a recombinant humanized anti-TIGIT monoclonal antibody developed independently by us. According to the results of pre-clinical studies, TAB006/JS006 can specifically block TIGIT-PVR inhibitory pathway, stimulate the activation of killing immune cells to secrete tumor killing factors. TIGIT (T cell immunoglobulin and ITIM domain) is an emerging inhibitory receptor shared by NK cells and T cells, which can bind to PVR receptors highly expressed on tumor cells to mediate inhibitory signals of immune responses, thereby directly inhibit the killing effect of NK cells and T cells on tumor cells. The effect is similar to the inhibitory effect of PD-1 on T cells. A number of pre-clinical trial results show that anti-TIGIT antibody and anti-PD-1/PD-L1 antibody can play a synergistic antitumor effect. As of the date of this announcement, there is no product with similar targets approved for marketing domestically and overseas. In January 2021, TAB006/JS006 received IND approval from the NMPA. In February 2021, TAB006/JS006 received IND approval from the FDA. The Company has completed the Phase I clinical trial of TAB006/JS006 in China, and commenced the Phase II clinical trial of TAB006/JS006 in combination with toripalimab and standard treatment in accordance with relevant regulations.

Recombinant humanized anti-CTLA-4 monoclonal antibody (code: JS007)

JS007 is a recombinant humanized anti-CTLA-4 monoclonal antibody developed independently by us that is mainly used for the treatment of advanced cancer. Cytotoxic T lymphocyte-associated antigen-4 (CTLA-4) is an important receptor for T cell surface modulates immune response. JS007 is able to bind to CTLA-4 specifically and block the interaction between CTLA-4 and its ligand B7 (CD80 or CD86) effectively, thereby activates T-lymphocyte and inhibits the growth of tumor. Currently, ipilimumab, a marketed drug with the same target overseas, as the first immunity checkpoint inhibitor, has been proved to have significant tumor suppressor effect in multiple tumor types including melanoma, lymphoma, renal cell cancer, UC, ovarian cancer and NSCLC, and has been approved for the treatment of advanced melanoma. According to the data of pre-clinical studies, compared with ipilimumab with the same target but different sequence, JS007 shows similar level of safety but better efficacy. In June 2021, the clinical trial application for JS007 was approved by the NMPA. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS007 is currently underway.

Recombinant humanized anti-CD112R monoclonal antibody (code: TAB009/JS009)

TAB009/JS009 is a recombinant humanized monoclonal antibody against CD112R developed independently by us for the treatment of advanced malignant tumors. CD112R, also known as PVRIG (poliovirus receptor-related immunoglobulin domain-containing protein), is a new immune checkpoint pathway discovered by us. Dr. Yao Sheng, an executive Director, deputy general manager and core technical personnel of the Company, is one of the discoverers of this novel pathway. CD112R is a single-pass transmembrane protein of the PVR family, mainly expressed on T cells and NK cells, and is significantly upregulated upon activation. CD112R and TIGIT share a common ligand, CD112, which is expressed on the surface of antigen-presenting cells and certain tumor cells. CD112R can inhibit the antitumor effect of T cells and NK cells after ligand engagement. TAB009/JS009 binds specifically to CD112R with high affinity and effectively blocks the interaction between CD112R and its ligand CD112, thereby facilitating the activation and proliferation of T cells and NK cells and enhancing the immune system's ability to kill tumor cells. TIGIT is another immunosuppressive target of the PVR family. Its ligands include PVR and CD112, and its binding site for CD112 is different from that of CD112R. TAB009/JS009 in combination with the anti-TIGIT monoclonal antibody injection (TAB006/JS006) developed independently by us as well as toripalimab is expected to further increase T cell activation and improve the efficacy of clinical treatment. According to the results of pre-clinical studies, CD112R inhibitor in combination with TIGIT inhibitor and PD-1 inhibitor can further increase T cell activation and improve the efficacy of clinical treatment. We plan to actively explore drug combinations in the future to maximize the synergistic anti-tumor potential of our self-developed products. As of the date of this announcement, no product targeting CD112R has been approved for marketing domestically and globally. In April 2022 and August 2022, the IND application for TAB009/JS009 was approved by the FDA and the NMPA, respectively. The Company will commence the Phase I clinical trial of TAB009/JS009 in China and Australia in accordance with relevant regulations.

Recombinant IL-21 – a nanobody fusion protein of anti-human serum albumin (HSA) (code: JS014)

The active ingredient of JS014 is recombinant IL-21 – a nanobody fusion protein of anti-human serum albumin (HSA), of which the half-life can be significantly prolonged through fusing anti HSA nanobodies. JS014 is able to specifically combine human IL-21R with high affinity and activate T-lymphocyte. The prolongation of half-life can expand the distribution of the drug in the tumor microenvironment, and enhance the activity of tumor infiltrating lymphocytes in the tumor microenvironment, thereby improving the ability of immune system to kill tumor cells. In addition, the use of JS014 and immune checkpoint monoclonal antibodies jointly shows a strong synergistic antitumor effect. In June 2019, the Company executed a license agreement with Anwita Biosciences, Inc. We received the entitlement to develop and commercialize IL-21 fusion protein JS014 in the greater China territories (including mainland China, the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region). In August 2021, the IND application for JS014 was approved by the NMPA. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS014 is currently underway.

Recombinant humanized anti-DKK1 monoclonal antibody injection (code: JS015)

JS015 is a recombinant humanized anti-DKK1 monoclonal antibody injection developed independently by the Company that is mainly used for the treatment of advanced malignant solid tumor. DKK1 (Dickkopf-1) is a secreted protein of the DKK family, which is highly expressed in multiple gastric cancer, gastroesophageal junction cancer, myeloma, liver cancer, lung cancer, ovarian cancer and other tumor cells, and can inhibit the canonical Wnt signaling pathway through negative feedback signals. JS015 binds to human DKK1 with high affinity, and can effectively block the interaction between DKK1 and its ligand LRP5/6 and activate the Wnt signaling pathway. At the same time, JS015 can inhibit the immunosuppressive effect of DKK1 in the tumor microenvironment, thereby improving the ability of immune system to kill tumor cells. The pre-clinical in vivo pharmacodynamics showed that JS015 monotherapy, JS015 in combination with TUOYI®, or in combination with paclitaxel, exhibit significant anti-tumor effect. In addition, JS015 is well-tolerated by animals. As of the date of this announcement, there is no product with similar targets approved for marketing domestically and overseas. In October 2022, the IND application for JS015 was approved by the NMPA. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS015 is currently underway.

PI3K-α inhibitor (code: JS105)

JS105 is an oral small molecule inhibitor targeting PI3K-α jointly developed by us and Risen Biosciences, and is primarily used in the treatment of female (postmenopausal) and male patients with HR positive, HER-2 negative, PIK3CA-mutated advanced breast cancer who are experiencing disease progression during or after treatment with endocrine-based regimens. Pre-clinical studies have shown that JS105 is effective in animal models of breast cancer, and has better efficacy for patients with other solid tumors such as cervical cancer, renal cancer, colorectal cancer and esophageal cancer. JS105 has also demonstrated good safety. As of the date of this announcement, there is only one PI3K-α inhibitor, Piqray® (Alpelisib, a product of Novartis), approved for the treatment of HR-positive, HER-2-negative, PIK3CA-mutated advanced breast cancer in the world, and no PI3K-α inhibitor has been approved for marketing in China. In May 2022 and July 2022, the IND application for JS105 was approved by the NMPA and the FDA, respectively. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS105 is currently underway.

Recombinant humanized anti-Claudin18.2 monoclonal antibody-MMAE conjugate (code: JS107)

JS107 is a recombinant humanized anti-Claudin18.2 monoclonal antibody-MMAE (Monomethyl auristatin-E) conjugate for injection developed independently by the Company. It is an antibody-drug conjugate (ADCs) targeting tumor-related protein Claudin18.2, and is intended to be used for the treatment of advanced malignant tumors, such as gastric cancer and pancreatic cancer. JS107 can bind to Claudin18.2 on the surface of tumor cells, enter into tumor cells through endocytosis, and release the small molecule toxin MMAE, which has demonstrated strong lethality to tumor cells. JS107 also retained antibody-dependent cellular cytotoxicity (ADCC) and complement dependent cytotoxicity (CDC) effects, further killing tumor cells. Furthermore, due to the cell permeability of MMAE, JS107 can mediate indiscriminate killing of other tumor cells by way of its bystander effect, thereby improving the efficacy of treatment and inhibiting tumor recurrence. The pre-clinical in vivo pharmacodynamics showed that JS107 exhibits significant anti-tumor effect. As of the date of this announcement, there is no product with similar target approved for marketing domestically and overseas. In March 2022, the IND application for JS107 was approved by the NMPA. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS107 is currently underway.

XPO1 inhibitor (code: JS110)

JS110 is a small molecule inhibitor of the nuclear export protein XPO1, which is clinically intended to treat patients with advanced tumors. According to the results of pre-clinical studies, JS110 specifically blocks the function of XPO1, inhibits the nuclear export of various tumor suppressor proteins including p53, and strengthens the functions of tumor suppressor proteins. JS110 inhibits the growth and induces death of various tumor cells in vitro. In animal tumor models, JS110 monotherapy or combination therapy can inhibit the growth of various blood and solid tumors. Due to its unique mechanism of action, the development of JS110 is expected to bring new treatments to patients with advanced tumors. In April 2021 and August 2022, the IND application for JS110 was approved by the NMPA and the FDA. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS110 is currently underway.

EGFR exon20 insertion and other uncommon mutation inhibitor (code: JS111)

JS111 is a small molecule inhibitor that effectively inhibits uncommon EGFR mutations. The uncommon EGFR mutations account for about 10% of all EGFR mutations, including EGFR exon20 insertion, T790M point mutation and complex mutations, as well as sequence repeat mutations and other point mutations between exon 18 and 21 represented by G719X. Due to the limited clinical benefits from existing EGFR-TKI, chemotherapy and immunotherapy for patients with EGFR exon20 insertion or other uncommon EGFR mutations in NSCLC, patients have urgent demand for clinical treatments. Pre-clinical data showed that JS111 maintains the activity of inhibition for the common EGFR mutations such as T790M and selection of wild-type EGFR, while overcoming the insensitivity of the third-generation EGFR inhibitor for exon20 insertion and other uncommon EGFR mutations. The development of JS111 is expected to bring new treatments for cancer patients with EGFR exon20 insertion mutation and other uncommon EGFR mutations. In April 2021, the clinical trial application for JS111 was approved by the NMPA. As of the date of this announcement, the Phase I/II clinical trial of JS111 (NCT04993391) is in progress. The study aims to evaluate the safety, tolerability, pharmacokinetics and preliminary efficacy of JS111 in the treatment of patients with locally advanced or metastatic NSCLC in the dose escalation stage, dose expansion stage and efficacy expansion stage.

Aurora A inhibitor (code: JS112)

JS112 is an oral small molecule Aurora A inhibitor. As a member of serine/threonine protein kinases in the Aurora kinase family, Aurora A plays an important role in the process of cell mitosis. Studies show that the use of Aurora A inhibitor in combination with $KRAS^{G12C}$ inhibitor can overcome resistance to $KRAS^{G12C}$ inhibitor, and Aurora A inhibitor and RB1 gene deletion or inactivation have a synthetic lethal effect, and can be used to treat RB1-deleted or inactivated malignant tumors, such as SCLC and triple negative breast cancer. As of the date of this announcement, no Aurora A inhibitor has been approved for marketing globally. In February 2022, the IND application for JS112 was approved by the NMPA. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS112 is currently underway.

Fourth-Generation EGFR inhibitor (code: JS113)

JS113 is a first-in-class fourth-generation EGFR inhibitor and is intended for the treatment of EGFR-mutant NSCLC and other solid tumors. JS113 has a brand new molecular structure and unique bioactivity. Preclinical data shows that the drug has good inhibitory activity towards primary and acquired EGFR mutants (including the triple mutants Del19/T790M/C797S and L858R/T790M/C797S) that are insensitive to third-generation EGFR inhibitors, and certain alternative pathway targets and immunosuppressive targets that are resistant to TKI. At the same time, it is highly selective against wild-type EGFR. In June 2022, the IND application for JS113 was approved by the NMPA. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS113 is currently underway.

Recombinant humanized anti-CD20/CD3 bispecific antibody (code: JS203)

JS203 is a recombinant humanized anti-CD20/CD3 bispecific antibody self-developed by the Company, mainly for the treatment of relapsed/refractory B-cell non-hodgkin lymphoma. CD20 is a B lymphocyte restricted differentiation antigen and one of the most successful targets for B-cell lymphoma treatment. CD3 is an important marker on the surface of T cell. The main mechanism of T cell engaging bispecific antibodies is using CD3 as a mediator to activate T cells to specifically attack tumor cells. JS203 consists of anti-CD20 segment and anti-CD3 segment. By associating and activating T cells (binding to CD3) and lymphoma cells (binding to CD20), JS203 can enable T cells to kill lymphoma cells effectively. Pre-clinical in vivo pharmacodynamics shows that JS203 has a significant anti-tumor effect. In addition, JS203 is well tolerated by animals. As of the date of this announcement, there is only one anti-CD20/CD3 bispecific antibody, Lunsumio® (mosunetuzumab, a product of Roche), has been approved for launch by the FDA and granted conditional marketing authorization by the European Commission. No product with similar target has been approved for marketing in China. In July 2022, the IND application for JS203 was approved by the NMPA. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS203 is currently underway.

JS001sc injection (code: JS001sc)

JS001sc injection is a subcutaneous injection formulation developed by the Company on the basis of toripalimab injection, a marketed product. JS001sc targets PD-1, binds to PD-1 with high affinity, and selectively blocks the binding of PD-1 to the ligands PD-L1 and PD-L2, thereby activating T lymphocytes and improving lymphocyte proliferation and cytokine secretion. The pre-clinical in vivo pharmacodynamics shows that JS001sc exhibits significant anti-tumor effect in animal models by subcutaneous injection. At the dose level of 0.3mg/kg, the anti-tumor effect of JS001sc administered by subcutaneous injection is comparable to that of toripalimab administered by intravenous injection, with no significant difference. In addition, animals have a good tolerance to JS001sc. With the gradual popularization of the concept of "chronic care management" in tumor immunotherapy, compared to frequent visits to the hospital for intravenous injection, subcutaneous injection with less time administration has become more attractive. At the same time, subcutaneous injection can avoid infusion-related adverse reactions caused by intravenous injection, so as to benefit the patients and reduce medical costs. As of the date of this announcement, amongst more than ten PD-(L)1 antibodies that have been approved worldwide, only Envafolimab (trade name: ENWEIDA®) is administered by subcutaneous injection, the rest are all administered by intravenous injection. As of the date of this announcement, the enrollment of the Phase I clinical trial of JS001sc is currently underway.

Small interfering RNA drug targeting angiopoietin-like protein 3 messenger RNA (code: JS401)

JS401 is a siRNA drug targeting ANGPTL3 mRNA jointly developed by us and Risen Shanghai, which is intended to be mainly used for the treatment of hyperlipidemia and other treatments. ANGPTL3 is a member of the angiopoietin-like protein family expressed by the liver that regulates lipid metabolism by inhibiting lipoprotein lipase (LPL) and endothelial lipase (EL). Loss-of-function or inhibition of ANGPTL3 can significantly reduce the levels of triglycerides and other atherogenic lipoproteins. JS401 is delivered into hepatocytes through N-acetylgalactosamine (GalNac), where it specifically degrades ANGPTL3 mRNA and continuously inhibits the expression of ANGPTL3 protein, thereby exerting its lipid-lowering effect on triglycerides and cholesterol. As of the date of this announcement, there is only one monoclonal antibody drug Evkeeza® (Evinacumab-dgnb) targeting ANGPTL3 approved in the world, and no similar target siRNA product has been approved for marketing globally. In January 2023, the IND application for JS401 was accepted by the NMPA.

Other Corporate Development

- As of the end of the Reporting Period, the Group owned 121 granted patents, of which 94 were domestic patents and 27 were overseas patents. These patents cover the molecular structure, preparation process, usage, preparation formula of new drugs, providing sufficient and long-life-cycle patent protection for our products.

- In December 2022, we completed the issuance of 70 million new A Shares to 17 target subscribers at an issue price of RMB53.95 per Share. The gross proceeds amounted to RMB3,776.50 million, which will be used for R&D projects of innovative drugs and Shanghai Junshi Biotech headquarters and R&D base project. The investment in the R&D project of innovative drugs will provide necessary funding support for promoting the R&D progress of drug candidates and enriching their R&D pipeline. The construction of global headquarters and R&D base will help integrate the Company's preclinical research laboratories and clinical research teams that are relatively scattered in Shanghai, thereby providing far superior R&D environment and conditions for the R&D team to carry out drug discovery, development and clinical research, and adapt to the trend of international development. Through the implementation of the projects, we will further accelerate the R&D process of our drug candidates, further expand the R&D pipeline of our drug candidates, and further strengthen our principal operations.

FUTURE AND OUTLOOK

With strong R&D capabilities, we are at the forefront of medical innovation. In respect of R&D of drugs, with the focus on the development of macromolecular drugs, we will continue to track and conduct exploratory research on potential targets suitable for the development of macromolecular drugs on the basis of accelerating the R&D and commercialization progress of pipelines. Meanwhile, we will invest appropriate resources in the field of small molecule R&D to explore and develop new drug targets. Based on independent R&D, we will further expand the product pipeline through licensing and other methods to stay on the front line of R&D of innovative drugs. As for production, we plan to further increase the fermentation capacity of macromolecular drugs and explore new production processes to further improve the competitiveness of our production costs. In respect of commercialization, we will continue to improve the establishment of our marketing and commercialization teams while carrying out commercial cooperation with outstanding pharmaceutical companies in global arena to continuously expand our international business layout. The Company is committed to becoming an innovative biopharmaceutical company with global competitiveness, integrating R&D, production and commercialization, and benefiting patients with world-class and trustworthy biological drugs with original innovation.

Financial Review

1. Revenue

As at 31 December 2022, total revenue reached approximately RMB1,453 million, representing a year-on-year decrease of approximately 64% compared to the corresponding period in 2021, which includes: (i) revenue from pharmaceutical products of approximately RMB753 million, increased by approximately 76% compared to the corresponding period in 2021, which was mainly due to the increase in commercialization capability and approval and launch of two additional large indications for TUOYI®; and (ii) revenue from out-licensing of approximately RMB476 million, decreased by approximately 86% compared to the corresponding period in 2021, which was mainly due to (a) all milestones events agreed upon in the research collaboration and license agreement entered into between the Company and Eli Lilly and Company have been completed in 2021 and the decrease of sales-based royalty compared to the corresponding period in 2021; and (b) the upfront payment agreed upon in the exclusive license and commercialization agreement entered into with Coherus was an one-off revenue and was recognized in 2021. Only the revenue of exercising the option of TAB006/JS006 program was recognized during the Reporting Period, and subsequent milestones events have not been attained.

2. R&D Expenses

R&D expenses mainly include clinical research and technical service expenses, staff salary and welfare, depreciation and amortization, share-based payment expenses and other operating expenses.

During the Reporting Period, R&D expenses were approximately RMB2,384 million, which increased by approximately RMB315 million as compared to the corresponding period in 2021, representing a year-on-year increase of approximately 15%. R&D expenses included clinical research and technical service expenses of approximately RMB1,705 million, staff salary and welfare expenses of approximately RMB462 million, depreciation and amortization expenses of approximately RMB115 million, share-based payment expenses of approximately RMB49 million and other operating expenses of approximately RMB53 million. In particular, clinical research and technical service expenses, staff salary and welfare expenses and depreciation and amortization expenses increased by approximately 16%, 13% and 43%, while share-based payment expenses and other operating expenses decreased by approximately 9% and 10% as compared to the corresponding period in 2021, respectively.

The increase in R&D expenses was mainly due to (i) the Group continuously increasing its investment in R&D and enriching its product pipelines; (ii) the acceleration in the progress of current clinical project and development of reserved R&D projects; and (iii) reserve of the R&D team.

3. Selling and Distribution Expenses

Selling and distribution expenses mainly include staff salary and welfare, expenses for marketing and promotion activities, share-based payment expenses and other operating expenses.

During the Reporting Period, selling and distribution expenses amounted to approximately RMB716 million, which decreased by approximately RMB19 million as compared to the corresponding period in 2021, representing a year-on-year decrease of approximately 3%. Selling and distribution expenses included staff salary and welfare expenses of approximately RMB399 million, expenses for marketing and promotion activities of approximately RMB288 million, share-based payment expenses of approximately RMB4 million and other operating expenses of approximately RMB25 million. In particular, staff salary and welfare expenses increased by approximately 18%, while expenses for marketing and promotion activities, share-based payment expenses and other operating expenses decreased by approximately 17%, 73% and 32% as compared to the corresponding period in 2021, respectively. The decrease in selling and distribution expenses was mainly due to (i) the effective implementation of cost control policy which led to the decrease of promotion expenses; (ii) decreased share-based compensation; but (iii) partially offset by the increase of staff salary and welfare expenses of sales team.

4. Administrative expenses

Administrative expenses mainly include administrative staff cost, office administration expenses, depreciation and amortization, share-based payment expenses and other miscellaneous expenses.

During the Reporting Period, administrative expenses amounted to approximately RMB578 million, which decreased by approximately RMB70 million as compared with the corresponding period in 2021, representing a year-on-year decrease of approximately 11%. Administrative expenses included: administrative staff cost of approximately RMB264 million, depreciation and amortization expenses of approximately RMB115 million, office administration expenses of approximately RMB97 million, share-based payment expenses of approximately RMB29 million and other miscellaneous expenses of approximately RMB73 million. In particular, office administration expenses and share-based payment expenses decreased by approximately 18% and 71%, while administrative staff cost, depreciation and amortization expenses and other miscellaneous expenses increased by approximately 5%, 6% and 4% as compared with the corresponding period in 2021, respectively. The significant decrease in administrative expenses in 2022 was mainly due to (i) the effective implementation of cost control policy; and (ii) decresed share-based compensation.

5. Liquidity and Capital Resources

As at 31 December 2022, bank balances and cash increased to approximately RMB5,997 million from approximately RMB3,505 million as at 31 December 2021. The increase in bank balances and cash mainly came from (i) the successful issuance of the Company's new A Shares; (ii) new bank borrowings; but (iii) partially offset by net cash outflow of operating and investing activities.

6. Non-IFRS Measures

To supplement the Group's consolidated financial statements which are prepared in accordance with the IFRS, the Company has provided adjusted total comprehensive expenses for the period (excluding effects from non-cash related items and one-off events which include but not limited to share-based payment expenses and net exchange losses), as additional financial measures, which are not required by, nor presented in accordance with, the IFRS. The Company believes that the non-IFRS financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these non-IFRS financial measures in assessing the Group's financial performance by eliminating the impacts of certain unusual and non-recurring items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the non-IFRS financial results on a stand-alone basis or as a substitute for results under the IFRS, or as being comparable to results reported or forecasted by other companies.

Non-IFRS adjusted total comprehensive expenses for the period:

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
IFRS total comprehensive expense for the year	**(2,650,714)**	(718,579)
Add:		
Share-based payment expenses	**91,911**	192,754
Net exchange (gains) losses	**(50,052)**	39,937
Adjusted total comprehensive expense for the year	**(2,608,855)**	(485,888)

7. Global Offering, Listing on the STAR Market and Use of Proceeds

The total proceeds from the issue of new H Shares by the Company in its listing of H Shares ("**H Share Listing**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (after deducting the underwriting fees and related listing expenses) amounted to approximately RMB3,003 million and all proceeds was fully utilized as at 31 December 2022. The net proceeds from the H Share Listing (adjusted on a pro rata basis based on the actual net proceeds) have been utilized in accordance with the purposes set out in the prospectus of the Company dated 11 December 2018 (the "**Prospectus**") and subsequently the announcements of the Company dated 29 August 2019 (the "**2019 Announcement**") and 28 August 2020 regarding the changes in use of proceeds from the H Share Listing.

Planned Usage	Planned use of proceeds as disclosed in the Prospectus		Planned use of proceeds as disclosed in the 2019 Annual Report (including amount already utilized as at 31 December 2019)		Planned use of proceeds as disclosed in the 2020 Interim Report (including amount already utilized as at 30 June 2020)		Unutilized proceeds as at 31 December 2021	Proceeds utilized during the Reporting Period	Utilized proceeds as at 31 December 2022	Unutilized proceeds as at 31 December 2022	Expected timeline for application of the unutilized proceeds
	RMB'000	% of total proceeds	*RMB'000*	% of total proceeds	*RMB'000*	% of total proceeds	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	
The R&D and commercialization of the Group's drug candidates	1,952,203	65%	2,162,440	72%	2,372,677	79%	10,883	10,883	2,372,677	–	Was fully utilized by 31 December 2022
The R&D and commercialization of the Group's Core Product, JS001	*1,201,356*	*40%*	*1,201,356*	*40%*	*1,291,457*	*43%*	*4,447*	*4,447*	*1,291,457*	–	*Was fully utilized by 30 June 2022*
The R&D of the Group's other drug candidates to fund clinical trials worldwide, including JS004, etc (Note 1a)	*480,542*	*16%*	*480,542*	*16%*	*600,678*	*20%*	*6,436*	*6,436*	*600,678*	–	*Was fully utilized by 31 December 2022*
The construction of, acquisition of facilities for and settlement of start-up costs on the Lingang Site and the Wujiang Site (Note 1b)	*270,305*	*9%*	*480,542*	*16%*	*480,542*	*16%*	-	-	*480,542*	–	*Was fully utilized by 31 December 2021*
The Group's investment in the health care and/or life science sector(s), including acquisition of companies, licensing-in and collaboration (Note 1c)	750,847	25%	540,610	18%	330,373	11%	571	571	330,373	–	Was fully utilized by 31 December 2022
The Group's working capital and other general corporate purposes	300,339	10%	300,339	10%	300,339	10%	301 (Note 2)	301 (Note 2)	334,872 (Note 2)	–	Was fully utilized by 31 December 2022
	3,003,389	**100%**	**3,003,389**	**100%**	**3,003,389**	**100%**	**11,755**	**11,755**	**3,037,922**	**–**	

Notes:

1. As disclosed in the 2019 Announcement, in August 2019, adjustments were made on these items from the following original planned usage disclosed in the Prospectus:

   a. Adjusted from "The R&D of the Group's other drug candidates to fund clinical trials"

   b. Adjusted from "The construction of the Lingang Production Base and the Wujiang Production Base"

   c. Adjusted from "The Group's investment in and acquisition of companies in the pharmaceutical sector"

2. The sum of proceeds includes interests of RMB35 million generated from bank savings accounts in which the IPO proceeds have been deposited.

As approved by the China Securities Regulatory Commission (Zheng Jian Xu Ke [2020] No. 940) (證監許可[2020]940號文), the Company issued 87,130,000 ordinary shares (A Shares) to the public in a public offering in July 2020 at the issue price of RMB55.50 per share. The gross proceeds amounted to approximately RMB4,836 million. After deducting issuance expenses of approximately RMB339 million in accordance with the related requirements, the net proceeds amounted to approximately RMB4,497 million. The net proceeds from the listing of A Shares have been used and will be used in accordance with the uses disclosed in the Company's A Share prospectus dated 8 July 2020.

Committed investment projects	Planned use of proceeds *RMB'000*	Unutilized proceeds as at 31 December 2021 *RMB'000*	Proceeds utilized during the Reporting Period *RMB'000*	Utilized proceeds as at 31 December 2022 *RMB'000*	Unutilized proceeds as at 31 December 2022 *RMB'000*	Expected timeline for application of the unutilized proceeds
Research and development projects of innovative drugs	1,200,000	110,182	110,182	1,200,000	–	Was fully utilized by 31 December 2022
Junshi Biotech Industrialization Lingang Project	700,000	–	–	700,000	–	Was fully utilized by 31 December 2020
Repayment of bank loans and replenishment of liquidity	800,000	15,970	25,897	809,927	–	Was fully utilized by 30 June 2022
Surplus proceeds	1,796,978	1,244,292	525,501	1,078,187	751,217	Expected to be fully utilized by 31 December 2024
	4,496,978(Note 1)	**1,370,444**(Note 2)	**661,580**(Note 2)	**3,788,114**(Note 1)	**751,217**(Note 1 & 2)	

Notes:

1. The difference between (i) the sum of proceeds utilized and the unutilized proceeds and (ii) the net proceeds from the issuance represents interests generated from bank saving accounts.

2. The difference between (i) the sum of proceeds utilized during the Reporting Period and unutilized proceeds as at 31 December 2022 and (ii) unutilized proceeds as at 31 December 2021 represents interests generated from bank saving accounts.

On 23 June 2021, the Company completed the placing of an aggregate of 36,549,200 new H Shares (the "**Placing Shares**") under general mandate pursuant to a placing agreement dated 16 June 2021 entered into by and among the Company, J.P. Morgan Securities plc (as sole placing agent), Guotai Junan Securities (Hong Kong) Limited (as co-managers) and Caitong International Securities Co., Limited (as co-managers). The Placing Shares were issued to not less than six placees who were professional, institutional and/or other investors and who were independent of, and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**")). The net cash inflow from the placing was approximately RMB2,104 million. The net proceeds from the placing are intended to be used by the Group toward the R&D of drugs and pipeline expansion, expansion of the commercialization team, domestic and overseas investment, mergers and acquisitions, and business development, and general corporate purposes. For further details of the placing, please refer to the Company's announcements dated 16 June 2021 and 23 June 2021.

As at 31 December 2022, approximately RMB2,092 million of the net proceeds from the placing has been utilized. The Company will gradually utilize the remaining net proceeds from the placing in accordance with such intended purposes based on the estimate of future market conditions and business operations of the Company, and will remain subject to change based on current and future development of market conditions and actual business needs.

The following table sets out the intended use and actual usage of the net proceeds from the placing as at 31 December 2022:

Purpose of the proceeds	Intended use of the net proceeds *(Approx. RMB million)*	Unutilized proceeds as at 31 December 2021 *(Approx. RMB million)*	Proceeds utilized during the Reporting Period *(Approx. RMB million)*	Proceeds utilized as at 31 December 2022 *(Approx. RMB million)*	Unutilized proceeds as at 31 December 2022 *(Approx. RMB million)*	Expected timeine for application of the unutilized proceeds
R&D of drugs and pipeline expansion	815	219	210	806	8	Expected to be fully utilized by 30 June 2025
Expansion of the commercialization team	1	1	1	1	–	Was fully utilized by 31 December 2022
Domestic and overseas investment, mergers and acquisitions & business development	285	224	224	285	–	Was fully utilized by 30 June 2022
General corporate purpose	1,003	230	246	1,000	–	Was fully utilized by 31 December 2022
	2,104*(Note 1)*	674*(Note 2)*	681*(Note 2)*	2,092*(Note 1)*	8*(Note 1&2)*	

Notes:

1. The difference between (i) the sum of proceeds utilized and the unutilized proceeds and (ii) the net proceeds from the placing represents foreign exchange losses and interests generated from bank saving accounts.

2. The difference between (i) the sum of proceeds utilized during the Reporting Period and unutilized proceeds as at 31 December 2022 and (ii) unutilized proceeds as at 31 December 2021 represents foreign exchange losses and interests generated from bank saving accounts.

As approved by the China Securities Regulatory Commission (Zheng Jian Xu Ke [2022] No. 2616) (證監許可[2022]2616號文), the Company issued 70,000,000 ordinary shares (A Shares) to target subscribers in December 2022 at the issue price of RMB53.95 per Share. The gross proceeds amounted to approximately RMB3,777 million. After deducting issuance expenses of approximately RMB32 million in accordance with the related requirements, the net proceeds amounted to approximately RMB3,745 million. The net proceeds from the issuance of A Shares have been used and will be used in accordance with the uses disclosed in the Company's A Share prospectus dated 14 June 2022.

Purpose of the proceeds	Intended use of the net proceeds *(Approx. RMB million)*	Proceeds utilized during the Reporting Period *(Approx. RMB million)*	Unutilized proceeds as at 31 December 2022 *(Approx. RMB million)*	Expected timeline for application of the unutilized proceeds
R&D projects of innovative drugs	3,464	140	3,324	Expected to be fully utilized by 31 December 2026
Shanghai Junshi Biotech headquarters and R&D base project	281	70	211	Expected to be fully utilized by 31 December 2026
	3,745	210	3,535	

RISK FACTORS

1. Risks related to pending profitability

A long profit cycle is one of the most salient features of the biopharmaceutical industry. It typically takes a relatively long period for a biopharmaceutical company at the R&D stage to grow before it becomes profitable. As an innovative biopharmaceutical company, the Company is currently in an important R&D investment phase, and our R&D investment is expected to increase significantly and consistently in line with the expansion of R&D pipeline and acceleration of domestic and overseas drug clinical trial activities. Our future profitability depends on the pace of the launch and the conditions of post-launch sales of drugs that we are currently developing. On the other hand, heavy R&D investments and high marketing and operating costs will add uncertainties to the Company's profitability. Therefore, the Company is exposed to the risk of not being able to become profitable in the short term.

The Company has achieved commercial sales of four products (TUOYI®, JUNMAIKANG®, MINDEWEI and etesevimab), and various drug candidates in the late stage of research and development close to commercialization. The accelerated development of more and more drug candidates as well as the successive completion of registrational clinical trials for more indications of the approved products will further improve the Company's financial position and help create conditions for the profitability of the Company to turn around as soon as possible.

2. Risks related to significant decline in performance or loss

The Company is committed to the discovery, development and commercialization of innovative therapies. The Company actively deploys a product pipeline that covers various therapeutic areas. In the future, it will maintain a corresponding scale of investment in R&D for the pre-clinical research, global clinical trials and preparation for NDAs of drug candidates and other drug development. Besides, the Company's NDA and registration works, post-launch marketing and promotion activities and other aspects will incur large amount of expenses, which may result in greater losses for the Company in the short run, thereby adversely affecting the Company's daily operations and financial position. During the Reporting Period, there were no material adverse changes in the principal business and core competitiveness of the Company.

3. Risks related to core competitiveness

Classified as technical innovation, the R&D of new drugs is characterized by long R&D cycles, significant investment, high risks and low success rate. From laboratory research to obtaining approval, new drugs go through a lengthy process with complicated stages, including preclinical study, clinical trial, registration and marketing of new drugs and aftersales supervision. Any of the above stages is subject to the risk of failure. The Company will strengthen our forward-looking strategic research, and determine the direction of new drug R&D according to the needs of clinical drug use. The Company will also formulate reasonable new drug technology solutions, continuously increase the investment in R&D of new drugs, and prudently launch R&D projects for new drugs. In particular, the Company implements phase-based assessment on drug candidates in the course of R&D. If it is found that the expected results cannot be achieved, the subsequent R&D of such product will be terminated immediately, so as to minimize the R&D risks of new drugs.

4. Risks related to operations

The Company's business operations require certain R&D technical services and raw materials supply. Currently, the relationship between the Company and existing suppliers are stable. If the price of R&D technical services or raw materials increased significantly, the Company's profitability may be adversely affected. At the same time, the Company's suppliers may not be able to keep up with the rapid development of the Company, such that they may have to reduce or terminate the supply of the Company's R&D services or raw materials. If such R&D technical services or the supply of raw materials were disrupted, the Company's business operations may be adversely affected. Furthermore, some of the Company's raw materials, equipment and consumables are directly or indirectly imported. If there are significant changes in the international trade situation, the Company's production and drug development may be affected to a certain extent.

The Company's core products TUOYI® and JUNMAIKANG® have been included in Category B of the NRDL. The reduction in price after being included into the drug list can effectively improve the accessibility and affordability of the Company's products, which is conducive to a significant increase in product sales. However, if the increase in sales is less than expected, it may adversely affect the Company's revenue.

5. Finance risks

During the Reporting Period, the exchange rate risks of the Company is mainly derived from assets and liabilities held by the Company and its subsidiaries, which are denominated in foreign currencies other than the bookkeeping base currency. The exchange rate risks exposed by the Company are mainly related to items denominated in HKD, USD, EUR, CHF and GBP. Continuous significant fluctuation in exchange rates of foreign currencies and RMB held by the Company in the future will bring continuous exchange gains and losses to the Company, thereby affecting the operating performance of the Company.

6. Risks related to the industry

In view of the constant reforms in the medical and health system, the implementation of a series of policies such as control on medical insurance fees, publication of the new edition of the National Essential Medicine List*《(國家基本藥物目錄》), consistency evaluation, reform in drug approval, compliance regulations, commencement of centralized procurement of "4+7" drugs on a trial basis and "zero tariff" on imported drugs, encouraging pharmaceutical enterprises to be innovative and reduce prices of drugs have become a general trend, and the industry landscape is about to be reshaped. If the Company fails to keep up with industry trends and continue with its innovation in the future, or if there are adverse changes in relevant industry policies, the Company's development may be adversely affected.

The Company's development goal has always been "innovation". Except for a few products which are biosimilars, most of the remaining drug candidates are innovative drugs. In response to the above industry and policy risks, the Company will adapt to changes its external policies, continue to improve our innovation capabilities and our ability to continuously discover and develop new products, increase our R&D investments, accelerate the process of innovative drugs entering clinical trial phase and the market, and respond to challenges with innovation. On this basis, the Company will further expand our production capacity, and reduce the unit cost of our products while maintaining the quality of our products, so as to address the possible price reduction of drugs in future. At the same time, we will comply with relevant laws and regulations and adapt our business operations to the changes in regulatory policies to avoid possible policy risks.

7. Risks related to the macro environment

Future changes in the international, political, economic and market environment, especially the uncertainty of trade relations between China and the United States, as well as the additional tariffs or other restrictions that may be imposed by China and the United States on cross-border technology transfer, investment and trade, may have a certain adverse impact on the Company's overseas business operations.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

- In January 2023, the marketing of MINDEWEI, an oral nucleoside analog anti-SARS-CoV-2 Category 1 innovative drug, which was applied by Vinnerna Biosciences, a subsidiary controlled by the Company, for the treatment of adult patients with mild to moderate COVID-19 has been conditionally approved by the NMPA.

- In January 2023, the IND application for JS401 (a small interfering RNA drug targeting angiopoietin-like protein 3 messenger RNA) jointly developed by us and Risen Shanghai has been accepted by the NMPA.

- In January 2023, a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (Neotorch study, NCT04158440) of TUOYI® in combination with platinum-containing doublet chemotherapy as perioperative treatment for operable NSCLC patients has finished the pre-specified interim analysis. The IDMC has determined that the primary endpoint of EFS has met the pre-defined efficacy boundary.

- In February 2023, a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (TORCHLIGHT study, NCT04085276) of TUOYI® in combination with paclitaxel for injection (albumin-bound) in patients with initial diagnosis of stage IV or recurrent metastatic triple-negative breast cancer has finished the pre-specified interim analysis. The IDMC has determined that the primary endpoint has met the pre-defined efficacy boundary.

- In February 2023, two randomized, double-blind, placebo-controlled, multi-center phase III clinical studies (study nos.: JS002-003 and JS002-006) of ongericimab (a recombinant humanized anti-PCSK9 monoclonal antibody, code: JS002) for the treatment of primary hypercholesterolemia and mixed hyperlipidemia have met the primary endpoints.

- In February 2023, the MAA for toripalimab combined with cisplatin and gemcitabine for the first-line treatment of patients with locally recurrent or metastatic NPC, toripalimab combined with paclitaxel and cisplatin for the first-line treatment of patients with unresectable locally advanced/recurrent or metastatic ESCC has been accepted by the MHRA.

- In March 2023, the IND application for JS010 (recombinant humanized anti-CGRP monoclonal antibody injection) was approved by the NMPA.

- In March 2023, we entered into the Shareholders Agreement with Rxilient Biotech and its wholly-owned subsidiary, Excellmab. We will subscribe for the newly issued shares of Excellmab by payment in kind to obtain 40% equity interest in Excellmab. Subject to the fulfillment of the conditions precedent as agreed under the Shareholders Agreement, we will substantially perform our capital contribution obligations, and intend to enter into the License Agreement with Excellmab in the form as agreed upon by the parties at the time of entering into the Shareholders Agreement, thereby granting Excellmab an exclusive license and other relevant rights to develop and commercialize intravenous toripalimab in Thailand, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines and Vietnam. According to the progress of the R&D of toripalimab and other matters, we may receive a milestone payment of up to approximately US$4.52 million, plus a percentage of royalty on the net sales. In addition, Excellmab will have the right of first negotiation for commercialization if we determine to grant any third party the relevant rights of the other four drug candidates as agreed in the License Agreement in one or more countries within the cooperation territory.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 5 July 2022, the Company issued 1,845,200 new A Shares pursuant to the exercise of pre-IPO share options granted under the pre-IPO share incentive scheme of the Company by eligible employees (further details of the pre-IPO share incentive scheme and the amendments thereto are set out in the Prospectus, supplemental circular dated 27 May 2019, circular dated 20 April 2020, and further details of the exercise of pre-IPO share options for the third exercise period under the pre-IPO share incentive scheme are set out in the Company's overseas regulatory announcements dated 16 December 2021 and 5 July 2022).

On 1 November 2022, the Company issued 269,740 new A Shares pursuant to the first attribution of the first grant under the 2020 Restricted Share Incentive Scheme. For further details, please refer to the Company's overseas regulatory announcements dated 15 November 2021 and 3 November 2022.

On 2 December 2022, a total of 70,000,000 new A Shares were issued and allotted by the Company at an issue price of RMB53.95 per Share to target subscribers. Further details of the said issuance are set out in the Company's announcement and circular dated 7 March 2022, the poll results announcement dated 6 April 2022, and the announcements dated 14 June 2022, 16 September 2022, 3 November 2022 and 6 December 2022.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Hong Kong Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with each of the Directors and supervisors of the Company, they have confirmed that they had complied with such code of conduct during the Reporting Period.

CHANGES IN THE BOARD AND BOARD COMMITTEE DURING THE REPORTING PERIOD

During the Reporting Period and up to the date of this announcement, the composition of the Board of Directors and the Board committee changed as follows:

Dr. Zou Jianjun	–	*appointed as an executive Director with effect from 29 June 2022*
Mr. Lin Lijun	–	*resigned as a non-executive Director with effect from 8 December 2022*
Dr. Chen Lieping	–	*resigned as an independent non-executive Director, and member of the strategic committee of the Company on 9 December 2022, effective upon the appointment of a new independent non-executive Director*

CORPORATE GOVERNANCE

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period. The Board is of the view that, during the Reporting Period, the Company has complied with all code provisions as set out in the CG Code.

AUDIT COMMITTEE

The Audit Committee consists of two independent non-executive Directors, being Mr. Zhang Chun (Chairman) and Mr. Qian Zhi, and one non-executive Director, being Mr. Tang Yi. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group and overseeing the audit process.

The Audit Committee has reviewed, together with the management and external auditors of the Company, the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the Reporting Period.

DISTRIBUTABLE RESERVES

As at 31 December 2022, the Company did not have any distributable reserves.

FINAL DIVIDENDS

The Directors do not recommend a final dividend for the Reporting Period.

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS OF H SHARES

The date of the annual general meeting of the Company and the closure of the register of members of H Shares will be announced in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	Year ended 31 December 2022 RMB'000	2021 RMB'000
Revenue	3	**1,453,493**	4,024,841
Cost of sales and services		**(526,282)**	(1,258,187)
Gross profit		**927,211**	2,766,654
Other income	4	**95,890**	123,762
Other gains and losses	5	**92,245**	74,237
Impairment losses under expected credit loss model, net of reversal		**(47)**	342
Research and development expenses		**(2,384,373)**	(2,068,739)
Selling and distribution expenses		**(715,704)**	(734,563)
Administrative expenses		**(578,269)**	(647,950)
Share of (loss) profit of joint ventures		**(1,550)**	35
Share of losses of associates		**(69,482)**	(48,498)
Other expenses		**(11,753)**	(36,095)
Finance costs		**(29,370)**	(21,833)
Loss before tax		**(2,675,202)**	(592,648)
Income tax credit (expense)	6	**93,107**	(135,533)
Loss for the year		**(2,582,095)**	(728,181)
Other comprehensive (expense) income for the year			
Item that will not be reclassified to profit or loss			
Fair value (loss) gain on equity instruments at fair value through other comprehensive income		**(116,118)**	19,454
Item that will may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**47,499**	(9,852)
Other comprehensive (expense) income for the year		**(68,619)**	9,602
Total comprehensive expense for the year		**(2,650,714)**	(718,579)

	NOTES	Year ended 31 December 2022 RMB'000	2021 RMB'000
Loss for the year attributable to:			
Owners of the Company		**(2,386,067)**	(718,557)
Non-controlling interests		**(196,028)**	(9,624)
		(2,582,095)	(728,181)

	NOTE	Year ended 31 December 2022 RMB'000	2021 RMB'000
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(2,454,686)**	(708,955)
Non-controlling interests		**(196,028)**	(9,624)
		(2,650,714)	(718,579)
Loss per share	*8*		
Basic (RMB yuan)		**(2.60)**	(0.80)
Diluted (RMB yuan)		**(2.60)**	(0.80)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2022

	NOTES	At 31 December 2022 RMB'000	2021 RMB'000
Non-current assets			
Property, plant and equipment		**2,979,327**	2,727,809
Right-of-use assets		**299,129**	341,983
Intangible assets		**98,913**	40,251
Interests in joint ventures	*9*	**109,506**	16,056
Interests in associates		**383,133**	441,736
Deferred tax assets		**228,427**	88,550
Other assets, prepayments and other receivables		**362,749**	533,914
Other financial assets		**910,197**	1,027,108
Restricted bank deposits		**–**	1,574
		5,371,381	5,218,981
Current assets			
Inventories		**599,021**	484,601
Trade receivables	*10*	**232,725**	1,292,933
Other assets, prepayments and other receivables		**345,137**	549,141
Restricted bank deposits		**31,086**	459
Bank balances and cash		**5,996,936**	3,504,605
		7,204,905	5,831,739
Current liabilities			
Trade and other payables	*11*	**1,338,400**	1,907,523
Borrowings	*12*	**391,750**	10,596
Deferred income		**440**	3,683
Lease liabilities		**43,664**	34,472
Tax payables		**–**	60,361
		1,774,254	2,016,635
Net current assets		**5,430,651**	3,815,104
Total assets less current liabilities		**10,802,032**	9,034,085

	NOTES	At 31 December 2022 RMB'000	2021 RMB'000
Non-current liabilities			
Borrowings	*12*	**839,582**	490,000
Deferred income		**121,615**	118,776
Lease liabilities		**46,585**	93,127
		1,007,782	701,903
Net assets		**9,794,250**	8,332,182
Capital and reserves			
Share capital	*13*	**982,872**	910,757
Reserves		**8,518,544**	7,050,146
Equity attributable to owners of the Company		**9,501,416**	7,960,903
Non-controlling interests		**292,834**	371,279
Total equity		**9,794,250**	8,332,182

1. GENERAL

Shanghai Junshi Biosciences Co., Ltd.* was established in the People's Republic of China (the "**PRC**") on 27 December 2012 and converted into a joint stock company with limited liability in May 2015. In August 2015, the Company's domestic shares became listed on the National Equities Exchange and Quotations ("**NEEQ**") (stock code 833330). On 24 December 2018, the Company's H Shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code 1877). The domestic shares of the Company were delisted from NEEQ since 8 May 2020, and were converted to A Shares and listed on the STAR Market of the Shanghai Stock Exchange on 15 July 2020 (stock code: 688180). The respective addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The principal activities of the Group are mainly discovery, development and commercialisation of innovative drugs.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendment to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendment to IFRSs issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018-2020

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

The Group has applied the amendments for the first time in the current year. The amendments specify that the costs of any item that were produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the relevant property, plant and equipment is functioning properly) and the proceeds from selling such items should be recognised and measured in the profit or loss in accordance with applicable standards. The cost of the items are measured in accordance with IAS 2 Inventories.

In accordance with the transitional provisions, the Group has applied the new accounting policy retrospectively to property, plant and equipment made available for use on or after the beginning of 1 January 2021. The application of the amendments in the current year has had no impact on the Group's financial positions and performance.

3. REVENUE AND SEGMENT INFORMATION

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major revenue sources:

	2022	2021
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time		
Sale of pharmaceutical products	**752,755**	426,636
Licensing income	**476,475**	3,341,118
Service income	**6,029**	1,066
	1,235,259	3,768,820
Over time		
Service income	**218,234**	256,021
	1,453,493	4,024,841

Sales of pharmaceutical products

Revenue from sales of pharmaceutical products is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 60 days (2021: 60 days) upon delivery.

The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customers. All sales of goods are for a period of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Licensing income

Revenue is recognised at a point in time when the licensees has the ability to use the licences, achievement of certain milestones for milestone payments and upon the subsequent sales of antibodies product and therapeutic product for sales-based royalty.

During the year ended 31 December 2022, the Group recognised an option exercise payment from Coherus of RMB221,508,000 as licensing income during the period at a point in time when Coherus has the ability to use the license upon exercise of option. In addition, the Group recognised sales-based royalty amounting to RMB254,967,000 (2021: RMB1,111,734,000) according to the license agreement.

During the year ended 31 December 2021, the Group recognised upfront payment of RMB975,150,000 and milestone payments of RMB1,254,234,000 as licensing income upon the transfer of licenses and achievement of certain milestones pursuant the licensing agreements.

Service income

The Group provides research and development services. Service income is recognised either at a point in time or over time, depending on the type of service provided. Revenue under fixed fee arrangement is recognised at a point in time for the R&D delivered to the customers by the Group. Performance obligation for the time-based service income is satisfied over time based on the time the Group spent as the Group does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date according to the agreement. The normal credit term is 45-60 days (2021: 45-60 days) upon issuance of invoices.

The transaction price received by the Group is recognised as a contract liability until the services have been delivered to the customer. All sales of services are for a period of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

For the purpose of resources allocation and performance assessment, the Group's management, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. The Group has only one reportable segment.

4. OTHER INCOME

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Bank interest income	**61,018**	30,979
Government grants related to property, plant and equipment *(Note a)*	**1,451**	2,830
Other subsidies *(Note b)*	**32,738**	89,061
Others	**683**	892
	95,890	123,762

Notes:

(a) Amounts represent subsidies from the PRC government specifically for the capital expenditure incurred for the acquisition of buildings situated on leasehold land in the PRC and machineries, which is recognised as income over the estimated useful life of the respective assets.

(b) Amounts represent subsidies from PRC government for research and development activities, which are recognised as income upon meeting specific conditions and incentives.

5. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
(Loss) gain from change in fair value of other financial assets measured at fair value through profit or loss, net	**(9,277)**	114,208
Gain on deemed disposal of an associate	**28,847**	–
Loss on disposal of property, plant and equipment	**(1,838)**	(34)
Other gain *(Note)*	**16,100**	–
Gain on termination of leases	**8,109**	–
Exchange gains (losses), net	**50,052**	(39,937)
Dividend income from other financial assets	**245**	–
Others	**7**	–
	92,245	74,237

Note: During the year ended 31 December 2022, the Group has transferred developing research and development pipelines to an associate and recognised a gain of RMB16,100,000.

6. INCOME TAX (CREDIT) EXPENSE

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Current tax		
United States withholding tax	**46,770**	197,970
Deferred tax	**(139,877)**	(62,437)
	(93,107)	135,533

Under the Law of the PRC Enterprise Income Tax (the "**EIT Law**") and Implementation Regulations of the EIT Law, the tax rate of the Company and its PRC subsidiaries is 25% for both years.

The Company and its wholly-owned subsidiaries, Suzhou Union Biopharm Co., Ltd.* 蘇州眾合生物醫藥科技有限公司 and Shanghai Junshi Biotechnology Co., Ltd.* 上海君實生物工程有限公司 have been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Shanghai and relevant authorities on 18 November 2020, 30 November 2021 and 23 December 2021 for a term of three years from 2020 to 2022, 2021 to 2023 and 2021 to 2023 respectively, and has been registered with the local tax authorities for enjoying the reduced 15% EIT rate. Accordingly, the profit derived by the Company and the subsidiary is subject to 15% EIT rate for the reporting period. The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authorities in the PRC for every three years.

TopAlliance Biosciences Inc., a wholly-owned subsidiary of the Company, is subject to the US California Corporate Income Tax rate of 8.84% (2021: 8.84%) for the year ended 31 December 2022. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

In addition, the Company is subject to United States withholding tax on licensing income received from USA-based customers amounting to RMB46,770,000 (2021: RMB197,970,000) during the year ended 31 December 2022. During the year ended 31 December 2022, effective tax rate ranges from 9% to 10% (2021: from 6% to 10%).

Except for United States withholding tax, no provision for taxation in the PRC, United States and other jurisdictions has been made as those subsidiaries has no assessable profit for both years.

7. DIVIDENDS

No dividend was paid or declared by the Company during the years ended 31 December 2022 and 2021, nor has any dividend been declared since the end of the reporting period.

8. LOSS PER SHARE

(a) Basic

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(2,386,067)**	(718,557)

Number of shares:

	Year ended 31 December	
	2022	2021
Weighted average number of ordinary shares for the purpose of basic loss per share	**917,465,166**	892,659,689

The weighted average number of ordinary shares for the purpose of basic earning per share for the year ended 31 December 2022 has been adjusted for the issuance of 1,845,200 and 269,740 shares upon the exercise of share options on 5 July 2022 and exercise of RSUs on 1 November 2022, respectively, and the issuance of 70,000,000 new A Shares on 2 December 2022.

(b) Diluted

The computation of diluted loss per share for the years ended 31 December 2022 and 31 December 2021 do not assume the exercise of the Company's outstanding share options and RSUs as this would result in a decrease in loss per share. Accordingly, diluted loss per share for the years ended December 31, 2022 and 2021 are the same as basic loss per share for the respective year.

9. INTERESTS IN JOINT VENTURES

	At 31 December	
	2022	2021
	RMB'000	*RMB'000*
Cost of investments in joint ventures	111,000	16,000
Share of post-acquisition (losses) profits	(1,494)	56
	109,506	16,056

On 28 February 2022, the Group invested 50% interest in Shanghai Lijing Biosciences Technology Limited* (上海禮境生物醫藥科技有限公司) ("**Shanghai Lijing**") at a total consideration of RMB80,000,000. The principal activities of Shanghai Lijing are engaged in technical services, technological development, drug production, wholesale of drugs and commissioned production of drugs.

During the year ended 31 December 2022, the Group has made a capital injection of RMB15,000,000 to the joint venture Suzhou Kebo Ruijun Biosciences Co., Ltd.* (蘇州科博瑞君生物醫藥科技有限公司).

10. TRADE RECEIVABLES

	At 31 December	
	2022	2021
	RMB'000	*RMB'000*
Trade receivables	**232,743**	1,285,243
Trade receivables backed by bank bills	**–**	7,690
	232,743	1,292,933
Less: Allowance for credit losses	**(18)**	–
	232,725	1,292,933

The trade receivables and trade receivables backed by bank bills are receivables from contracts with customers.

As at 1 January 2021, the trade receivables from contracts with customers amounted to RMB663,323,000.

The aged analysis of the Group's trade receivables and trade receivables backed by bank bills, based on invoice date, at the end of each reporting period are as follows:

	At 31 December	
	2022	2021
	RMB'000	*RMB'000*
0 – 30 days	**232,364**	1,285,217
31 – 90 days	**361**	26
Over 180 days	**–**	7,690
	232,725	1,292,933

As at 31 December 2022 and 2021, no trade receivables are past due.

As at 31 December 2021, total bank bills received amounting to RMB7,690,000 were held by the Group for future settlement of trade receivables. All bills received by the Group were with a maturity period of less than one year.

11. TRADE AND OTHER PAYABLES

	At 31 December	
	2022	2021
	RMB'000	*RMB'000*
Trade payables	**281,600**	196,205
Accrued expenses in respect of:		
– construction costs of construction in progress	**133,382**	89,874
– research and development expenses *(Note a)*	**415,751**	227,709
– selling and distribution expenses	**65,783**	64,569
– others	**75,205**	54,149
Payment to licensor *(Note b)*	**69,097**	932,509
Payment to a collaboration party under collaboration agreement *(Note c)*	**16,639**	15,742
Salary and bonus payables	**191,903**	213,777
Other tax payables	**35,187**	20,579
Payable for transaction costs for the issue of new shares	**2,898**	757
Other payables	**50,955**	91,653
	1,338,400	1,907,523

As at 31 December 2021, included in trade payables and other payables were of related-parties payables RMB8,400,000 and RMB1,224,000 to Shanghai Ruotuo Biotechnology Co., Ltd. ("**Ruotuo Bio**") and Jiangsu Ruihe Environmental Engineering Research Centre Co., Ltd ("**Ruihe**") for service fee payables and construction payables. Ruotuo Bio is a subsidiary of the associate the Group invested in, Anwita Biosciences, Inc. and one of the Company's director, Tang Yi is also the director of Ruihe. There is no payable due to related parties as at 31 December 2022.

Payment terms with suppliers are mainly with credit term of 0 days to 90 days (2021: 15 days to 60 days) from the time when the goods and services are received from the suppliers.

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

	At 31 December	
	2022	2021
	RMB'000	*RMB'000*
0 – 30 days	**87,591**	143,117
31 – 60 days	**66,244**	32,625
61 – 180 days	**72,321**	13,473
Over 180 days	**55,444**	6,990
	281,600	196,205

Notes:

(a) Amounts included service fees payable to outsourced service providers including contract research organisations and clinical trial centres.

(b) Amount represents the accrual on license income payable to licensor at the end of reporting period, which is repayable upon 30 days after issuance of invoice.

(c) Amount represents payable to a collaboration party for co-development of certain pharmaceutical products.

12. BORROWINGS

	At 31 December	
	2022	2021
	RMB'000	*RMB'000*
Bank borrowings		
– secured	**797,783**	500,596
– unsecured	**433,549**	–
	1,231,332	500,596
The maturity profile of bank borrowings is as follows:		
– within one year	**391,750**	10,596
– within a period of more than one year but not exceeding two years	**84,836**	30,000
– within a period of more than two years but not exceeding five years	**397,708**	220,000
– within a period of more than five years	**357,038**	240,000
	1,231,332	500,596
Less: Amount due within one year shown under current liabilities	**(391,750)**	(10,596)
Amount shown under non-current liabilities	**839,582**	490,000

All bank borrowings are denominated in RMB as at 31 December 2022 and 2021.

13. SHARE CAPITAL

	Total number of shares	Amount *RMB'000*
Registered, issued and fully paid at RMB1.0 per share:		
At 1 January 2021	872,496,000	872,496
H Shares issued on the Hong Kong Stock Exchange *(Note a)*	36,549,200	36,549
Exercise of share options	1,711,500	1,712
At 31 December 2021	910,756,700	910,757
A Shares issued on the STAR Market *(Note b)*	70,000,000	70,000
Exercise of share options	1,845,200	1,845
Exercise of RSUs	269,740	270
At 31 December 2022	982,871,640	982,872

Notes:

(a) On 23 June 2021, the Company issued 36,549,200 new H Shares at HK$70.18 (equivalent to RMB58.39) per share for a total gross proceeds of HK$2,565,023,000 (equivalent to RMB2,134,381,000) from placing of new H Shares. The proceeds of RMB36,549,000 representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of RMB2,097,832,000 were credited to the share premium account of the Company.

(b) On 2 December 2022, the Company issued 70,000,000 new A Shares at RMB53.95 per share for a total gross proceeds of RMB3,776,500,000 from placing of new A Shares. The proceeds of RMB70,000,000 representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of RMB3,706,500,000 were credited to the share premium account of the Company.

All the new shares rank pari passu with the existing shares in all respects.

FINANCIAL STATEMENTS PREPARED UNDER CHINA ACCOUNTING STANDARDS ("CAS")

The following financial information is extracted from the Company's 2022 annual report published on the website of the Shanghai Stock Exchange, which is prepared in accordance with the PRC Generally Accepted Accounting Principles.

CONSOLIDATED BALANCE SHEET

31 December 2022

Unit: Yuan Currency: RMB

Item	**31 December 2022**	31 December 2021
Current assets:		
Cash and bank balances	**6,030,741,479.31**	3,506,637,890.39
Notes receivable	**–**	7,690,139.10
Accounts receivable	**238,185,594.33**	1,293,122,136.21
Prepayments	**231,081,379.53**	389,753,382.63
Other receivables	**26,178,446.53**	28,053,132.85
Including: Interest receivable	**–**	–
Dividend receivable	**–**	–
Inventories	**599,021,105.13**	484,601,367.48
Non-current assets due within one year	**3,112,887.71**	1,532,929.35
Other current assets	**88,163,174.46**	133,500,475.11
Total current assets	**7,216,484,067.00**	5,844,891,453.12
Non-current assets:		
Long-term equity investments	**492,638,900.50**	457,791,434.27
Investments in other equity instruments	**137,457,141.03**	253,575,159.55
Other non-current financial assets	**772,740,011.57**	773,532,521.25
Fixed assets	**1,894,630,921.83**	1,882,275,784.87
Construction in progress	**1,043,663,689.21**	801,933,713.18
Right-of-use assets	**81,947,640.61**	117,253,858.99
Intangible assets	**316,094,405.40**	264,979,896.47
Long-term prepaid expenses	**23,242,343.69**	27,792,436.42
Deferred tax assets	**228,427,087.13**	88,549,730.70
Other non-current assets	**351,169,967.46**	522,335,112.13
Total non-current assets	**5,342,012,108.43**	5,190,019,647.83
Total assets	**12,558,496,175.43**	11,034,911,100.95

Item	31 December 2022	31 December 2021
Current liabilities:		
Short-term loans	**351,362,075.93**	–
Notes payable	**–**	466,042.42
Accounts payable	**1,057,456,669.83**	1,584,702,519.58
Contract liabilities	**4,114,783.77**	45,796,586.82
Payroll payable	**191,903,014.09**	213,776,616.22
Taxes payable	**35,112,108.67**	76,076,252.32
Other payables	**42,234,909.99**	30,704,212.73
Including: Interest payable	**–**	–
Dividend payable	**–**	–
Non-current liabilities due within one year	**84,052,062.89**	45,067,562.07
Other current liabilities	**74,986.71**	4,863,465.79
Total current liabilities	**1,766,310,611.88**	2,001,453,257.95
Non-current liabilities:		
Long-term borrowings	**839,581,860.04**	490,000,000.00
Lease liabilities	**46,584,759.61**	93,126,619.21
Deferred income	**122,055,113.23**	122,458,529.87
Other non-current liabilities	**7,503,567.45**	11,498,407.24
Total non-current liabilities	**1,015,725,300.33**	717,083,556.32
Total liabilities	**2,782,035,912.21**	2,718,536,814.27
Owners' equity:		
Share capital	**982,871,640.00**	910,756,700.00
Capital reserves	**15,345,797,913.57**	11,422,714,543.28
Other comprehensive income	**-68,408,497.07**	209,175.29
Retained earnings	**-6,776,634,904.80**	-4,388,585,020.16
Total equity attributable to owners of the Company	**9,483,626,151.70**	7,945,095,398.41
Minority interests	**292,834,111.52**	371,278,888.27
Total equity attributable to owners	**9,776,460,263.22**	8,316,374,286.68
Total liabilities and equity attributable to owners	**12,558,496,175.43**	11,034,911,100.95

CONSOLIDATED INCOME STATEMENT
January-December 2022

Unit: Yuan Currency: RMB

Item		2022	2021
I.	**Total operating income**	**1,453,492,709.83**	4,024,840,878.58
	Including: Operating income	**1,453,492,709.83**	4,024,840,878.58
II.	**Total operating costs**	**4,102,931,275.55**	4,728,259,847.90
	Including: Operating costs	**504,307,979.44**	1,244,539,578.85
	Taxes and surcharges	**10,412,744.87**	7,066,701.47
	Selling expenses	**715,704,364.66**	734,562,684.12
	Administrative expenses	**569,087,505.36**	641,986,006.73
	R&D expenses	**2,384,373,404.10**	2,068,739,301.43
	Financial expenses	**-80,954,722.88**	31,365,575.30
	Including: Interest expenses	**22,977,204.58**	16,052,610.99
	Interest income	**61,018,131.47**	30,978,506.74
	Add: Other gains	**34,189,011.76**	91,891,184.31
	Investment gains ("-" for losses)	**-41,932,425.25**	-47,187,002.52
	Including: Gains from investments in associates and joint ventures	**-71,031,449.27**	-48,463,495.67
	Gains from changes in fair value ("-" for losses)	**-9,276,556.68**	112,932,821.38
	Credit impairment loss ("-" for losses)	**-47,182.16**	342,010.44
	Impairment loss of assets ("-" for losses)	**-21,974,198.65**	-13,647,467.60
	Gains from disposal of assets ("-" for losses)	**22,565,485.36**	812,916.93
III.	**Operating revenue ("-" for losses)**	**-2,665,914,431.34**	-558,274,506.38
	Add: Non-operating income	**683,041.13**	79,567.71
	Less: Non-operating expenses	**11,952,872.08**	36,805,522.30
IV.	**Total profit ("-" for total losses)**	**-2,677,184,262.29**	-595,000,460.97
	Less: Income tax expenses	**-93,106,789.60**	135,533,455.78
V.	**Net profit ("-" for net losses)**	**-2,584,077,472.69**	-730,533,916.75
	(I) Classified by business continuity		
	1. Net profit from continuous operations ("-" for net losses)	**-2,584,077,472.69**	-730,533,916.75
	2. Net profit from discontinued operations ("-" for net losses)		
	(II) Classified by ownership		
	1. Net profit attributable to the shareholders ("-" for net losses)	**-2,388,049,884.64**	-720,909,747.05
	2. Profit or loss attributable to minority interests ("-" for net losses)	**-196,027,588.05**	-9,624,169.70

Item	2022	2021
VI. Other comprehensive income after-tax, net	**-68,617,672.36**	9,601,646.44
(I) Other comprehensive income after-tax attributable to owners of the Company, net	**-68,617,672.36**	9,601,646.44
1. Other comprehensive income that cannot be reclassified into profit or loss	**-116,118,018.52**	19,454,302.40
(1) Changes arising from remeasurement of defined benefit plan		
(2) Other comprehensive income that cannot be reclassified to profit or loss using the equity method		
(3) Changes in fair value of investments in other equity instruments	**-116,118,018.52**	19,454,302.40
(4) Change in fair value due to enterprise's own credit risk		
2. Other comprehensive income that can be reclassified to profit or loss	**47,500,346.16**	-9,852,655.96
(1) Other comprehensive income that can be transferred to profit or loss using the equity method		
(2) Changes in fair value of other debt investments		
(3) Financial assets reclassified to other comprehensive income		
(4) Credit impairment provision for other debt investments		
(5) Cash flow hedging reserves		
(6) Difference arising on translation of foreign currency financial statements	**47,500,346.16**	-9,852,655.96
(II) Other net comprehensive income after-tax attributable to minority shareholders		
VII. Total comprehensive income	**-2,652,695,145.05**	-720,932,270.31
(I) Total comprehensive income attributable to owners of the Company	**-2,456,667,557.00**	-711,308,100.61
(II) Total comprehensive income attributable to minority shareholders	**-196,027,588.05**	-9,624,169.70
VIII. Earnings per share		
(I) Basic earnings per share (RMB/Share)	**-2.60**	-0.81
(II) Diluted earnings per share (RMB/Share)	**-2.60**	-0.81

CONSOLIDATED CASH FLOW STATEMENT

January-December 2022

Unit: Yuan Currency: RMB

Item	2022	2021
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	**2,396,193,489.72**	3,337,295,934.18
Receipts of tax refunds	**300,014,688.61**	72,362,699.32
Other cash receipts relating to operating activities	**43,446,581.16**	134,096,784.09
Subtotal of cash inflows from operating activities	**2,739,654,759.49**	3,543,755,417.59
Cash payments for goods purchased and services received	**2,981,991,656.96**	2,729,998,176.18
Cash payments to and on behalf of employees	**1,271,046,426.78**	1,117,620,032.04
Payments of various types of taxes	**38,442,729.37**	29,173,236.39
Other cash payments relating to operating activities	**224,374,859.48**	272,013,926.81
Subtotal of cash outflows from operating activities	**4,515,855,672.59**	4,148,805,371.42
Net cash flows from operating activities	**-1,776,200,913.10**	-605,049,953.83
II. Cash flows from investing activities:		
Cash receipts from recovery of investments	**91,000,000.00**	564,007,364.18
Cash receipts from investment income	**244,527.26**	1,276,493.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**660.00**	11,562.57
Other cash receipts relating to investing activities	**60,978,132.39**	30,978,506.74
Subtotal of cash inflows from investing activities	**152,223,319.65**	596,273,926.64
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**393,951,797.85**	901,774,623.42
Cash payments to acquire investments	**195,484,047.00**	1,610,268,305.30
Other cash payments relating to investing activities	**–**	2,033,051.67
Subtotal of cash outflows from investing activities	**589,435,844.85**	2,514,075,980.39
Net cash flows from investing activities	**-437,212,525.20**	-1,917,802,053.75
III. Cash flows from financing activities:		
Cash receipts from capital contributions	**4,177,296,410.00**	3,016,734,262.98
Including: cash receipts from capital contributions from minority owners of subsidiaries	**386,000,000.00**	895,000,000.00
Cash receipts from borrowings	**840,362,035.97**	500,000,000.00
Other cash receipts relating to investing activities	**6,624,881.70**	
Subtotal of cash inflows from financing activities	**5,024,283,327.67**	3,516,734,262.98
Cash repayments of borrowings	**113,445,381.63**	793,333,333.34
Cash payments for distribution of dividends or profits or settlement of interest expenses	**19,157,608.46**	16,691,425.94
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	**–**	–
Other cash payments relating to financing activities	**278,202,209.58**	41,023,780.28
Subtotal of cash outflows from financing activities	**410,805,199.67**	851,048,539.56
Net cash flows from financing activities	**4,613,478,128.00**	2,665,685,723.42

Item	2022	2021
IV. Effects of exchange rate fluctuations on cash and cash equivalents	**92,266,469.41**	-23,226,439.01
V. Net increase in cash and cash equivalents	**2,492,331,159.11**	119,607,276.83
Add: Opening balance of cash and cash equivalents	**3,504,604,838.72**	3,384,997,561.89
VI. Closing balance of cash and cash equivalents	**5,996,935,997.83**	3,504,604,838.72

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January-December 2022

Unit: Yuan Currency: RMB

	2022						
	Equity attributable to owners of the Company						
Item	Share Capital	Capital reserves	Other comprehensive income	Retained earnings	Subtotal	Minority interests	Total equity
I. Closing balance of the preceding year	**910,756,700.00**	**11,422,714,543.28**	**209,175.29**	**-4,388,585,020.16**	**7,945,095,398.41**	**371,278,888.27**	**8,316,374,286.68**
Add: Changes in accounting policies	-	-	-	-	-	-	-
II. Balance at the beginning of year	**910,756,700.00**	**11,422,714,543.28**	**209,175.29**	**-4,388,585,020.16**	**7,945,095,398.41**	**371,278,888.27**	**8,316,374,286.68**
III. Changes in the current period ("-" for decreases)	**72,114,940.00**	**3,923,083,370.29**	**-68,617,672.36**	**-2,388,049,884.64**	**1,538,530,753.29**	**-78,444,776.75**	**1,460,085,976.54**
(I) Total comprehensive income	-	-	**-68,617,672.36**	**-2,388,049,884.64**	**-2,456,667,557.00**	**-196,027,588.05**	**-2,652,695,145.05**
(II) Increase of capital from shareholders	**72,114,940.00**	**3,923,083,370.29**	-	-	**3,995,198,310.29**	**117,582,811.30**	**4,112,781,121.59**
1. Ordinary shares contributed by shareholders	**72,114,940.00**	**3,963,509,264.94**	-	-	**4,035,624,204.94**	**121,125,000.00**	**4,156,749,204.94**
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-
3. Share-based payments recognized in owners' equity	-	**91,857,570.58**	-	-	**91,857,570.58**	**1,424,346.07**	**93,281,916.65**
4. Others	-	**-132,283,465.23**	-	-	**-132,283,465.23**	**-4,966,534.77**	**-137,250,000.00**
IV. Balance at the end of period	**982,871,640.00**	**15,345,797,913.57**	**-68,408,497.07**	**-6,776,634,904.80**	**9,483,626,151.70**	**292,834,111.52**	**9,776,460,263.22**

Unit: Yuan Currency: RMB

Item	2021 Equity attributable to owners of the Company						
	Share Capital	Capital reserves	Other comprehensive income	Retained earnings	Subtotal	Minority interests	Total equity
I. Closing balance of the preceding year	872,496,000.00	8,632,380,276.66	-9,392,471.15	-3,667,675,273.11	5,827,808,532.40	-3,420.45	5,827,805,111.95
Add: Changes in accounting policies	–	–	–	–	–	–	–
II. Balance at the beginning of year	872,496,000.00	8,632,380,276.66	-9,392,471.15	-3,667,675,273.11	5,827,808,532.40	-3,420.45	5,827,805,111.95
III. Changes in the current period ("-" for decreases)	38,260,700.00	2,790,334,266.62	9,601,646.44	-720,909,747.05	2,117,286,866.01	371,282,308.72	2,488,569,174.73
(I) Total comprehensive income	–	–	9,601,646.44	-720,909,747.05	-711,308,100.61	-9,624,169.70	-720,932,270.31
(II) Increase of capital from shareholders	38,260,700.00	2,790,334,266.62	–	–	2,828,594,966.62	380,906,478.42	3,209,501,445.04
1. Ordinary shares contributed by shareholders	38,260,700.00	2,595,525,820.05	–	–	2,633,786,520.05	380,906,478.42	3,014,692,998.47
2. Capital contributed by holders of other equity instruments	–	–	–	–	–	–	–
3. Share-based payments recognized in owners' equity	–	194,808,446.57	–	–	194,808,446.57	–	194,808,446.57
4. Others	–	–	–	–	–	–	–
IV. Balance at the end of period	910,756,700.00	11,422,714,543.28	209,175.29	-4,388,585,020.16	7,945,095,398.41	371,278,888.27	8,316,374,286.68

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The IFRS figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year prepared in accordance with IFRS as approved by the Board of Directors on 30 March 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF THE 2022 ANNUAL RESULTS AND 2022 ANNUAL REPORT

This annual results announcement has been published on the websites of the Company (www.junshipharma.com), the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Shanghai Stock Exchange (http://www.sse.com.cn). The 2022 Annual Report containing all the information required by the Hong Kong Listing Rules will be dispatched to the shareholders and published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

By order of the Board of
Shanghai Junshi Biosciences Co., Ltd.*
Mr. Xiong Jun
Chairman

Shanghai, the PRC, 30 March 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Xiong Jun, Dr. Li Ning, Dr. Feng Hui, Mr. Zhang Zhuobing, Dr. Yao Sheng, Mr. Li Cong and Dr. Zou Jianjun as executive Directors; Dr. Wu Hai and Mr. Tang Yi as non-executive Directors; and Dr. Chen Lieping, Dr. Roy Steven Herbst, Mr. Qian Zhi, Mr. Zhang Chun, and Dr. Feng Xiaoyuan as independent non-executive Directors.

* *For identification purpose only*