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 2023

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 2023 (the "**Reporting Period**"), together with the comparative figures of the year ended 31 December 2022. 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 2023, total revenue of the Group was approximately RMB1,503 million for the Reporting Period, representing an increase of approximately 3% compared to the corresponding period in 2022, which was mainly due to the increase of revenue from pharmaceutical products. During the Reporting Period, the Group's revenue from pharmaceutical products increased by approximately 58% compared to the corresponding period in 2022, in particular: the sales revenue of TUOYI® (toripalimab) was approximately RMB919 million, representing an increase of approximately 25% compared to the corresponding period in 2022.

- Total research and development ("**R&D**") expenses were approximately RMB1,937 million for the Reporting Period, representing a decrease of approximately 19% compared to the corresponding period in 2022. The decrease in R&D expenses was mainly due to the Group's control of R&D investments in certain early-stage pipelines, while optimizing resource allocation and focusing on R&D pipelines with greater potential.

- Loss attributable to owners of the Company was RMB2,282 million for the Reporting Period, representing a decrease of RMB104 million compared to the corresponding period in 2022.

BUSINESS HIGHLIGHTS

As of the end of the Reporting Period, focusing on the "unmet medical needs", we have made original, innovative and breakthrough progress in discovery, R&D and commercialization of innovative therapies and innovative drugs. The following achievements and milestones were attained:

- Our innovative R&D field has expanded from monoclonal antibodies to the research and development of more 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. A total of three drugs (TUOYI®, JUNMAIKANG (君邁康®) and MINDEWEI (民得維®)) are being commercialized, around 30 assets are undergoing clinical trials, and over 20 drug candidates are at preclinical drug development stage.

  - In January 2023, the marketing of MINDEWEI (Deuremidevir Hydrobromide Tablets, product code: JT001/VV116), an oral nucleoside analog anti-SARS-CoV-2 Category 1 innovative drug, for the treatment of adult patients with mild to moderate coronavirus disease 2019 ("**COVID-19**") was conditionally approved by the National Medical Products Administration of China (the "**NMPA**").

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

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

  - In April 2023, the supplemental new drug application (the "**sNDA**") for TUOYI® in combination with chemotherapy as perioperative treatment and subsequently, monotherapy as adjuvant therapy for the treatment of adult patients with resectable stage IIIA-IIIB non-small cell lung cancer ("**NSCLC**") was accepted by the NMPA, which was approved for marketing in December 2023. This is the first and only approved perioperative therapy for lung cancer domestically.

- In April 2023, the new drug application ("**NDA**") for ongericimab (a recombinant humanized anti-PCSK9 monoclonal antibody, code: JS002) was accepted by the NMPA.

- In April 2023, the IND application for JS401 (a small interfering RNA ("**siRNA**") drug targeting angiopoietin-like protein 3 ("**ANGPTL3**") messenger RNA ("**mRNA**")) was approved by the NMPA.

- In May 2023, the sNDA for TUOYI® in combination with paclitaxel for injection (albumin-bound) for the treatment of PD-L1 positive (CPS ≥ 1) untreated metastatic or recurrent metastatic triple-negative breast cancer was accepted by the NMPA.

- In June and August 2023, the IND application for a randomized, double-blind, placebo-controlled, international multi-center phase III clinical study of tifcemalimab (a recombinant humanized anti-BTLA monoclonal antibody, code: TAB004/JS004) in combination with toripalimab as consolidation therapy in patients with limited-stage small cell lung cancer ("**LS-SCLC**") without disease progression following chemo-radiotherapy was approved by the U.S. Food and Drug Administration (the "**FDA**") and the NMPA, respectively.

- In July 2023, the sNDA for TUOYI® in combination with axitinib for the first-line treatment of patients with unresectable or metastatic renal cell carcinoma ("**RCC**") was accepted by the NMPA.

- In July 2023, the sNDA for TUOYI® in combination with etoposidein plus platinum as the first-line treatment of extensive-stage small cell lung cancer ("**ES-SCLC**") was accepted by the NMPA, which is the tenth marketing application submitted for TUOYI® in the People's Republic of China ("**China**").

- In August 2023, the IND application for JS207 (a recombinant humanized anti-PD-1/VEGF bispecific antibody) was approved by the NMPA.

- In September 2023, the primary endpoint of progression free survival ("**PFS**", based on independent radiological review) of a randomized, controlled, multi-center phase III clinical study (NCT03430297) of toripalimab versus dacarbazine for the first-line treatment of unresectable or metastatic melanoma had met the pre-defined efficacy boundary.

- In October 2023, the Biologics License Application (the "**BLA**") for toripalimab (U.S. trade name: LOQTORZI™), in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy was approved by the FDA. Toripalimab is the first and only drug approved in the United States for the treatment of NPC, and is also the first innovative biological drug independently developed and manufactured in China that was approved for marketing by the FDA.

- In December 2023, the New Chemical Entity (the "**NCE**") application for toripalimab in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy was accepted by the Therapeutic Goods Administration of the Australian Government Department of Health and Aged Care (the "**TGA**"). Additionally, the TGA also granted an orphan drug designation to toripalimab for the treatment of NPC.

- In December 2023, TUOYI® and MINDEWEI were successfully included in Category B of the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (Year 2023) (the "**NRDL**") upon negotiations. In particular, TUOYI® has three new indications included, and there are currently a total of six indications being included in the NRDL. It is the only anti-PD-1 monoclonal antibody included in the NRDL for the treatment of melanoma. The indication of MINDEWEI for adult patients with mild to moderate COVID-19 was officially included in the NRDL for the first time.

• External collaborations

- In March 2023, we entered into a shareholders agreement (the "**Shareholders Agreement**") with Rxilient Biotech Pte. Ltd. ("**Rxilient Biotech**") and its wholly-owned subsidiary, Excellmab Pte. Ltd. ("**Excellmab**"). We would 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 would substantially perform our capital contribution obligations, and intend 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, we may receive a milestone payment of up to approximately US$4.52 million, plus a percentage of royalty on the net sales.

- In May 2023, we entered into an exclusive license and commercialization agreement with Dr. Reddy's Laboratories Limited ("**Dr. Reddy's**"), pursuant to which we agreed to grant to Dr. Reddy's a license to develop and exclusively commercialize toripalimab injection in Brazil, Mexico, Colombia, Argentina, Peru, Chile, Panama, Uruguay, India and South Africa. Dr. Reddy's elected to expand the scope of the license to cover Australia, New Zealand and nine other countries.

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 by way 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®)/ LOQTORZI™), was the first domestic anti-PD-1 monoclonal antibody approved to be marketed in China by the NMPA, with seven indications approved in China. Moreover, toripalimab is the first innovative biological drug independently developed and manufactured in China that was approved for marketing by the FDA, and also the first and only drug approved in the United States for the treatment of NPC. Our independently developed tifcemalimab, being the world's first-in-human anti-tumor anti-BTLA monoclonal antibody, has obtained IND approvals from the FDA and the NMPA, and is currently in phase III clinical stage. In 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 made continuous contributions to the global fight against the pandemic as a prominent 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 development of drug candidates, business operations, external collaborations, industry chain expansion, as well as talent reserve of the Company, which are summarized as follows:

Obtained an approval for the first domestic anti-PD-1 monoclonal antibody from the FDA, achieving a major breakthrough in international strategy

In October 2023, the BLA for toripalimab (U.S. trade name: LOQTORZI™), in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy was approved by the FDA. Toripalimab is the first and only drug approved in the United States for the treatment of NPC, and is also the first innovative biological drug independently developed and manufactured in China that was approved for marketing by the FDA.

In December 2023, the National Comprehensive Cancer Network (the "**NCCN**") of the United States updated the clinical practice guidelines for head and neck cancers to version 2024.v2, which included toripalimab in combination with cisplatin and gemcitabine as a preferred category 1 first-line treatment for patients with recurrent, unresectable, or metastatic NPC, and recommended toripalimab monotherapy as the only preferred treatment for patients with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. Toripalimab became the first innovative biological drug from China being included as preferred treatment options in the NPC guidelines of the NCCN.

In January 2024, Coherus BioSciences, Inc. ("**Coherus**"), a partner of the Company, announced that toripalimab is now available for access and administration in the United States.

Marketing applications in other overseas countries and regions:

- Under the pathway of Project Orbis, the NCE application and the NDA for toripalimab in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy was accepted by the TGA and the Singapore Health Sciences Authority (the "**HSA**"), respectively. Additionally, the TGA also granted an orphan drug designation and the HSA granted a priority review designation to toripalimab for the treatment of NPC. Under the framework of Project Orbis, collaboration among international regulators may allow patients with cancer to receive earlier access to new treatments in other countries. Toripalimab is the first domestic oncology drug to be included in Project Orbis. The Company will explore the possibility of expediting marketing in these countries and regions where the pathway is applicable.

- The MAAs for toripalimab for the first-line treatment of NPC and the first-line treatment of ESCC were accepted by the European Medicines Agency (the "**EMA**") and the MHRA, which is currently under review.

- The Company has been cooperating on the commercialization with partners including Hikma MENA FZE ("**Hikma**"), Dr. Reddy's and Rxilient Biotech in over 50 countries, covering the Middle East and North Africa, Latin America, India, South Africa, Southeast Asia, Australia, and New Zealand. The Company and its partners are actively facilitating the marketing application process for toripalimab within their cooperation territories as soon as possible, and actively exploring the possibility of marketing more indications in certain regions.

Experienced steady growth in the revenue from sales of pharmaceutical products, and continued to improve the efficiency of the commercialization team

During the Reporting Period, the Company achieved rapid growth in the revenue from sales of pharmaceutical products. The revenue from sales of pharmaceutical products has gradually accounted for a greater share in operating income, which demonstrates that our income-generating capacity has been further strengthened.

- TUOYI®: As of the end of the Reporting Period, TUOYI® has been sold in more than 5,000 medical institutions and about 2,000 specialty pharmacies and community pharmacies nationwide. Starting from 2024, TUOYI® has three new indications included in the new edition of the NRDL, and there are currently a total of six indications being included in the NRDL. It is the only anti-PD-1 monoclonal antibody included in the NRDL for the treatment of melanoma. The inclusion of new indications of TUOYI® in the NRDL will further expand the coverage of patients with various types of cancers who may gain benefits, reduce the medical burden for patients and their families, and improve the affordability and accessibility of TUOYI® among patients. In recent years, we continuously optimized the organizational structure of our commercialization team, which greatly improved the efficiency of execution and sales of our commercialization team, and made positive progress in sales.

- MINDEWEI: MINDEWEI was included in the scope of provisional medical insurance reimbursement in January 2023, and was officially included in the NRDL since January 2024. As at the end of the Reporting Period, MINDEWEI has been used in more than 2,300 hospitals, including community healthcare service centers, secondary hospitals and tertiary hospitals, covering all provinces in the territory. After MINDEWEI was being marketed, the Company actively established a commercialization team, continuously explored sales models, and included a new sales promotion model based on the coverage of its existing internal hospital sales team. All members of the new sales promotion team have extensive experience in promotion in the field of respiratory infections. We will continue to expand the coverage of MINDEWEI in hospitals and further improve the accessibility of MINDEWEI.

- JUNMAIKANG: Under the continuous promotion of our commercialization partners, JUNMAIKANG completed the tendering process on the procurement platform as well as healthcare and insurance connection in 26 provinces as at the end of the Reporting Period, and has been used in 173 hospitals, covering 1,316 pharmacies.

Efficiently pushed forward R&D pipelines with robust strength to sustain growth

At present, the NMPA has approved seven indications of TUOYI®. During the Reporting Period, TUOYI® continued to expand its new indications, with four sNDAs being accepted by the NMPA, and one of which was approved for marketing:

- In April 2023, the sNDA for TUOYI® in combination with chemotherapy as perioperative treatment and subsequently, monotherapy as adjuvant therapy for the treatment of adult patients with resectable stage IIIA-IIIB NSCLC was accepted by the NMPA, which was approved for marketing in December 2023. This is the first and only approved perioperative therapy for lung cancer domestically.

- In May 2023, the sNDA for TUOYI® in combination with paclitaxel for injection (albumin-bound) for the treatment of PD-L1 positive (CPS ≥ 1) untreated metastatic or recurrent metastatic triple-negative breast cancer was accepted by the NMPA.

- In July 2023, the sNDA for TUOYI® in combination with axitinib for the first-line treatment of patients with unresectable or metastatic RCC was accepted by the NMPA.

- In July 2023, the sNDA for TUOYI® in combination with etoposidein plus platinum as the first-line treatment of ES-SCLC was accepted by the NMPA, which is the tenth marketing application submitted for TUOYI® in China.

- In September 2023, the primary endpoint of PFS (based on independent radiological review) of a randomized, controlled, multi-center phase III clinical study (NCT03430297) of TUOYI® versus dacarbazine for the first-line treatment of unresectable or metastatic melanoma had met the pre-defined efficacy boundary.

The R&D work of various late-stage drug candidates has also been accelerated. In June and August 2023, each of the FDA and the NMPA agreed that a randomized, double-blind, placebo-controlled, international multi-center phase III clinical study of our anti-BTLA monoclonal antibody tifcemalimab in combination with toripalimab as consolidation therapy in patients with LS-SCLC without disease progression following chemo-radiotherapy may proceed. With the plan to enroll 756 patients in China, the United States, Europe and other places, the enrollment of the phase III clinical study is currently underway.

Based on the exceptional early data with respect to classic Hodgkin lymphoma ("**cHL**"), the Company officially initiated a randomized, open-label, active controlled, multi-center phase III clinical study (NCT06170489) of tifcemalimab in combination with toripalimab for the treatment of cHL. The study is another pivotal registration study of tifcemalimab and also the first phase III clinical study of drugs targeting BTLA in the field of hematological tumors. It aims to evaluate the efficacy and safety of tifcemalimab in combination with toripalimab versus the chemotherapy selected by the investigator for anti-PD-(L)1 monoclonal antibody refractory cHL. Professor Song Yuqin (宋玉琴) from Peking University Cancer Hospital serves as the principal investigator. It is planned for the study to be carried out in approximately 50 research centers in China and approximately 185 patients will be recruited.

Besides, several phase Ib/II clinical studies of tifcemalimab in combination with toripalimab against multiple types of tumors are underway in China and the United States. We believe that the combination of the two is a promising anti-tumor treatment strategy, which is expected to increase patients' response to immunotherapy and expand the range of potential beneficiaries.

In April 2023, the NDA for ongericimab was accepted by the NMPA. We completed two Phase III clinical studies in patients with primary hypercholesterolemia (including familial and non-familial heterozygous) and mixed hyperlipidemia, a Phase II clinical study in patients with homozygous familial hypercholesterolemia, and a Phase III clinical study in patients with heterozygous hypercholesterolemia. In addition, a Phase III clinical study of monotherapy in patients with primary hypercholesterolemia and mixed hyperlipidemia (statin intolerance and intermediate to low cardiovascular risk) finished the primary analysis.

For our recombinant humanized anti-IL-17A monoclonal antibody (code: JS005), we conducted Phase III registrational clinical study for moderate to severe plaque psoriasis.

In terms of early-stage pipelines, we will continue to focus on promoting the Claudin18.2 ADC drug (code: JS107), the PI3K-α oral small molecule inhibitor (code: JS105), the siRNA drug targeting ANGPTL3 (code: JS401), the anti-CGRP monoclonal antibody (code: JS010), the CD20/CD3 bispecific antibody (code: JS203), the PD-1/VEGF bispecific antibody (code: JS207), PD-1 monoclonal antibody subcutaneous injection formulation (code: JS001sc) and other products. In the course of exploration, in addition to closely tracking the clinical data of relevant indications, we will also pay attention to unmet clinical needs and promote more advantageous products and indications to enter the stage of registrational clinical trials as soon as possible.

Supported business expansion by commercialization capacity, and continued to improve the quality management system

We have two production bases. Both Wujiang production base in Suzhou and Shanghai Lingang production base have been granted with GMP certificates from the NMPA to commence commercial production of biological products. With a fermentation capacity of 4,500L (9*500L), Wujiang production base in Suzhou completed the Pre-License Inspection (PLI) conducted by the FDA in May 2023, and is responsible for the production of the commercial batches of toripalimab in the United States at this stage. Shanghai Lingang production base has a production capacity of 42,000L (21*2,000L). The NMPA granted an approval for Shanghai Lingang production base to produce commercial batches of toripalimab injection jointly with Wujiang production base in Suzhou. By virtue of economies of scale, the expansion of production capacity of the Shanghai Lingang production base will enable us to gain the advantage of having more competitive production costs and support the clinical trials of our drug candidates and future production of commercial batches.

In order to strictly control quality standards, we have established and continuously improved the quality audit mechanism which combine both internal and external audits. During the Reporting Period, we conducted 12 internal quality audits and received 12 external quality inspections/audits. External quality inspections/audits included the PLI on-site audit (toripalimab injection) by the FDA, the annual supervision and inspection by the Jiangsu Medical Products Administration, and the annual supervision and inspection (unannounced inspections) by the Shanghai Medical Products Administration, with a scope covering MAH management system, organizational structure, production management, quality management, laboratory management, supplier management, materials and warehousing management, equipment management, drug safety, and pharmacovigilance. All entities successfully passed inspections and complied with relevant regulatory requirements.

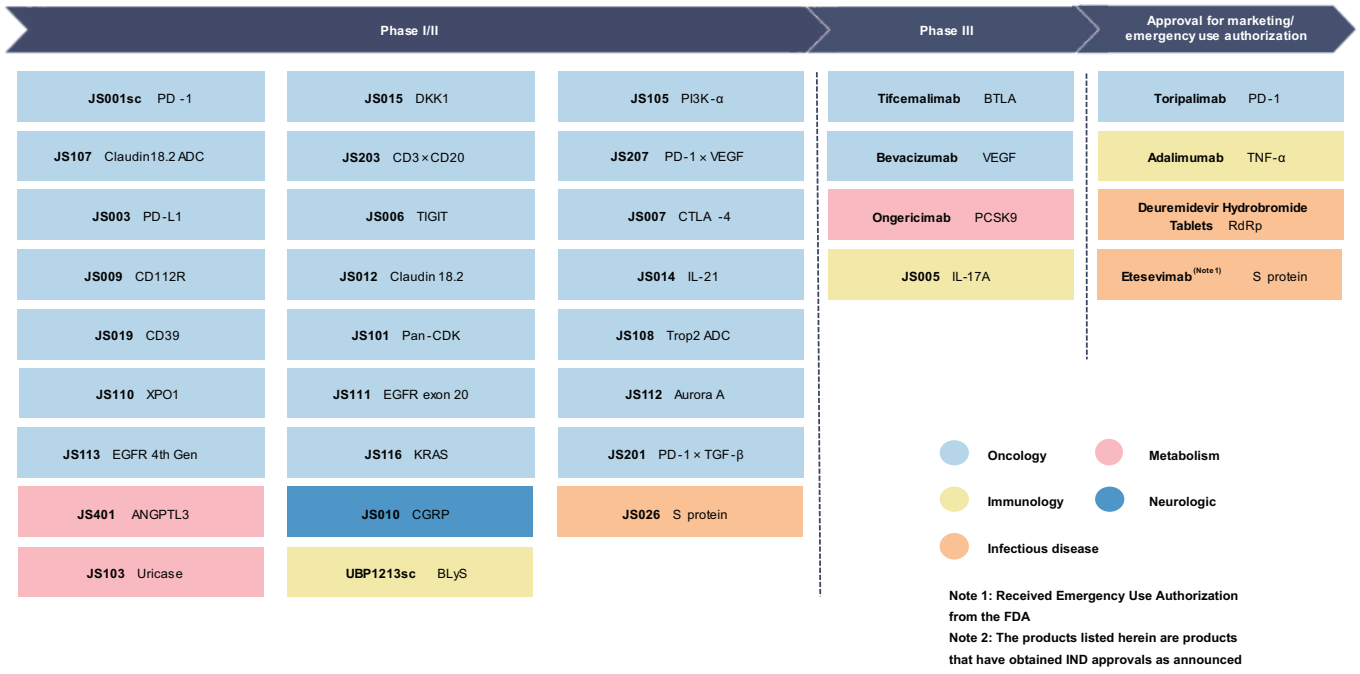
Attached great importance to talent development, and continued to improve the organizational structure

As of the end of the Reporting Period, the Group's number of employees was 2,568, among which 736 employees are responsible for R&D of drugs. 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.

Product Pipelines

Our products concentrate on self-developed biological products with original innovation. At the same time, through co-development, formation of joint enterprises, license-in and other means, we obtained the licenses of drugs or platform technologies that synergized with our own original product pipeline, so as to further expand our product pipeline. After prolonged accumulation of drug development technology, in-depth exploration in the field of translational medicine and the establishment of a new drug type platform, our innovative R&D field has expanded from monoclonal antibodies to the research and development of more drug modalities, including small molecule 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 for cancer and autoimmune diseases. The Company's 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 three drugs (TUOYI®, JUNMAIKANG and MINDEWEI) are being commercialized, around 30 drug candidates are undergoing clinical trials, and over 20 drug candidates are at preclinical drug development stage.

Projects Entering the Clinical R&D Stage (As of March 28, 2024)



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, and is also the first innovative biological drug independently developed and manufactured in China that was approved for marketing by the FDA, 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, seven 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 urothelial carcinoma ("**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); treatment in combination with chemotherapy as perioperative treatment and subsequently, monotherapy as adjuvant therapy for the treatment of adult patients with resectable stage IIIA-IIIB NSCLC (December 2023). Three sNDAs of TUOYI® have also been accepted by the NMPA. In addition, TUOYI® has been recommended by the Guidelines of Chinese Society of Clinical Oncology ("**CSCO**") for

the Diagnosis and Treatment of Melanoma* (《CSCO黑色素瘤診療指南》), for the Diagnosis and Treatment of Head and Neck Tumors* (《CSCO 頭頸部腫瘤診療指南》), for the Diagnosis and Treatment of NPC* (《CSCO 鼻咽癌診療指南》), for the Diagnosis and Treatment of UC* (《CSCO 尿路上皮癌診療指南》), for Immune Checkpoint Inhibitor Clinical Practice* (《CSCO 免疫檢查點抑制劑臨床應用指南》), for the Diagnosis and Treatment of Esophageal Cancer* (《CSCO 食管癌診療指南》), for the Diagnosis and Treatment of NSCLC* (《CSCO 非小細胞肺癌診療指南》) and others.

During the Reporting Period, TUOYI® achieved sales revenue of RMB919 million, representing an increase of approximately 25% as compared with the corresponding period in 2022. As of the end of the Reporting Period, TUOYI® has been sold in more than 5,000 medical institutions and about 2,000 specialty pharmacies and community pharmacies nationwide. Starting from 2024, TUOYI® has three new indications included in the new edition of the NRDL, and there are currently a total of six indications being included in the NRDL. It is the only anti-PD-1 monoclonal antibody included in the NRDL for the treatment of melanoma. The inclusion of new indications of TUOYI® in the NRDL will further expand the coverage of patients with various types of cancers who may gain benefits, reduce the medical burden for patients and their families, and improve the affordability and accessibility of TUOYI® among patients. In recent years, we continuously optimized the organizational structure of our commercialization team, which greatly improved the efficiency of execution and sales of our commercialization team, and made positive progress in sales.

- Milestones and achievements of clinical development

Over 40 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 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**") determined that the primary endpoint of event-free survival ("**EFS**") had met the pre-defined efficacy boundary. In April 2023, the sNDA for TUOYI® in combination with chemotherapy as perioperative treatment and monotherapy as consolidation therapy after adjuvant therapy for the treatment of resectable stage III NSCLC was accepted by the NMPA. Based on the above research data, in December 2023, the sNDA for toripalimab in combination with chemotherapy as perioperative treatment and subsequently, monotherapy as adjuvant therapy for the treatment of adult patients with resectable stage IIIA-IIIB NSCLC was approved by the NMPA, which became the first and only approved perioperative therapy for lung cancer domestically.

- 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 determined that the primary endpoint had met the predefined efficacy boundary. In May 2023, the sNDA for TUOYI® in combination with paclitaxel for injection (albumin-bound) for the treatment of PD-L1 positive (CPS ≥ 1) untreated metastatic or recurrent metastatic triple-negative breast cancer was accepted by the NMPA.

- In April 2023, a multi-center, randomized, open-label, active controlled phase III clinical study (RENOTORCH study, NCT04394975) of TUOYI® in combination with axitinib for the first-line treatment of patients with intermediate to high risk, unresectable or distant metastatic RCC finished the pre-specified interim analysis. The IDMC determined that the primary endpoint of PFS (based on independent radiographic review) had met the pre-defined efficacy boundary. In July 2023, the sNDA for TUOYI® in combination with axitinib for the first-line treatment of patients with unresectable or metastatic RCC was accepted by the NMPA.

- In May 2023, the primary endpoint of a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (EXTENTORCH study, NCT04012606) of TUOYI® in combination with etoposidein plus platinum for the first-line treatment of ES-SCLC met the pre-defined efficacy boundary. In July 2023, the sNDA for TUOYI® in combination with etoposidein plus platinum as the first-line treatment of ES-SCLC was accepted by the NMPA.

- In June 2023, the dosing of the first patient was completed in a randomized, double-blind, placebo-controlled, multi-center phase III clinical study (NCT05342194) of the efficacy and safety of TUOYI® in combination with lenvatinib mesylate and GEMOX regimen versus placebo in combination with GEMOX regimen for the first-line treatment of unresectable locally advanced or metastatic intrahepatic cholangiocarcinoma.

- In September 2023, the primary endpoint of PFS (based on independent radiological review) of a randomized, controlled, multi-center phase III clinical study (MELATORCH study, NCT03430297) of toripalimab versus dacarbazine for the first-line treatment of unresectable or metastatic melanoma had met the pre-defined efficacy boundary.

International progress:

- 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.

- In October 2023, the BLA for toripalimab, in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy was approved by the FDA. Toripalimab is the first and only drug approved in the United States for the treatment of NPC, and is also the first innovative biological drug independently developed and manufactured in China that was approved for marketing by the FDA.

- In December 2023, the NCCN updated the clinical practice guidelines for head and neck cancers to version 2024.v2, which included toripalimab in combination with cisplatin and gemcitabine as a preferred category 1 first-line treatment for patients with recurrent, unresectable, or metastatic NPC, and recommended toripalimab monotherapy as the only preferred treatment for patients with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy.

- In December 2023, the NCE application for toripalimab in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy was accepted by the TGA. Additionally, the TGA also granted an orphan drug designation to toripalimab for the treatment of NPC.

- In January 2024, the NDA for toripalimab in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy has been accepted by the HSA, which was granted a priority review designation.

• Publication of academic results

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 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: 39.3), a journal of *Nature*.

- In April 2023, a prospective phase II clinical study (EC-CRT-001) was published online in *The Lancet Oncology* (IF: 51.1), a leading international oncology journal, which confirmed the safety and efficacy of PD-1 antibody (toripalimab) in combination with radical radiotherapy and chemotherapy in patients with locally advanced ESCC for the first time, and provides the latest strong evidence for the application of immunotherapy in locally advanced esophageal cancer.

— In April 2023, the latest prospective translational research results of advanced ESCC by a team led by Professor Xu Ruihua (徐瑞華) from the Sun Yat-sen University Cancer Center* (中山大學腫瘤防治中心) were published online in *Cancer Cell* (IF: 50.3). In this study, based on the gene sequencing data of the JUPITER-06 study, the team led by Professor Xu Ruihua established the Esophageal cancer Genome-based Immuno-oncology Classification (EGIC) based on genomic characteristics, which broadened the direction of biomarker exploration of the first-line "PD-1 antibody + chemotherapy" model for advanced ESCC, and provides a new approach of immunotherapy decision-making for advanced ESCC.

— In June 2023, we attended the 2023 ASCO annual meeting with 26 of our research results regarding innovative tumor immunology drugs, including five oral reports, 15 poster discussions/presentations, and six abstract presentations, covering 10 tumor types including lung cancer, breast cancer, nasopharyngeal cancer, gastrointestinal tumors, urothelial carcinoma and melanoma, which gained global attention. Our key research included:

  - TORCHLIGHT study: Reduced the risks of disease progression or death by 35%. The results of Phase III study (TORCHLIGHT study) of toripalimab in combination with paclitaxel (albumin-bound) in patients with initial diagnosis of stage IV or recurrent metastatic triple-negative breast cancer were firstly published in the fast abstract session of the ASCO annual meeting in the form of a late-breaking abstracts (LBA), and was published in *Nature Medicine* (IF: 82.9), a top international medical journal in January 2024.

  - NEOTORCH study: The first to achieve positive EFS results in the world, and reduced the risks of disease recurrence, progression or death by as much as 60%. NEOTORCH study (NCT04158440) is a randomized, double-blind, placebo-controlled phase III clinical study, enrolled a total of 404 patients with stage III NSCLC, and is the world's first phase III clinical study of anti-PD-1 monoclonal antibody for the treatment of NSCLC in the perioperative period (covering neoadjuvant and adjuvant therapy) with positive EFS results. In January 2024, the research results were further published in *Journal of the American Medical Association* (*JAMA*, IF: 120.7).

  - CHOICE-01 study: Released the final overall survival ("**OS**") data, in which the median OS of patients with non-squamous NSCLC reached 27.8 months. CHOICE-01 study (NCT03856411) is a randomized, double-blind, placebo-controlled, multi-center phase III clinical study of anti-PD-1 monoclonal antibody in combination with chemotherapy as first-line treatment, and enrolled a total of 465 newly diagnosed patients without EGFR/ALK mutation with advanced NSCLC. The study was published in international academic conferences for multiple times, and was published in *Journal of Clinical Oncology* (IF: 45.3), an internationally renowned journal.

- JUPITER-02 study: Significantly extended the OS of patients with advanced NPC, with the three-year OS rate reaching 64.5%. The JUPITER-02 study (NCT03581786) is the first international multi-center, randomized, double-blind, placebo-controlled phase III clinical study in the field of NPC immunotherapy, aiming to evaluate toripalimab in combination with gemcitabine and cisplatinin for the first-line treatment of recurrence or metastatic NPC, and enrolled a total of 289 patients with recurrent or metastatic NPC who had not received chemotherapy. In November 2023, the final results of the study were published in *Journal of the American Medical Association* (*JAMA*, IF: 120.7).

- NEOSUMMIT-01 study: In the study of PD-1 inhibitors in the perioperative treatment of locally advanced gastric cancer, the proportion of patients with pathological complete regression/moderate regression rate (TRG 0/1) reached 44.4%. The study is the first randomized, controlled study of PD-1 inhibitors in combination with chemotherapy in the perioperative treatment of locally advanced gastric cancer in China. The study showed that toripalimab in combination with chemotherapy significantly increased the proportion of patients who achieved pathological complete regression/moderate regression (TRG 0/1) compared with chemotherapy alone. In January 2024, the final results of the study were published in *Nature Medicine* (IF: 82.9).

— In September 2023, *Signal Transduction and Targeted Therapy* (*STTT*, IF: 39.3) published the full text of the results of a single-center, single-arm Phase II study (NCT03951597) of toripalimab in combination with lenvatinib and GEMOX for the first-line treatment of advanced intrahepatic cholangiocarcinoma.

— In October 2023, a total of 11 study results on toripalimab were selected at the 2023 annual meeting of the European Society for Medical Oncology (ESMO), including a Late-breaking Abstracts (LBA), 2 Proffered Paper Sessions and 8 posters, covering 10 fields including lung cancer, renal cancer, head and neck cancer, breast cancer, colorectal cancer, cervical cancer, thymus cancer, and lymphoma, which gained global attention. Our key research included:

- RENOTORCH study: As at 31 March 2023, the results of the interim analysis of the RENOTORCH study (NCT04394975) showed that, compared with sunitinib monotherapy, toripalimab in combination with axitinib for the first-line treatment significantly improved the PFS of patients with unresectable or metastatic RCC. The median PFS assessed by blinded independent central review (BICR) was 18.0 vs. 9.8 months, and the risk of disease progression or death was reduced by 35% (HR=0.65; 95% C1: 0.49-0.86), P=0.0028. PFS benefits from toripalimab in combination with axitinib were observed in all subgroups. The objective response rate ("**ORR**") was also improved with a good safety profile. The full text was simultaneously published in *Annals of Oncology* (IF: 50.5), an official and authoritative journal of ESMO.

- EXTENTORCH study: In May 2023, the primary endpoints of the EXTENTORCH study had met the pre-defined efficacy boundary, and toripalimab thus became the first PD-1 inhibitor in the world which had met the primary endpoints of both OS and PFS in the Phase III study for the first-line treatment of ES-SCLC. The study results showed that, compared to chemotherapy alone, toripalimab in combination with chemotherapy for the first-line treatment of ES-SCLC could significantly prolong the PFS and OS of patients.

— In December 2023, a total of seven study results on toripalimab were selected at the 2023 annual meeting of the ESMO Immuno-Oncology Congress (ESMO-IO) and 2023 annual meeting of the ESMO ASIA, including one Proffered Paper Session, one oral presentation and five posters, covering the fields of nasopharyngeal cancer, lung cancer, colorectal cancer, urothelial carcinoma and breast cancer, encompassing a full range of perioperative and advanced-stage treatments.

R&D Progress of Toripalimab

Therapeutic Area	Medicine Code	Clinical Trial Number	Indications	Pre-Clinical / Phase I / Phase II / Phase III / NDA
Oncology	JS001 Toripalimab	NCT03013101	Melanoma (second-line treatment, monotherapy)	NMPA approved on 17 December 2018
		NCT02915432	Nasopharyngeal carcinoma (second-line and later treatment, monotherapy)	NMPA approved (third-line) in February 2021, FDA approved in October 2023, marketing application accepted by multiple locations
		NCT03113266	Urothelial carcinoma (second-line treatment, monotherapy)	NMPA approved in April 2021
		NCT03581786	Nasopharyngeal carcinoma (first-line treatment, combo with chemo)	NMPA approved in November 2021, FDA approved in October 2023, marketing application accepted by multiple locations
		NCT03829969	Esophageal squamous cell carcinoma (first-line treatment, combo with chemo)	NMPA approved in May 2022, marketing application accepted by EMA and MHRA
		NCT03856411	EGFR negative non-small cell lung cancer (first-line treatment, combo with chemo)	NMPA approved in September 2022
		NCT04158440	Non-small cell lung cancer (perioperative treatment)	NMPA approved in December 2023
		NCT04085276	Triple negative breast cancer (combo with albumin-bound paclitaxel)	sNDA accepted by the NMPA
		NCT04394975	Renal cell carcinoma (first-line treatment, combo with axitinib)	sNDA accepted by the NMPA
		NCT04012606	Small cell lung cancer (first-line treatment, combo with chemo)	sNDA accepted by the NMPA
		NCT03430297	Melanoma (first-line treatment, monotherapy)	Pivotal registered clinical trial
		NCT03924050	EGFR mutated TKI failed terminal stage non-small cell lung cancer (combo with chemo)	Pivotal registered clinical trial
		NCT04848753	Esophageal squamous cell carcinoma (perioperative treatment)	Pivotal registered clinical trial
		NCT04523493	Hepatocellular carcinoma (first-line treatment, combo with lenvatinib)	Pivotal registered clinical trial
		NCT04723004	Hepatocellular carcinoma (first-line treatment, combo with bevacizumab)	Pivotal registered clinical trial
		NCT03859128	Hepatocellular carcinoma (postoperative adjuvant treatment)	Pivotal registered clinical trial
		NCT05342194	Intrahepatic cholangiocarcinoma (first-line treatment, combo with lenvatinib and chemo)	Pivotal registered clinical trial
		NCT05302284	Urothelial carcinoma (first-line treatment, combo with disitamab vedotin)	Pivotal registered clinical trial
		NCT05180734	Adenocarcinoma of the stomach or gastroesophageal junction (postoperative adjuvant treatment)	Pivotal registered clinical trial

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 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. 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 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.

MINDEWEI was included in the scope of provisional medical insurance reimbursement in January 2023, and was officially included in the NRDL since January 2024. As at the end of the Reporting Period, MINDEWEI has been used in more than 2,300 hospitals, including community healthcare service centers, secondary hospitals and tertiary hospitals, covering all provinces in the territory. After MINDEWEI was being marketed, the Company actively established a commercialization team, continuously explored sales models, and included a new sales promotion model based on the coverage of its existing internal hospital sales team. All members of the new sales promotion team have extensive experience in promotion in the field of respiratory infections. We will continue to expand the coverage of MINDEWEI in hospitals and further improve the accessibility of MINDEWEI.

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. Tifcemalimab entered phase III clinical stage with several phase Ib/II clinical studies in combination with toripalimab against multiple types of tumors underway in China and the United States. We believe that the combination of the two is a promising anti-tumor treatment strategy, which is expected to increase patients' response to immunotherapy and expand the range of potential beneficiaries.

- Publication of academic results

  – On 4 June 2023, we displayed a poster (Abstract No.: #8579) containing preliminary data from the phase I/II clinical study of tifcemalimab for the treatment of ES-SCLC for the first time at the 2023 ASCO annual meeting. As of 14 March 2023 (a median follow-up of 26.4 weeks), among the 20 newly diagnosed patients with evaluable efficacy of tumor immunotherapy (I-O), the ORR of tifcemalimab in combination with toripalimab was 40.0% (95%CI: 19.1-63.9); the disease control rate ("**DCR**") was 70.0% (95%CI: 45.7-88.1); the median duration of response ("**DoR**") was 6.9 months (95%CI: 1.4-6.9), of which three patients (15.0%) had a DoR of more than six months; the median PFS was 5.5 months (95%CI: 1.4-6.4).

  – At the 65th annual meeting of the American Society of Hematology (ASH) in December 2023, we announced the updated data from the Phase I clinical study of tifcemalimab for the treatment of patients with relapsed or refractory ("**R/R**") lymphoma (Abstract Number: #4458). Patients with R/R lymphoma who had previously undergone multiple lines of treatment received tifcemalimab in combination with toripalimab, an anti-PD-1 monoclonal antibody, which showed durable efficacy, with an ORR of 37.0% and a DCR of 80.4%. In particular, in patients with cHL who had failed previous anti-PD-1/L1 antibody treatment, the ORR reached 35.3%, the DCR reached 85.3%, and the estimated median PFS was 16.2 months.

- Milestones and achievements of clinical development

  We initiated two Phase III registrational clinical trials for tifcemalimab:

  – In June and August 2023, each of the FDA and the NMPA agreed that a randomized, double-blind, placebo-controlled, international multi-center phase III clinical study (NCT06095583, code: JUSTAR-001) of tifcemalimab in combination with toripalimab as consolidation therapy in patients with LS-SCLC without disease progression following chemo-radiotherapy may proceed. As the first confirmatory study of a monoclonal antibody targeting BTLA, this study is aimed to evaluate the efficacy and safety of tifcemalimab in combination with toripalimab compared to toripalimab alone and compared to placebo as consolidation therapy used in LS-SCLC patients without disease progression following chemoradiotherapy, and is led by academician Yu Jinming (於金明) from the Cancer Hospital affiliated to Shandong First Medical University* (山東第一醫科大學附屬腫瘤醫院), as the global principal investigator. With the plan to be carried out in more than 170 research centers in 15 countries and regions around the world, including China, the United States, and Europe, this study will recruit about 756 subjects. At present, this study has completed the world's first patient enrollment (FPI) and the first drug administration, and has made sound progress at the enrollment stage;

  – In December 2023, we initiated a randomized, open-label, active controlled, multi-center phase III clinical study (NCT06170489) of tifcemalimab in combination with toripalimab for the treatment of cHL. The study is another pivotal registration study of tifcemalimab and also the first phase III clinical study of drugs targeting BTLA in the field of hematological tumors. It aims to evaluate the efficacy and safety of tifcemalimab in combination with toripalimab versus the chemotherapy selected by the investigator for anti-PD-(L)1 monoclonal antibody refractory cHL. Professor Song Yuqin (宋玉琴) from Peking University Cancer Hospital serves as the principal investigator. It is planned for the study to be carried out in approximately 50 research centers in China and approximately 185 patients will be recruited.

  In addition, several phase Ib/II clinical studies of tifcemalimab in combination with toripalimab against multiple types of tumors are underway in China and the United States. Upon further data collection, we will make plans for subsequent registrational clinical studies based on our clinical data and communication with regulators to promote the application and commercialization of tifcemalimab in combination with toripalimab in more tumor types.

R&D Progress of Tifcemalimab

Therapeutic Area	Target	Indications	Mono or combo	Pre-Clinical / Phase I / Phase II / Phase III	Locations of Clinical Trial
Oncology	BTLA tifcemalimab	Lung cancer: Limited stage small cell lung cancer	tifcemalimab+toripalimab	Phase III	International multi-center
		Lung cancer: Extensive-stage small cell lung cancer (first line)	tifcemalimab+toripalimab+chemo	Phase II	China
		Lung cancer: Refractory extensive-stage small cell lung cancer	tifcemalimab+toripalimab	Phase II	China
		Lung cancer: Advanced non-small cell lung cancer (first line)	tifcemalimab+toripalimab±chemo	Phase II	China
		Lung cancer: Advanced non-small cell lung cancer (≥ second line)	tifcemalimab+toripalimab	Phase II	China
		Classic Hodgkin Lymphoma	tifcemalimab+toripalimab	Phase III	China
		Advanced head and neck cancer	tifcemalimab±toripalimab	Phase II	China
		Melanoma	tifcemalimab±toripalimab	Phase II	China
		Renal cell carcinoma	tifcemalimab±toripalimab	Phase II	China
		Urothelial carcinoma	tifcemalimab±toripalimab	Phase II	China
		Advanced malignancies (solid tumors and lymphomas)	tifcemalimab±toripalimab	Phase I	United States
		Advanced solid tumors	tifcemalimab+toripalimab	Phase I	China
		Malignant lymphoma	tifcemalimab±toripalimab	Phase I	China

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. Under the continuous promotion of our commercialization partners, JUNMAIKANG completed the tendering process on the procurement platform as well as healthcare and insurance connection in 26 provinces as at the end of the Reporting Period, and has been used in 173 hospitals, covering 1,316 pharmacies.

Ongericimab (code: JS002)

Ongericimab is a recombinant humanized anti-PCSK9 monoclonal antibody independently developed by us. The Company completed two Phase III clinical studies in patients with primary hypercholesterolemia (including familial and non-familial heterozygous) and mixed hyperlipidemia, a Phase II clinical study in patients with homozygous familial hypercholesterolemia, and a Phase III clinical study in patients with heterozygous hypercholesterolemia. In addition, a Phase III clinical study of monotherapy in patients with primary hypercholesterolemia and mixed hyperlipidemia (statin intolerance and intermediate to low cardiovascular risk) finished the primary analysis.

In April 2023, the NDA for ongericimab was accepted by the NMPA for the treatment of: (1) primary hypercholesterolemia (including familial and non-familial heterozygous) and mixed dyslipidemia; and (2) homozygous familial hypercholesterolemia in adults or adolescents aged 12 or above.

In November 2023, the results of the Phase III clinical study of ongericimab in the treatment of primary hypercholesterolemia and mixed dyslipidemia were presented in detail in the form of a poster (Abstract No.: #3207) at the 2023 American Heart Association (AHA) Scientific Sessions. Subcutaneously injecting Ongericimab with a dose of 150 mg once every 2 weeks or 300 mg once every 4 weeks could significantly reduce low-density lipoprotein cholesterol ("**LDL-C**") of patients, reducing the LDL-C of the vast majority of patients with ultra-high (extreme) risk in cardiovascular diseases to the target level and maintaining stable decreases during 52 weeks of treatment, while significantly improving other blood lipid parameters. The overall safety profile of ongericimab was favorable, with the incidence of treatment-emergent adverse events (TEAEs) comparable to placebo.

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 III registrational clinical study of JS005 for moderate to severe plaque psoriasis has commenced.

At the 2023 annual meeting of the American College of Rheumatology (ACR), we announced the results of the Phase Ib/II clinical study of JS005 for the treatment of patients with moderate to severe psoriasis for the first time. The study results showed that JS005 has a good safety profile in the treatment of patients with moderate to severe plaque psoriasis. Compared with placebo, JS005 significantly improved the Psoriasis Area and Severity Index (the "**PASI**") of patients ($p<0.0001$). The data from the Phase II study showed that, the proportion of the patients in the JS005 treatment group achieved PASI 75 (i.e. with at least 75% improvement in the PASI from baseline) at week 12 was significantly higher than those in the placebo group (JS005 150mg vs. JS005 300mg vs. placebo: 95.8% vs. 89.4% vs. 8.3%; $p<0.0001$). Besides, the proportion of the patients in the JS005 treatment group achieved PASI 90 at week 12 was also significantly higher than those in the placebo group (77.1% vs. 74.5% vs. 4.2%; $p<0.0001$).

Clinical Progress of Other Products in the Early Stage of R&D during the Reporting Period

Recombinant humanized anti-PD-1/VEGF bispecific antibody (code: JS207)

JS207 is a recombinant humanized anti-PD-1/VEGF bispecific antibody self-developed by us, mainly used for the treatment of advanced malignant tumors. In view of the co-expression of VEGF and PD-1 in the tumor microenvironment, JS207 can simultaneously bind to PD-1 and VEGFA with high affinity, block the binding of PD-1 to PD-L1 and PD-L2 while blocking the binding of VEGF to the VEGF receptor. JS207 has the efficacy properties of both immunotherapeutic drugs and anti-angiogenic drugs, and can utilize the synergistic effects of immunotherapy and anti-angiogenesis to achieve better anti-tumor activity. The combination therapy with PD-1 antibody and VEGF blocking agent has shown strong efficacy in a variety of tumor types such as RCC, NSCLC and hepatocellular carcinoma. Compared with combination therapy, JS207 as a single agent blocking both targets, may be more effective in blocking both pathways and thus enhancing anti-tumor activity. Preclinical in vivo efficacy trials have demonstrated that JS207 has a significant anti-tumor effect, presenting a dose effect as well. In addition, JS207 is well tolerated by animals. As of the date of this announcement, there is no bispecific antibody drug with similar targets approved for marketing domestically and overseas. In August 2023, the IND application for JS207 was approved by the NMPA. In September 2023, the dosing of the first subject was completed for JS207.

siRNA drug targeting ANGPTL3 mRNA (code: JS401)

JS401 is a siRNA drug targeting ANGPTL3 mRNA jointly developed by us and Risen (Shanghai) Medical Technology Co., Ltd.* (潤佳(上海)醫藥技術有限公司), 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 April 2023, the IND application for JS401 was approved by the NMPA.

Recombinant humanized anti-CGRP monoclonal antibody injection (code: JS010)

JS010 is a recombinant humanized anti-CGRP monoclonal antibody injection independently developed by us, which is mainly used for the preventive treatment of migraine in adults. CGRP is a 37 amino acid neuropeptide that is expressed in the central and peripheral nervous system of mammals and is generally divided into two subtypes: α-CGRP and β-CGRP. CGRP peptide levels increase during the onset of migraine, the symptoms of which can be improved by CGRP antagonist treatment. The results of preclinical studies have shown that JS010 can bind to human α-CGRP and β-CGRP proteins with high affinity, and cell biological activity studies based on the reporter gene system have shown that JS010 can effectively bind to α-CGRP or β-CGRP peptides, blocking its combination with receptors, thereby inhibiting the intracellular cAMP signaling pathway, which in turn plays a role in migraine prevention. Preclinical in vivo pharmacodynamics showed that JS010 has a significant inhibitory effect on vasodilation. In addition, JS010 is well tolerated by animals, with no significant abnormalities seen in all animals during the study. As of the date of this announcement, a total of eight products targeting CGRP or its receptor have been approved for marketing globally, and a total of three imported products targeting CGRP or its receptor have been approved for marketing in China. In March 2023, the IND application for JS010 was approved by the NMPA.

PI3K-α inhibitor (code: JS105)

JS105 is an oral small molecule inhibitor targeting PI3K-α jointly developed by the Company and Risen (Suzhou) Pharma Tech Co., Ltd.* (潤佳(蘇州)醫藥科技有限公司), and is primarily used in the treatment of female (postmenopausal) and male patients with hormone receptor (HR)-positive, human epidermal growth factor receptor 2 (HER-2)-negative, PIK3CA-mutated, advanced breast cancer who are experiencing disease progression during or after treatment with endocrine-based regimens. Preclinical 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. In May 2022 and July 2022, the IND application for JS105 was approved by the NMPA and the FDA, respectively. In November 2023, the IND application for JS105 in combination with other anti-tumor therapies was approved by the NMPA, and the phase I/II clinical studies on the combination treatment are 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 preclinical 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. In June 2023, the IND application for JS107 in combination with other anti-tumor therapies was approved by the NMPA, which further expanded the scope of exploration of JS107 in anti-tumor treatment. The phase I/II clinical studies on the JS107's monotherapy and combination treatment are currently underway.

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 other R&D fields such as small molecules 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 the 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 2023, total revenue reached approximately RMB1,503 million, representing an increase of approximately 3% compared to the corresponding period in 2022, which includes revenue from pharmaceutical products of approximately RMB1,190 million, increased by approximately 58% compared to the corresponding period in 2022, which was mainly due to approval and launch of more indications for TUOYI®, improvement of JUNMAIKANG's supply capacity and the marketing approval of MINDEWEI at the beginning of the Reporting Period. During the Reporting Period, the sales revenue of TUOYI® was approximately RMB919 million, representing an increase of approximately 25% compared to the corresponding period in 2022.

2. R&D Expense

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

During the Reporting Period, R&D expenses were approximately RMB1,937 million, which decreased by approximately RMB447 million as compared to the corresponding period in 2022, representing a decrease of approximately 19%. R&D expenses included clinical research and technical service expenses of approximately RMB1,263 million, staff salary and welfare expenses of approximately RMB469 million, depreciation and amortization expenses of approximately RMB124 million, share-based payment expenses of approximately RMB10 million and other operating expenses of approximately RMB71 million. In particular, clinical research and technical service expenses and share-based payment expenses decreased by approximately 26% and 79%, while staff salary and welfare expenses, depreciation and amortization expenses and other operating expenses increased by approximately 1%, 8% and 34% as compared to the corresponding period in 2022, respectively.

The decrease in R&D expenses was mainly due to the Group's control of R&D investments in certain early-stage pipelines, while optimizing resource allocation and focusing on R&D pipelines with greater potential.

3. Selling and Distribution Expenses

Selling and distribution expenses mainly include staff salary and welfare expenses, 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 RMB844 million, which increased by approximately RMB128 million as compared to the corresponding period in 2022, representing an increase of approximately 18%. Selling and distribution expenses included staff salary and welfare expenses of approximately RMB436 million, expenses for marketing and promotion activities of approximately RMB380 million and other operating expenses of approximately RMB28 million. In particular, staff salary and welfare expenses, expenses for marketing and promotion activities and other operating expenses increased by approximately 9%, 32% and 16% respectively, while share-based payment expenses decreased by approximately 100% as compared to the corresponding period in 2022.

The increase in selling and distribution expenses was mainly due to additional demand for market promotion of new indications for TUOYI®, the newly launched MINDEWEI and JUNMAIKANG, which led to the increase of marketing and promotion expenses, and staff salary and welfare expenses.

4. Administrative expenses

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

During the Reporting Period, administrative expenses amounted to approximately RMB557 million, which decreased by approximately RMB21 million as compared to the corresponding period in 2022, representing a decrease of approximately 4%. Administrative expenses included administrative staff cost of approximately RMB242 million, depreciation and amortization expenses of approximately RMB117 million, office administration expenses of approximately RMB100 million, share-based payment expenses of approximately RMB8 million and other miscellaneous expenses of approximately RMB90 million. In particular, administrative staff cost and share-based payment expenses decreased by approximately 8% and 73% respectively, while depreciation and amortization expenses, office administration expenses and other miscellaneous expenses increased by approximately 2%, 2% and 23% as compared to the corresponding period in 2022.

The decrease in administrative expenses was mainly due to (i) the effective implementation of cost control policy; and (ii) the reduction of share-based compensation.

5. Liquidity and Capital Resources

As at 31 December 2023, bank balances and cash decreased to approximately RMB3,778 million from approximately RMB5,997 million as at 31 December 2022. The decrease in bank balances and cash mainly came from net cash outflow of approximately RMB2,015 million from operating activities and net cash outflow of approximately RMB892 million from investing activities, which was partially offset by net cash inflow of approximately RMB681 million from financing 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 gains or 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:

	For the year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
IFRS total comprehensive expense for the year	**(2,607,540)**	(2,650,714)
Add:		
Share-based payment expenses	**22,984**	91,911
Net exchange losses/(gains)	**2,661**	(50,052)
Adjusted total comprehensive expense for the year	**(2,581,895)**	(2,608,855)

7. Listing on the STAR Market, Placing of H Shares, Issuance of A Shares and Use of Proceeds

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) with a nominal value of RMB1.00 to the public in a public offering in July 2020 at the issue price of RMB55.50 per share to allow the Company access a more established platform in the PRC capital market. 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 2022** *RMB'000*	**Proceeds utilized during the Reporting Period** *RMB'000*	**Utilized proceeds as at 31 December 2023** *RMB'000*	**Unutilized proceeds as at 31 December 2023** *RMB'000*	**Expected timeline for application of the unutilized proceeds**
Research and development projects of innovative drugs	1,200,000	–	16,671	1,216,671	–	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	–	14,582	824,509	–	Was fully utilized by 30 June 2022
Surplus proceeds	1,796,978	751,217	488,178	1,566,365	233,768	Expected to be fully utilized by 31 December 2024
	4,496,978*(Note 1)*	751,217*(Note 2)*	519,431*(Note 2)*	4,307,545*(Note 1)*	233,768*(Notes 1 & 2)*	

Notes:

1. The difference between (i) the sum of utilized proceeds and the unutilized proceeds and (ii) the net proceeds from the issuance represents bank charges, foreign exchange gains 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 2023 and (ii) unutilized proceeds as at 31 December 2022 represents bank charges, foreign exchange losses and 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**")) at a placing price of HK$70.18 per H share. The market price of the H Shares on 16 June 2021 was HK$70.65 per H share. The net cash inflow from the placing was approximately RMB2,104 million. The net proceeds from the placing were 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. The Board considered that the placing was beneficial to the Company for the following reasons: (a) available funds would be brought by the net proceeds from the Placing for the Company's sustainable development to enhance the development and commercialized layout of potential first-in-class drugs in the international market, promote and accelerate the implementation of clinical trials of more first-in-class drugs in international multi-centers, and arrange and expand new-generation platforms and R&D technologies, to further improve the Company's competitiveness; and (b) it could expand the shareholder base of the Company, optimize the shareholding structure and further attract more international renowned investment institutions with long-term strategic values through the platform of The Stock Exchange of Hong Kong Limited. 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 2023, approximately RMB2,098 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, subject to changes 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 2023:

Purpose of the proceeds	Intended use of the net proceeds *(Approx. RMB million)*	Unutilized proceeds as at 31 December 2022 *(Approx. RMB million)*	Proceeds utilized during the Reporting Period *(Approx. RMB million)*	Proceeds utilized as at 31 December 2023 *(Approx. RMB million)*	Unutilized proceeds as at 31 December 2023 *(Approx. RMB million)*	Expected timeline for application of the unutilized proceeds
R&D of drugs and pipeline expansion	815	8	6	812	2	Expected to be fully utilized by 30 June 2024
Expansion of the commercialization team	1	–	–	1	–	Was fully utilized by 31 December 2022
Domestic and overseas investment, mergers and acquisitions & business development	285	–	–	285	–	Was fully utilized by 30 June 2022
General corporate purpose	1,003	–	–	1,000	–	Was fully utilized by 31 December 2022
	2,104*(Note)*	8	6	2,098*(Note)*	2*(Note)*	

Note:

The difference between (i) the sum of proceeds utilized and the unutilized proceeds and (ii) the net proceeds from the Placing represents bank charges, 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) with a nominal value of RMB1.00 to 17 target subscribers (including securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors, and other domestic legal persons investors and natural persons, who/which satisfy the relevant requirements of the China Securities Regulatory Commission) on 2 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 circular dated 7 March 2022, announcements dated 7 March 2022 and 14 June 2022. The market price of A Shares on 2 December 2022 was RMB61.23 per A share. The Company considered that the projects funded by the proceeds involved in the issuance of A Shares would accelerate the Company's clinical research work and promote the marketing process of relevant products in the PRC and overseas, enhance the synergy between preclinical and clinical research, and relieve tensions in R&D and operation funds of the Company to a certain extent, which are conducive to the realization of the Company's core development strategy and the sustainable and sound development of the production and operation of the Company.

Purpose of the proceeds	Intended use of the net proceeds *(Approx. RMB million)*	Unutilized proceeds as at 31 December 2022 *(Approx. RMB million)*	Proceeds utilized during the Reporting Period *(Approx. RMB million)*	Proceeds utilized as at 31 December 2023 *(Approx. RMB million)*	Unutilized proceeds as at 31 December 2023 *(Approx. RMB million)*	Expected timeline for application of the unutilized proceeds
R&D projects of innovative drugs	3,464	3,324	247	387	3,077	Expected to be fully utilized by 31 December 2026
Shanghai Junshi Biotech headquarters and R&D base project	281	211	74	144	137	Expected to be fully utilized by 31 December 2026
	3,745	3,535	321	531	3,214	

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 of time 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.

A total of three drugs (TUOYI®, JUNMAIKANG and MINDEWEI) are being commercialized by the Company, and various drug candidates are in the late stage of R&D 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 a turnaround in the profitability of the Company 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 preclinical 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 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 after-sales 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 toripalimab injection, Deuremidevir Hydrobromide Tablets and adalimumab injection have been included in 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 their respective functional currency. The exchange rate risks that the Company is exposed to mainly relate to items denominated in HKD, USD 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 in 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.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

- In January 2024, the NDA for toripalimab in combination with cisplatin and gemcitabine, for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for toripalimab, as a single agent, for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy has been accepted by the HSA, which was granted a priority review designation.

- On 12 January 2024, Dr. Li Ning had been elected as the vice chairman of the third session of the Board, and has been appointed as the chairman of the board of directors of TopAlliance Biosciences Inc., being a wholly-owned subsidiary of the Company. He ceased to be the general manager and chief executive officer of the Company. Dr. Zou Jianjun has been appointed as the general manager and chief executive officer of the Company.

- On 28 February 2024, Dr. Li Xin had been re-designated from a non-executive Director to an executive Director.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 2 February 2023, the Company issued 2,818,231 new restricted A Shares pursuant to the attribution results of the second attribution tranche of the first grant and the first attribution tranche of the reserved grant under the 2020 Restricted Share Incentive Scheme (further details of the 2020 Restricted Share Incentive Scheme are set out in the Company's overseas regulatory announcement dated 29 September 2020, and further details of the attribution results of the second attribution tranche of the first grant and the first attribution tranche of the reserved grant under the 2020 Restricted Share Incentive Scheme are set out in the Company's overseas regulatory announcement dated 3 February 2023).

During the Reporting Period, the Company repurchased a total of 679,027 A Shares, representing 0.0689% of the total issued shares of the Company, on the Shanghai Stock Exchange, all of which have not been cancelled:

Date of repurchase	**No. of A shares repurchased**	**Price per share**		**Aggregate amount paid**
		Highest *RMB*	**Lowest** *RMB*	*RMB*
27 September 2023	388,445	38.99	37.91	15,025,203.47
18 October 2023	171,266	40.49	40.14	6,903,343.98
22 December 2023	119,316	41.69	41.34	4,954,689.90

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 C3 of 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 DURING THE REPORTING PERIOD

During the Reporting Period, the composition of the Board of Directors changed as follows:

Dr. Meng Anming	–	*appointed as an independent non-executive Director on 30 June 2023*
Dr. Chen Lieping	–	*resigned from the position of independent non-executive Director with effect from 30 June 2023*
Dr. Wu Hai	–	*resigned from the position of non-executive Director with effect from 30 August 2023*
Dr. Feng Hui	–	*re-designated as a non-executive Director and resigned from the position of chief operations officer and all other positions in the subsidiaries of the Company with effect from 31 August 2023*
Dr. Wang Gang	–	*appointed as an executive Director on 20 October 2023*
Dr. Li Xin	–	*appointed as a non-executive Director on 20 October 2023*

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 C1 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 comprises two independent non-executive Directors, namely Mr. Zhang Chun (chairman of the Audit Committee) and Mr. Qian Zhi, and one non-executive Director, namely 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, the accounting principles and policies adopted by the Group and the condensed consolidated financial statements for the Reporting Period.

DISTRIBUTABLE RESERVES

As at 31 December 2023, 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 2023

	NOTES	Year ended 31 December **2023** **RMB'000**	2022 *RMB'000*
Revenue	*3*	**1,502,550**	1,453,493
Cost of sales and services		**(667,290)**	(526,282)
Gross profit		**835,260**	927,211
Other income	*4*	**150,784**	95,890
Other gains and losses	*5*	**11,523**	92,245
Impairment losses under expected credit loss model, net of reversal		**(23,484)**	(47)
Research and development expenses		**(1,937,470)**	(2,384,373)
Selling and distribution expenses		**(844,356)**	(715,704)
Administrative expenses		**(556,808)**	(578,269)
Share of losses of joint ventures		**(5,031)**	(1,550)
Share of losses of associates		**(55,453)**	(69,482)
Other expenses		**(35,846)**	(11,753)
Finance costs		**(29,006)**	(29,370)
Loss before tax		**(2,489,887)**	(2,675,202)
Income tax (expense) credit	*6*	**(43,995)**	93,107
Loss for the year		**(2,533,882)**	(2,582,095)
Other comprehensive expense for the year			
Item that will not be reclassified to profit or loss			
Fair value loss on equity instruments at fair value through other comprehensive income		**(83,871)**	(116,118)
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**10,213**	47,499
Other comprehensive expense for the year		**(73,658)**	(68,619)
Total comprehensive expense for the year		**(2,607,540)**	(2,650,714)

	NOTE	Year ended 31 December	
		2023	2022
		RMB'000	*RMB'000*
Loss for the year attributable to:			
Owners of the Company		**(2,281,624)**	(2,386,067)
Non-controlling interests		**(252,258)**	(196,028)
		(2,533,882)	(2,582,095)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(2,355,282)**	(2,454,686)
Non-controlling interests		**(252,258)**	(196,028)
		(2,607,540)	(2,650,714)
Loss per share	*7*		
Basic (RMB yuan)		**(2.32)**	(2.60)
Diluted (RMB yuan)		**(2.32)**	(2.60)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	NOTES	At 31 December 2023 RMB'000	2022 RMB'000
Non-current assets			
Property, plant and equipment		**3,789,409**	2,979,327
Right-of-use assets		**463,915**	299,129
Intangible assets		**134,417**	98,913
Interests in joint ventures	*9*	**74,656**	109,506
Interests in associates	*10*	**167,920**	383,133
Deferred tax assets		**103,396**	228,427
Other assets, prepayments and other receivables		**188,388**	362,749
Other financial assets		**890,536**	910,197
		5,812,637	5,371,381
Current assets			
Inventories		**538,053**	599,021
Trade receivables	*11*	**479,723**	232,725
Other assets, prepayments and other receivables		**744,388**	345,137
Restricted bank deposits		**9,521**	31,086
Bank balances and cash		**3,778,142**	5,996,936
		5,549,827	7,204,905
Current liabilities			
Trade and other payables	*12*	**1,706,015**	1,338,400
Income tax payable		**18,017**	–
Borrowings	*13*	**539,391**	391,750
Deferred income		**2,400**	440
Contract liabilities		**146,298**	–
Provisions and other liabilities		**27,104**	–
Lease liabilities		**35,931**	43,664
		2,475,156	1,774,254

	NOTES	At 31 December 2023 RMB'000	2022 RMB'000
Net current assets		**3,074,671**	5,430,651
Total assets less current liabilities		**8,887,308**	10,802,032
Non-current liabilities			
Borrowings	*13*	**1,195,794**	839,582
Deferred income		**181,064**	121,615
Other financial liabilities		**152,791**	–
Lease liabilities		**17,451**	46,585
		1,547,100	1,007,782
Net assets		**7,340,208**	9,794,250
Capital and reserves			
Share capital	*14*	**985,690**	982,872
Treasury share		**(26,891)**	–
Reserves		**6,212,023**	8,518,544
Equity attributable to owners of the Company		**7,170,822**	9,501,416
Non-controlling interests		**169,386**	292,834
Total equity		**7,340,208**	9,794,250

1. GENERAL

Shanghai Junshi Biosciences Co., Ltd.* (the "**Company**") 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 (the "**Stock Exchange**") (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 Company is ultimately controlled by Mr. Xiong Jun, who is also the Chairman, legal representative and executive director of the Company, and Mr. Xiong Fengxiang, father of Mr. Xiong Jun. 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 Company and its subsidiaries (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 NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

New and amendments to IFRS that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to IFRS 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.

2.1 Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;

(ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance.

2.2 Impacts on application of Amendments to IAS 12 Income Taxes International Tax Reform – Pillar Two model Rules

The Group has applied the amendments for the first time in the current year. IAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "**Pillar Two legislation**"). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is yet to apply the temporary exception during the current year because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements when the Pillar Two legislation is enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

2.3 Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material 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:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time		
Sale of pharmaceutical products	**1,190,426**	752,755
Licensing income	**283,725**	476,475
Service income	**5,046**	6,029
	1,479,197	1,235,259
Over time		
Service income	**23,353**	218,234
	1,502,550	1,453,493

Sales of pharmaceutical products

Revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. A receivable is recognised by the Group when the goods are delivered to the customer. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 45 to 60 days (2022: 60 days) upon delivery.

Under the Group's standard contract terms, customers have a right to return products which are close to expiry dates. The Group uses its accumulated historical experience to estimate the number of return on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A refund liability is recognised for sales in which revenue has yet to be recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and a corresponding adjustment to cost of sales.

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

During the year ended 31 December 2023 and 2022, the Group entered into several exclusive license development and commercialisation agreements, pursuant to which the Group may receive upfront payment, milestone payments and sales-based royalty. During the year ended 31 December 2023, the Group recognised a total revenue of RMB103,555,000 at a point in time upon the grant of the license, which is the time the customers obtain control on the usage of intellectual property.

For contracts that contain variable consideration in relation to milestone payment and sales-based royalty from license agreement, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled. The potential milestone payments that the Company is eligible to receive were considered as variable consideration as all milestone amounts were fully constrained due to uncertainty of achievement.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a licence of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

During the year ended 31 December 2023, the Group recognised a milestone payment of RMB179,455,000 at a point in time when certain uncertainty resolved, and recognised sales-based royalty amounting to RMB715,000 according to the license agreement. During the year ended 31 December 2022, the Group recognised an option exercise payment of RMB221,508,000 as licensing income at a point in time when the customer has the ability to use the license upon exercise of option, and recognised sales-based royalty amounting to RMB254,967,000 according to the license agreement.

The normal credit term is 45 days (2022: 45 days) upon issuance of invoices.

Service income

The Group provides research and development services ("**R&D**"). Service income is recognised either at a point in time or over time, depending on the type of service provided. Revenue is recognised over time for time-based service income 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. Revenue under fixed fee arrangement is recognised at a point in time for the R&D delivered to the customers by the Group, since the terms of the relevant sales contracts do not create an enforceable right to payment for the Group. Costs to fulfill a contract of the Group are assessed whether these costs qualify for recognition as an asset in terms of other relevant standards and the asset recognised is subsequently amortized to profit or loss on a systematic basis. The normal credit term is 45-60 days (2022: 45-60 days) upon issuance of invoices.

For over time revenue recognition, the progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

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	
	2023	2022
	RMB'000	*RMB'000*
Bank interest income	**99,426**	61,018
Government grants related to property, plant and equipment *(Note a)*	**2,802**	1,451
Other subsidies *(Note b)*	**48,143**	32,738
Others	**413**	683
	150,784	95,890

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 and incentives from PRC government for research and development activities, which are recognised as income upon meeting specific conditions.

5. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Loss from change in fair value of other financial assets measured at fair value through profit or loss	**(144,942)**	(9,032)
Gain on disposal of an associate	**130,240**	–
Gain on deemed disposal of an associate	**–**	28,847
Loss on disposal of property, plant and equipment	**(2,296)**	(1,838)
Other gain *(Note)*	**30,598**	16,100
Gain on termination of leases	**584**	8,109
Exchange (losses) gains, net	**(2,661)**	50,052
Others	**–**	7
	11,523	92,245

Note:

During the year ended 31 December 2023, the Group transferred certain developing pipelines to Shanghai Anlingke Biopharmaceutical Co., Ltd.* 上海安領科生物醫藥有限公司 ("**Anlingke**") in exchange of 9.45% equity interest in Anlingke, a related party of the Group. One of the Company's non-executive directors is also the chairman of Anlingke. The transaction results in a gain of RMB30,598,000, representing the fair value of the equity interest in Anlingke on the date of transfer.

During the year ended 31 December 2022, the Group transferred developing pipelines to an associate, Junshi Risen (Shanghai) Pharmaceutical Technology Co., Ltd.* 君實潤佳(上海)醫藥科技有限公司, and recognised a gain of RMB16,100,000.

6. INCOME TAX EXPENSE (CREDIT)

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current tax		
United States withholding tax	**(88,214)**	46,770
India withholding tax	**7,178**	–
Deferred tax	**125,031**	(139,877)
	43,995	(93,107)

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 certain subsidiaries have been accredited as "High and New Technology Enterprises" for a period of three years starting from 2021 to 2023. Accordingly, the profit derived by the Company and these subsidiaries is subject to 15% Enterprise Income Tax rate for the reporting period.

TopAlliance Biosciences Inc., a wholly-owned subsidiary of the Company, is subject to the US California Corporate Income Tax rate of 8.84% (2022: 8.84%) for the year ended 31 December 2023. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

During the year ended 31 December 2023, the Company received a refund of United States Corporate Income Tax previously withheld on licensing income from a United States based customer amounting to RMB106,231,000, and the Company is subject to a United States withholding tax on licensing income received from a US-based customer and an India withholding tax on licensing income received from an India-based customer, amounting to RMB18,017,000 and RMB7,178,000, respectively. The effective tax rate was 10% (2022: from 9% to 10%).

Except for 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. 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	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(2,281,624)**	(2,386,067)

Number of shares:

	Year ended 31 December	
	2023	2022
Weighted average number of ordinary shares for the purpose of basic loss per share	**985,302,166**	917,465,166

The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 31 December 2023 excludes shares of treasury stock repurchased and has been adjusted for the issuance of 2,818,231 shares upon the exercise of restricted share units ("**RSUs**") on 2 February 2023.

The weighted average number of ordinary shares for the purpose of basic loss 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 2023 and 31 December 2022 do not assume the exercise of the Company's outstanding RSUs as this would result in a decrease in loss per share. Accordingly, diluted loss per share for the years ended 31 December 2023 and 2022 are the same as basic loss per share for the respective year.

8. DIVIDENDS

No dividend was paid or declared by the Company during the years ended 31 December 2023 and 2022, nor has any dividend been declared since the end of the reporting period.

9. INTERESTS IN JOINT VENTURES

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of investments in joint ventures	**80,000**	111,000
Share of post-acquisition losses	**(5,344)**	(1,494)
	74,656	109,506

On 20 September 2023, the Group acquired 49% equity interest in Shanghai Ruotuo Biotechnology Co., Ltd.* 上海偌妥生物科技有限公司 ("**Ruotuo Bio**") from an associate of the Group, Anwita Biosciences, Inc., with a cash consideration of RMB50,000,000. Upon the completion of the transaction, Ruotuo Bio became a joint venture of the Group.

During the year ended 31 December 2023, the Group disposed the entire interest of Shanghai Linjing Economic Development Co., Ltd.* 上海臨境經濟發展有限公司 (formerly known as Shanghai Lijing Biosciences Technology Limited* 上海禮境生物醫藥科技有限公司) and Beijing Tianshi Pharmaceutical Technology Co., Ltd.* 北京天實醫藥科技有限公司 to third parties for proceeds of RMB78,366,000 and RMB1,152,000, respectively.

10. INTERESTS IN ASSOCIATES

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of investments in associates	**211,961**	501,961
Share of post-acquisition losses	**(44,041)**	(118,828)
	167,920	383,133

On 6 November 2023, the Group disposed the entire interest of Shanghai Junpai Yingshi Pharmaceutical Co., Ltd.* 上海君派英實藥業有限公司 ("**JPYP**") to Impact Therapeutics, Inc.* 南京英派藥業有限公司, the holding company of JPYP, for a proceed of RMB300,000,000. A gain on disposal of RMB130,240,000 was resulted.

11. TRADE RECEIVABLES

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**498,080**	232,743
Less: Allowance for credit losses	**(18,357)**	(18)
	479,723	232,725

The trade receivables are receivables from contracts with customers.

As at 1 January 2022, the trade receivables from contracts with customers amounted to RMB1,292,933,000.

The aged analysis of the Group's trade receivables net of allowance for credit losses, based on invoice date, at the end of each reporting period are as follows:

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
0 – 90 days	**462,972**	232,725
91 – 180 days	**9,484**	–
Over 180 days	**7,267**	–
	479,723	232,725

As at 31 December 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB206,151,000 (2022: nil) which are past due and the impairment amount is RMB18,357,000.

Out of the past due balance, RMB8,388,000 (2022: nil) has been past due 90 days or more and is not considered as in default as they are due from customers with good reputation and lower risk of default.

Subsequent to the year end, the payment schedule for the Group's trade receivables balance amounting to RMB177,068,000 was revised. Based on the revised payment schedule, RMB88,534,000 will be due in the second quarter of 2024 and the remainder will be due in the first quarter of 2025.

12. TRADE AND OTHER PAYABLES

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade payables		
– third parties	**247,264**	281,600
Accrued expenses in respect of:		
– construction costs	**479,284**	133,382
– research and development expenses *(Note a)*	**408,516**	415,751
– selling and distribution expenses	**133,997**	65,783
– others	**97,137**	75,205
Payable to licensor *(Note b)*	**–**	69,097
Payable to a collaboration party under collaboration agreement *(Note c)*	**14,947**	16,639
Salary and bonus payables	**234,202**	191,903
Other tax payables	**41,411**	35,187
Payable for transaction costs for the issue of new shares	**–**	2,898
Other payables	**49,257**	50,955
	1,706,015	1,338,400

Payment terms with suppliers are mainly with credit term of 0 days to 90 days (2022: 0 days to 90 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	
	2023	2022
	RMB'000	*RMB'000*
0 – 30 days	**60,582**	87,591
31 – 60 days	**33,363**	66,244
61 – 180 days	**72,400**	72,321
Over 180 days	**80,919**	55,444
	247,264	281,600

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 31 December 2022.

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

13. BORROWINGS

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Bank borrowings		
– secured	**868,364**	797,783
– unsecured	**866,821**	433,549
	1,735,185	1,231,332
The maturity profile of bank borrowings is as follows:		
– within one year	**539,391**	391,750
– within a period of more than one year but not exceeding two years	**120,135**	84,836
– within a period of more than two years but not exceeding five years	**700,751**	397,708
– within a period of more than five years	**374,908**	357,038
	1,735,185	1,231,332
Less: Amount due within one year shown under current liabilities	**(539,391)**	(391,750)
Amount shown under non-current liabilities	**1,195,794**	839,582

All bank borrowings are denominated in RMB as at 31 December 2023 and 2022.

14. SHARE CAPITAL

	Total number of shares	Amount *RMB'000*
Registered, issued and fully paid at RMB1.0 per share:		
At 1 January 2022	910,756,700	910,757
A shares issued on the STAR Market *(Note)*	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
Exercise of RSUs	2,818,231	2,818
At 31 December 2023	985,689,871	985,690

Note: 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.

Save as disclosed above, none of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

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

The following financial information is extracted from the Company's 2023 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

At 31 December 2023

Unit: Yuan Currency: RMB

Item	31 December 2023	31 December 2022
Current assets:		
Cash and bank balances	**3,788,193,376.77**	6,030,741,479.31
Accounts receivable	**483,226,004.74**	238,185,594.33
Prepayments	**238,897,466.48**	231,081,379.53
Other receivables	**374,008,655.77**	26,178,446.53
Including: Interest receivable	**–**	–
Dividend receivable	**–**	–
Inventories	**538,052,813.07**	599,021,105.13
Non-current assets due within one year	**8,184,311.36**	3,112,887.71
Other current assets	**140,512,460.52**	88,163,174.46
Total current assets	**5,571,075,088.71**	7,216,484,067.00
Non-current assets:		
Long-term equity investments	**242,575,715.18**	492,638,900.50
Investments in other equity instruments	**84,184,097.91**	137,457,141.03
Other non-current financial assets	**806,351,904.77**	772,740,011.57
Fixed assets	**2,431,855,834.52**	1,894,630,921.83
Construction in progress	**1,325,356,972.04**	1,043,663,689.21
Right-of-use assets	**51,367,618.58**	81,947,640.61
Intangible assets	**546,964,593.08**	316,094,405.40
Long-term prepaid expenses	**12,598,552.14**	23,242,343.69
Deferred tax assets	**103,396,116.17**	228,427,087.13
Other non-current assets	**167,140,378.23**	351,169,967.46
Total non-current assets	**5,771,791,782.62**	5,342,012,108.43
Total assets	**11,342,866,871.33**	12,558,496,175.43

Item	31 December 2023	31 December 2022
Current liabilities:		
Short-term loans	**452,435,151.72**	351,362,075.93
Notes payable	**4,672,296.11**	–
Accounts payable	**1,381,144,867.05**	1,057,456,669.83
Contract liabilities	**146,298,445.27**	4,114,783.77
Payroll payable	**234,201,628.25**	191,903,014.09
Taxes payable	**50,741,556.79**	35,112,108.67
Other payables	**37,330,788.82**	42,234,909.99
Including: Interest payable	**–**	–
Dividend payable	**–**	–
Non-current liabilities due within one year	**122,886,665.63**	84,052,062.89
Other current liabilities	**8,686,175.91**	74,986.71
Total current liabilities	**2,438,397,575.55**	1,766,310,611.88
Non-current liabilities:		
Long-term borrowings	**1,195,794,059.52**	839,581,860.04
Lease liabilities	**17,451,499.85**	46,584,759.61
Provisions	**27,104,611.58**	–
Deferred income	**183,463,569.04**	122,055,113.23
Other non-current liabilities	**160,045,083.81**	7,503,567.45
Total non-current liabilities	**1,583,858,823.80**	1,015,725,300.33
Total liabilities	**4,022,256,399.35**	2,782,035,912.21
Owners' equity:		
Share capital	**985,689,871.00**	982,871,640.00
Capital reserves	**15,394,559,338.20**	15,345,797,913.57
Less: Treasury share	**26,891,299.08**	–
Other comprehensive income	**-142,066,958.60**	-68,408,497.07
Retained earnings	**-9,060,066,765.05**	-6,776,634,904.80
Total equity attributable to owners of the Company	**7,151,224,186.47**	9,483,626,151.70
Minority interests	**169,386,285.51**	292,834,111.52
Total equity attributable to owners	**7,320,610,471.98**	9,776,460,263.22
Total liabilities and equity attributable to owners	**11,342,866,871.33**	12,558,496,175.43

CONSOLIDATED INCOME STATEMENT

January-December 2023

Unit: Yuan Currency: RMB

Item		2023	2022
I.	**Total operating income**	**1,502,549,915.75**	1,453,492,709.83
	Including: Operating income	**1,502,549,915.75**	1,453,492,709.83
II.	**Total operating costs**	**3,811,859,509.40**	4,102,931,275.55
	Including: Operating costs	**540,976,390.72**	504,307,979.44
	Taxes and surcharges	**19,704,320.97**	10,412,744.87
	Selling expenses	**844,355,927.00**	715,704,364.66
	Administrative expenses	**536,439,566.54**	569,087,505.36
	R&D expenses	**1,937,469,544.84**	2,384,373,404.10
	Financial expenses	**-67,086,240.67**	-80,954,722.88
	Including: Interest expenses	**23,006,975.29**	22,977,204.58
	Interest income	**99,426,230.82**	61,018,131.47
	Add: Other gains	**47,444,534.82**	34,189,011.76
	Investment gains ("-" for losses)	**73,990,355.55**	-41,932,425.25
	Including: Gains from investments in associates and joint ventures	**-60,484,681.25**	-71,031,449.27
	Gains from changes in fair value ("-" for losses)	**-149,177,392.25**	-9,276,556.68
	Credit impairment loss ("-" for losses)	**-23,483,189.23**	-47,182.16
	Impairment loss of assets ("-" for losses)	**-126,313,501.28**	-21,974,198.65
	Gains from disposal of assets ("-" for losses)	**29,406,432.28**	22,565,485.36
III.	**Operating revenue ("-" for losses)**	**-2,457,442,353.76**	-2,665,914,431.34
	Add: Non-operating income	**3,913,286.20**	683,041.13
	Less: Non-operating expenses	**38,165,533.03**	11,952,872.08
IV.	**Total profit ("-" for total losses)**	**-2,491,694,600.59**	-2,677,184,262.29
	Less: Income tax expenses	**43,994,697.26**	-93,106,789.60
V.	**Net profit ("-" for net losses)**	**-2,535,689,297.85**	-2,584,077,472.69
	(I) Classified by business continuity		
	1. Net profit from continuous operations ("-" for net losses)	**-2,535,689,297.85**	-2,584,077,472.69
	2. Net profit from discontinued operations ("-" for net losses)	**–**	–
	(II) Classified by ownership		
	1. Net profit attributable to the shareholders ("-" for net losses)	**-2,283,431,860.25**	-2,388,049,884.64
	2. Profit or loss attributable to minority interests ("-" for net losses)	**-252,257,437.60**	-196,027,588.05

Item	2023	2022
VI. Other comprehensive income after-tax, net	**-73,658,461.53**	-68,617,672.36
(I) Other comprehensive income after-tax attributable to owners of the Company, net	**-73,658,461.53**	-68,617,672.36
1. Other comprehensive income that cannot be reclassified into profit or loss	**-83,870,843.12**	-116,118,018.52
(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	**-83,870,843.12**	-116,118,018.52
(4) Change in fair value due to enterprise's own credit risk	**–**	–
2. Other comprehensive income that can be reclassified to profit or loss	**10,212,381.59**	47,500,346.16
(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	**10,212,381.59**	47,500,346.16
(II) Other net comprehensive income after-tax attributable to minority shareholders	**–**	–
VII. Total comprehensive income	**-2,609,347,759.38**	-2,652,695,145.05
(I) Total comprehensive income attributable to owners of the Company	**-2,357,090,321.78**	-2,456,667,557.00
(II) Total comprehensive income attributable to minority shareholders	**-252,257,437.60**	-196,027,588.05
VIII. Earnings per share		
(I) Basic earnings per share (RMB/Share)	**-2.32**	-2.60
(II) Diluted earnings per share (RMB/Share)	**-2.32**	-2.60

CONSOLIDATED CASH FLOW STATEMENT

January-December 2023

Unit: Yuan Currency: RMB

Item		2023	2022
I.	**Cash flows from operating activities:**		
	Cash receipts from the sale of goods and the rendering of services	**1,474,934,030.73**	2,396,193,489.72
	Receipts of tax refunds	**143,929,288.86**	300,014,688.61
	Other cash receipts relating to operating activities	**122,669,834.99**	43,446,581.16
	Subtotal of cash inflows from operating activities	**1,741,533,154.58**	2,739,654,759.49
	Cash payments for goods purchased and services received	**2,082,560,054.82**	2,981,991,656.96
	Cash payments to and on behalf of employees	**1,254,991,680.89**	1,271,046,426.78
	Payments of various types of taxes	**78,513,316.85**	38,442,729.37
	Other cash payments relating to operating activities	**330,450,198.99**	224,374,859.48
	Subtotal of cash outflows from operating activities	**3,746,515,251.55**	4,515,855,672.59
	Net cash flows from operating activities	**-2,004,982,096.97**	-1,776,200,913.10
II.	**Cash flows from investing activities:**		
	Cash receipts from recovery of investments	**1,246,870,799.38**	91,000,000.00
	Cash receipts from investment income	**4,234,520.55**	244,527.26
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**4,097,167.34**	660.00
	Other cash receipts relating to investing activities	**103,189,128.33**	60,978,132.39
	Subtotal of cash inflows from investing activities	**1,358,391,615.60**	152,223,319.65
	Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**832,574,528.57**	393,951,797.85
	Cash payments to acquire investments	**1,459,007,993.15**	195,484,047.00
	Subtotal of cash outflows from investing activities	**2,291,582,521.72**	589,435,844.85
	Net cash flows from investing activities	**-933,190,906.12**	-437,212,525.20

Item		2023	2022
III.	**Cash flows from financing activities:**		
	Cash receipts from capital contributions	**155,594,530.50**	4,177,296,410.00
	Including: cash receipts from capital contributions from minority owners of subsidiaries	**3,000,000.00**	386,000,000.00
	Cash receipts from borrowings	**977,095,079.63**	840,362,035.97
	Other cash receipts relating to investing activities	**207,889,063.78**	6,624,881.70
	Subtotal of cash inflows from financing activities	**1,340,578,673.91**	5,024,283,327.67
	Cash repayments of borrowings	**480,915,060.85**	113,445,381.63
	Cash payments for distribution of dividends or profits or settlement of interest expenses	**38,226,802.11**	19,157,608.46
	Including: payments for distribution of dividends or profits to minority owners of subsidiaries	**–**	–
	Other cash payments relating to financing activities	**109,609,030.99**	278,202,209.58
	Subtotal of cash outflows from financing activities	**628,750,893.95**	410,805,199.67
	Net cash flows from financing activities	**711,827,779.96**	4,613,478,128.00
IV.	**Effects of exchange rate fluctuations on cash and cash equivalents**	**7,551,261.18**	92,266,469.41
V.	**Net increase in cash and cash equivalents**	**-2,218,793,961.95**	2,492,331,159.11
	Add: Opening balance of cash and cash equivalents	**5,996,935,997.83**	3,504,604,838.72
VI.	**Closing balance of cash and cash equivalents**	**3,778,142,035.88**	5,996,935,997.83

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January-December 2023

Unit: Yuan Currency: RMB

Item	2023 Equity attributable to owners of the Company							
	Share Capital	Capital reserves	Less: Treasury share	Other comprehensive income	Retained earnings	Subtotal	Minority interests	Total equity
I. Closing balance of the preceding year	**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**
Add: Changes in accounting policies	–	–	–	–	–	–	–	–
II. Balance at the beginning of year	**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**
III. Changes in the current period ("-" for decreases)	**2,818,231.00**	**48,761,424.63**	**26,891,299.08**	**-73,658,461.53**	**-2,283,431,860.25**	**-2,332,401,965.23**	**-123,447,826.01**	**-2,455,849,791.24**
(I) Total comprehensive income	–	–	–	**-73,658,461.53**	**-2,283,431,860.25**	**-2,357,090,321.78**	**-252,257,437.60**	**-2,609,347,759.38**
(II) Increase of capital from shareholders	**2,818,231.00**	**48,761,424.63**	**26,891,299.08**	–	–	**24,688,356.55**	**128,809,611.59**	**153,497,968.14**
1. Ordinary shares contributed by shareholders	**2,818,231.00**	**153,593,589.50**	–	–	–	**156,411,820.50**	–	**156,411,820.50**
2. Capital contributed by holders of other equity instruments	–	–	–	–	–	–	–	–
3. Share-based payments recognized in owners' equity	–	**23,650,339.24**	–	–	–	**23,650,339.24**	**327,107.48**	**23,977,446.72**
4. Others	–	**-128,482,504.11**	**26,891,299.08**	–	–	**-155,373,803.19**	**128,482,504.11**	**-26,891,299.08**
IV. Balance at the end of period	**985,689,871.00**	**15,394,559,338.20**	**26,891,299.08**	**-142,066,958.60**	**-9,060,066,765.05**	**7,151,224,186.47**	**169,386,285.51**	**7,320,610,471.98**

Unit: Yuan Currency: RMB

Item	2022 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	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

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 2023 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 28 March 2024. 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 2023 ANNUAL RESULTS AND 2023 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 2023 Annual Report containing all the information required by the Hong Kong Listing Rules will be 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, 28 March 2024

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

* *For identification purpose only*