



翰森製藥  
HANSOH PHARMA



# INTERIM REPORT · 2024

翰森製藥集團有限公司 | Stock Code: 3692  
Hansoh Pharmaceutical Group Company Limited (Incorporated in the Cayman Islands with limited liability)



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Ms. Zhong Huijuan (鍾慧娟)  
(*Chairlady and Chief Executive Officer*)  
Ms. Sun Yuan (孫遠)  
Dr. Lyu Aifeng (呂愛鋒)

### Independent Non-executive Directors

Mr. Lin Guoqiang (林國強)  
Mr. Chan Charles Sheung Wai (陳尚偉)  
Ms. Yang Dongtao (楊東濤)

### AUDIT COMMITTEE

Mr. Chan Charles Sheung Wai (陳尚偉) (*Chairman*)  
Mr. Lin Guoqiang (林國強)  
Ms. Yang Dongtao (楊東濤)

### REMUNERATION COMMITTEE

Ms. Yang Dongtao (楊東濤) (*Chairlady*)  
Ms. Zhong Huijuan (鍾慧娟)  
Mr. Lin Guoqiang (林國強)

### STRATEGY AND DEVELOPMENT COMMITTEE

Ms. Zhong Huijuan (鍾慧娟) (*Chairlady*)  
Dr. Lyu Aifeng (呂愛鋒)  
Mr. Chan Charles Sheung Wai (陳尚偉)  
Ms. Yang Dongtao (楊東濤)

### ESG COMMITTEE

Dr. Lyu Aifeng (呂愛鋒) (*Chairman*)  
Ms. Yang Dongtao (楊東濤)  
Mr. Chan Charles Sheung Wai (陳尚偉)

## NOMINATION COMMITTEE

Ms. Zhong Huijuan (鍾慧娟) (*Chairlady*)  
Mr. Lin Guoqiang (林國強)  
Mr. Chan Charles Sheung Wai (陳尚偉)

## JOINT COMPANY SECRETARIES

Ms. Zhong Shengli (鍾勝利)  
Ms. Li Yan Wing Rita (李昕穎)<sup>1</sup>  
Ms. Tam Sze Wai Sara (譚思慧)<sup>1</sup>

## AUTHORISED REPRESENTATIVES

Ms. Sun Yuan (孫遠)  
Ms. Li Yan Wing Rita (李昕穎)<sup>1</sup>  
Ms. Tam Sze Wai Sara (譚思慧)<sup>1</sup>

## LISTING INFORMATION

*Ordinary Shares*  
The Stock Exchange of Hong Kong Limited  
Stock Code: 3692

*Convertible Bonds*  
US\$600,000,000 zero-coupon convertible bonds  
due in 2026 issued on January 22, 2021  
The Stock Exchange of Hong Kong Limited  
Convertible Bonds Code: 40546

<sup>1</sup> Ms. Li Yan Wing Rita resigned as the joint company secretary, authorized representative and process agent of the Company with effect from April 29, 2024. Ms. Tam Sze Wai Sara was appointed as the joint company secretary, authorized representative and process agent of the Company with effect from April 29, 2024.

# Corporate Information

## REGISTERED OFFICE IN THE CAYMAN ISLANDS

P.O. Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

287 Xiangke Road  
Pudong New District  
Shanghai  
The PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon  
Hong Kong

## AUDITOR

Ernst & Young  
*Certified Public Accountants*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## HONG KONG LEGAL ADVISOR

Cleary Gottlieb Steen & Hamilton (Hong Kong)  
37/F, Hysan Place  
500 Hennessy Road  
Causeway Bay  
Hong Kong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANK

Lianyungang Branch of the Bank of Communications  
No. 45 Huanghe Road  
Economic & Technical Development Zone  
Lianyungang  
Jiangsu  
The PRC

## COMPANY'S WEBSITE

[www.hspharm.com](http://www.hspharm.com)

# Financial Highlights

For the six months ended June 30, 2024, the Group recorded the following unaudited results:

- Revenue was approximately RMB6,506 million, representing an increase of approximately 44.2% compared with the corresponding period of the previous year;
- Revenue of innovative drugs and collaborative products amounted to approximately RMB5,032 million, representing an increase of approximately 80.6% compared to the corresponding period of the previous year, and its proportion to the revenue increased from 61.8% to 77.4% as compared with the corresponding period of the previous year;
- R&D expenditure was approximately RMB1,196 million, representing an increase of approximately 28.7% compared with the corresponding period of the previous year, and accounted for approximately 18.4% of the revenue;
- Profit was approximately RMB2,726 million, representing an increase of approximately 111.5% compared with the corresponding period of the previous year;
- Basic earnings per share was approximately RMB0.46, representing an increase of approximately 111.4% compared with the corresponding period of the previous year.

The increase in revenue, profit and basic earnings per share during the Reporting Period was primarily due to the increase in the revenue of innovative drugs and collaborative products.

The Board has declared the payment of an interim dividend of HK\$20.10 cents per share for the six months ended June 30, 2024.

## Corporate Overview

The Company is one of the leading R&D and innovation-driven pharmaceutical companies in China, driven by its mission of “continuous innovation for better life”, and is committed to becoming the world’s leading innovation-driven pharmaceutical enterprise.

The Company has established a leading position in some of the largest and fastest-growing therapeutic areas in the PRC with significant unmet medical needs, including oncology, anti-infectives, CNS diseases, metabolic and other diseases, and has successfully transformed itself into an innovative biopharma company that focuses on developing and selling innovative drugs. As at June 30, 2024, the Group has been approved to market a total of seven innovative drugs, all of which were included in the NRDL issued by the NHSA. The revenue of innovative drugs and collaborative products amounted to approximately RMB5,032 million and its proportion of total revenue amounted to approximately 77.4%, becoming a core driver for sustainable growth of the Company’s performance.

During the Reporting Period, the Group’s main achievements are as follows:

In January 2024, HS-10501 tablets, a Category 1 innovative drug self-developed by the Group, obtained a clinical trial approval issued by the NMPA, which was intended to be used for the treatment of T2DM and obesity in adults, with specific indication to be determined after the completion of clinical research.

In February 2024, HS-10398 capsules, a Category 1 innovative drug self-developed by the Group, obtained a clinical trial approval issued by the NMPA, which was intended to be used for the treatment of immunoglobulin A nephropathy and membranous nephropathy, with specific indication to be determined after the completion of clinical research.

In March 2024, the Group entered into a license agreement with Biotheus, pursuant to which, the Group obtained an exclusive license from Biotheus to use HS-20117 (license-in as PM1080) for the development, manufacture, and commercialization of bispecific ADC product on a global basis, with the right of sublicense.

In April 2024, HS-10504 tablets, a Category 1 innovative drug self-developed by the Group, obtained a clinical trial approval issued by the NMPA, which was intended to be used for the treatment of advanced NSCLC, with specific indication to be determined after the completion of clinical research.

In April 2024, the Group entered into a license agreement with Qyuns, pursuant to which, the Group obtained an exclusive license from Qyuns to develop and commercialize monoclonal antibody HS-20137 (license-in as QX004N) within China (including Hong Kong, Macau and Taiwan).

The Company continues to improve its ESG performance. During the year, the Company continued to be listed in the Sustainability Yearbook (China Edition) 2024 published by S&P Global, with the honor of ranking among the top 1% in the industry in terms of ESG score.

The website of the Group: [www.hspharm.com/](http://www.hspharm.com/)

# Management Discussion and Analysis

## INDUSTRY REVIEW

During the Reporting Period, the reform of China's pharmaceutical and healthcare system continued to deepen, with policies leading to the innovative transformation of the entire chain of the biopharmaceutical industry, and "new quality productivity" becoming the engine of development of biopharmaceuticals. With the NMPA continuously speeding up the review and approval of innovative and clinically urgently needed drugs, the health insurance payments further tilting towards the promotion and application of innovative products, and a healthier and more transparent industry environment have catalysed innovation-driven pharmaceutical enterprises to continuously increase their investment in R&D, accelerating the pace of innovation-driven development, and to lay out therapeutic areas of vast clinical needs around the health and well-being of the people to provide more accessible medication choices for patients.

## BUSINESS HIGHLIGHTS

For the six months ended June 30, 2024, the Group recorded revenue of approximately RMB6,506 million, representing an increase of approximately 44.2% compared with the corresponding period of the previous year; profit of approximately RMB2,726 million, representing an increase of approximately 111.5% compared with the corresponding period of the previous year; and earnings per share of approximately RMB0.46, representing an increase of approximately 111.4% compared with the corresponding period of the previous year; the Group's revenue of innovative drugs and collaborative products amounted to approximately RMB5,032 million, representing an increase of approximately 80.6% to the corresponding period, and its proportion of total revenue was approximately 77.4%.

We generate our revenue primarily from sales of pharmaceutical products. Our main products are concentrated in the main therapeutic areas on which the Group strategically targets, including oncology, anti-infectives, CNS diseases, metabolic and other diseases. The increase in revenue, profit and basic earnings per share during the Reporting Period was primarily due to the increase in the revenue of innovative drugs and collaborative products, which is attributable to the increase in sales of innovative drugs and an upfront payment from GSK, our collaborator. For further details of the collaborations with GSK, please refer to the sub-heading headed "BD" below.

# Management Discussion and Analysis

## **BUSINESS HIGHLIGHTS** *(Continued)*

For the six months ended June 30, 2024, the revenue and product portfolio of our therapeutic areas are as follows:

<b>Therapeutic Area</b>	<b>Product Portfolio</b>
Oncology (revenue amounted to approximately RMB4,475 million, accounting for approximately 68.8% of the total revenue)	Innovative drug Ameile (Aumolertinib Mesilate Tablets), innovative drug Hansoh Xinfu (Flumatinib Mesylate Tablets), Pulaile (Pemetrexed Disodium for Injection), Pulaitan (Enzalutamide Soft Capsules), Xinwei (Imatinib Mesylate Tablets) and Tanneng (Fosaprepitant Dimeglumine for Injection), etc.
Anti-infectives (revenue amounted to approximately RMB701 million, accounting for approximately 10.8% of the total revenue)	Innovative drug Hengmu (Tenofovir Amibufenamide Tablets), innovative drug Mailingda (Morinidazole Sodium Chloride for Injection) and Hengsen (Micafungin Sodium for Injection), etc.
CNS diseases (revenue amounted to approximately RMB733 million, accounting for approximately 11.3% of the total revenue)	Innovative drug XINYUE (Inebilizumab Injection), Ameining (Agomelatine Tablets), Ailanning (Paliperidone Extended-Release Tablets), and Oulanning (Olanzapine Tablets/Orally Disintegrating Tablets/Oral Soluble Film), etc.
Metabolic and other diseases (revenue amounted to approximately RMB597 million, accounting for approximately 9.1% of the total revenue)	Innovative drug Fulaimei (PEG-Loxenatide for Injection), innovative drug Saint Luolai (Pegmolesatide Injection), Ruibote (Sodium Rabepazole Enteric-coated Tablets), Fulaidi (Repaglinide Tablets), Fulairui (Canagliflozin Tablets) and Punuoan (Ambrisentan Tablets), etc.



# Management Discussion and Analysis

## INNOVATIVE DRUG PRODUCTS

During the Reporting Period, seven of the Group's approved innovative drugs (Ameile, Hansoh Xinfu, Fulaimei, Hengmu, XINYUE, Saint Luolai and Mailingda) and the corresponding 9 indications have been included in the NRDL.

### Ameile (阿美樂®)

Ameile (Aumolertinib Mesilate Tablets) is China's first innovative third-generation EGFR-TKI innovative drug independently developed by the Group, and it has been approved for two indications in China, as follows: in March 2020, Ameile obtained approval for the treatment of patients with locally advanced or metastatic NSCLC with T790M mutation, who have progressed on or after EGFR-TKI therapy, and was also successfully renewed in the 2022 NRDL in January 2023; in December 2021, Ameile obtained approval to be used as the first-line treatment for adult patients with locally advanced or metastatic NSCLC whose tumors have EGFR exon 19 deletions or exon 21(L858R) substitute mutation positive and has been included in the 2022 NRDL after negotiations in January 2023.

From January 2024 to June 2024, multiple academic publications on Ameile were released. Six of the studies were selected for the European Lung Cancer Congress (ELCC) 2024, multiple important clinical studies were selected at the Annual Meeting of the ASCO 2024, and a retrospective real-world research result was first published in the internationally renowned pharmacology journal *Frontiers in Pharmacology*.

In July 2024, the third NDA of Ameile for adjuvant therapy after tumor resection in patients with NSCLC whose tumors have EGFR exon 19 deletions or exon 21(L858R) mutations, was accepted by the NMPA.

In August 2024, the fourth NDA of Ameile for the treatment in patients with locally advanced, unresectable, EGFR exon 19 deletions or exon 21(L858R) mutations, NSCLC without progression following definitive platinum-based chemoradiotherapy, was accepted by the NMPA.

Since the launch of Ameile, a number of indications, including post-operative adjuvant and first-line chemotherapy combinations, are in Phase III pivotal clinical trials. The clinical trials of Ameile in combination with HS-10241, the Company's proprietary cMET small molecule, entered Phase III pivotal registration clinical trial stage, which is intended for the treatment of patients with locally advanced or metastatic NSCLC with EGFR mutation accompanied by MET amplification who have failed treatment with EGFR-TKI.

Ameile has been recommended as Class I or Preferred by eight national diagnosis and treatment guidelines, including *the Chinese Society of Clinical Oncology ("CSCO"): Clinical Guidelines For the Diagnosis and Treatment of NSCLC, 2023\** (《中國臨床腫瘤學會非小細胞肺癌診療指南(2023版)》). Ameile's patent titled "EGFR Inhibitor and its Preparation and Application" was also awarded the 24th "China Patent Gold Award"\* (中國專利金獎). The Group continues to push forward the regulatory review process for aumolertinib marketing authorization applications by the Medicines and Healthcare Products Regulatory Agency in the United Kingdom and the European Medicines Agency.

# Management Discussion and Analysis

## INNOVATIVE DRUG PRODUCTS *(Continued)*

### **Hansoh Xinfu (豪森昕福®)**

Hansoh Xinfu (Flumatinib Mesylate Tablets) is China's first self-developed novel second-generation Bcr-Abl TKI. It was approved for marketing in 2019, was included in the NRDL after negotiations in 2020 and was successfully renewed in the 2022 NRDL in January 2023. Hansoh Xinfu is used for the treatment of chronic myelogenous leukemia. Based on the results of existing clinical trials, its efficacy is better than that of imatinib. Further, no pleural effusion or cardiotoxicity which occurs in the use of other second-generation Bcr-Abl TKI has been observed, and its safety profile is more favorable. The product has been adopted for long-term application by an increasing number of patients. Hansoh Xinfu is recommended as the first-line treatment for chronic myelogenous leukemia in the *Guidelines for Diagnosis and Treatment of Chronic Myelogenous Leukemia\** (《慢性髓性白血病診斷與治療指南》) released by the NHC and the *Guidelines For the Treatment of Malignant Hematologic Diseases\** (《惡性血液病診療指南》).

### **Fulaimei (孚來美®)**

Fulaimei (PEG-Loxenatide for Injection) is the first innovative drug launched leveraging on the Group's proprietary PEGylation technology, it is the first original innovative GLP-1RA weekly formulation in China, which was approved for marketing in May 2019 for the treatment of T2DM. Fulaimei provides a new treatment option for diabetic patients in China, with clear efficacy in lowering blood glucose, combined with weight loss, improvement of blood lipids and blood pressure, and renal benefits, with a high degree of safety, and requiring only one injection per week. Fulaimei was first included in the NRDL after negotiation in 2020 and was successfully renewed in the 2022 NRDL in January 2023. Fulaimei has been included in the *Guideline For the Prevention and Treatment of Type 2 Diabetes Mellitus in China (2020 edition)\** (《中國2型糖尿病防治指南(2020版)》) released by the Chinese Diabetes Society (CDS) in April 2021.

# Management Discussion and Analysis

## INNOVATIVE DRUG PRODUCTS (Continued)

### Hengmu (恒沐®)

Hengmu (Tenofovir Amibufenamide Tablets) is the novel Tenofovir prodrug self-developed by the Group, it is also the first wholly developed oral dose medicine indicated for the treatment of hepatitis B virus (HBV) infection in China. Hengmu was approved for marketing in June 2021 and was included in the NRDL in the same year through negotiation. It was successfully renewed in the 2023 NRDL in December 2023.

Hengmu is a novel nucleotide reverse transcriptase inhibitor. By optimizing the compound structure, Hengmu has higher cell membrane penetration rate, making it easier to enter liver cells to achieve liver-targeting effect in order to effectively improve drug plasma stability and reduce systematic exposure of tenofovir in patients, it provides a safer option for long-term treatment. The 48-week, 96-week and 144-week data from the Phase III pivotal clinical study of Hengmu have been published in several academic journals and international conferences, and the results of the studies have all confirmed the efficacy and safety of Hengmu in the long-term treatment of patients with chronic hepatitis B, especially in terms of safety for the bones and kidneys. In March 2024, four research results on Hengmu were presented at the 33rd Annual Meeting of the Asia Pacific Association for the Study of Liver (APASL). In June 2024, a real-world study on Hengmu was released at the European Association for the Study of the Liver (EASL).

Hengmu has been included in the *Guidelines For the Prevention and Treatment of Chronic Hepatitis B (version 2022)\** (《慢性乙型肝炎防治指南(2022年版)》) as one of the first-line recommendation of antiviral therapy for chronic hepatitis B in February 2023, and has also been included in the *CSCO: Clinical Guidelines For the Diagnosis and Treatment of Hepatocellular, 2022\** (《中國臨床腫瘤學會肝癌診療指南(2022年版)》) as Class I recommendation. In April 2024, Hengmu was recommended as Grade A in the *Diagnosis and Treatment Guidelines for Primary Liver Cancer (2024 Edition)\** (《原發性肝癌診療指南(2024年版)》) by the NHC.

# Management Discussion and Analysis

## INNOVATIVE DRUG PRODUCTS *(Continued)*

### XINYUE (昕越®)

XINYUE (Inebilizumab Injection) is a targeted CD19 B-cell depleting antibody for adult patients with NMOSD who are AQP4 antibody-positive developed by our collaborator, Viela Bio (which was acquired by Horizon Therapeutics plc in March 2021, and Horizon Therapeutics plc was acquired by Amgen in December 2023). It was approved for marketing by the U.S. FDA, the Ministry of Health, Labour and Welfare of Japan, and the European Commission in June 2020, March 2021 and April 2022, respectively.

On May 24, 2019, the Group obtained an exclusive license from Viela Bio to develop and commercialize XINYUE in designated territories (i.e. the Chinese Mainland, Hong Kong and Macau regions) for NMOSD as well as other designated potential indications. Our collaborator, Amgen, is currently investigating global multi-centre clinical trials in IgG4-related diseases (IgG4-RD) and myasthenia gravis (gMG), including Chinese centres. In June 2024, our collaborator Amgen announced that the top line results of a randomized double-blind, multicenter, placebo-controlled Phase III clinical trial demonstrated that Inebilizumab Injection achieved the primary clinical endpoint in the treatment of IgG4-RD.

In March 2022, XINYUE was approved for marketing in the PRC and included in the 2022 NRDL after negotiation in January 2023. XINYUE has been included in the *Chinese Guidelines for the Diagnosis and Treatment of Neuromyelitis Optica Spectrum Disorders (2021 Edition)*\* (《中國視神經脊髓炎譜系疾病診斷與治療指南(2021年版)》) with a Class A recommendation. In March 2024, the *Expert Guidelines for Clinical Practice of Inebilizumab in the Treatment of Neuromyelitis Optica Spectrum Disorders*\* (《伊奈利珠單抗治療視神經脊髓炎譜系疾病臨床實踐專家指南》) were released in Shanghai.

# Management Discussion and Analysis

## INNOVATIVE DRUG PRODUCTS (Continued)

### Saint Luolai (聖羅萊®)

Saint Luolai (Pegmolesatide Injection), a Category 1 innovative drug which has been self-developed by the Group for 15 years, is a long-acting peptide-based ESA promoting the proliferation of red blood cells in the body. In June 2023, Saint Luolai has been approved for two indications to treat anemia in CKD adult patients who have not received ESA and are not on dialysis, as well as those who are receiving short-acting erythropoietin treatment and on dialysis. Saint Luolai was included in the 2023 NRDL in December 2023 for the first time through negotiation for its two indications.

Saint Luolai has a high selectivity agonist EPO Receptor (EPOR). It effectively binds to EPOR homodimers, promoting erythropoiesis, and exhibits comparable erythropoietic effects to traditional ESAs but demonstrates lower binding to non-erythropoietic heterodimers (EPOR + CD131), which may offer potential safety advantages. The data of the Phase III pivotal clinical trial of Saint Luolai (published in *eClinicalMedicine*, a subset of *The Lancet* in 2023) demonstrated that, as a monthly peptide-based highly specific EPO receptor agonist, it has a significantly extended half-life compared to short-acting ESAs and enables dosing once every 4 weeks, which enhances patient convenience while improving treatment compliance.

In February 2024, Saint Luolai was included for the first time in the *Chinese Expert Consensus on Long-acting Erythropoiesis-stimulating Agents in the Treatment of Renal Anemia (2024)\** (《長效紅細胞生成刺激劑治療腎性貧血中國專家共識(2024年版)》).

### Mailingda (邁靈達®)

Mailingda (Morinidazole Sodium Chloride for Injection), the Group's first self-developed innovative drug, was included in the NRDL after negotiation in 2017, and was renewed in November 2019, December 2021 (with zero-price reduction) and renewed again in the general list in December 2023. Mailingda is the new generation of nitroimidazole-class drug indicated for treatment of pelvic inflammatory disease in women, as well as combined surgery for the treatment of suppurative appendicitis and gangrenous appendicitis. It has a better safety profile than the previous generation of typical drug named ornidazole. Mailingda is recommended for the treatment of intra-abdominal infection in the *Chinese Guideline for the Diagnosis and Treatment of Intra-abdominal Infection (2019 Edition)\** (《中國腹腔感染診治指南(2019版)》).

# Management Discussion and Analysis

## R&D AND INNOVATION

Innovation focus is the core driving force of our Company's development. The Group has continuously increased its investments in R&D over the years, built complete R&D platforms, established a number of proprietary technologies, developed and commercialized a number of innovative drug products, as well as prepared a series of innovative drugs which are currently at different stages of R&D. Our professional R&D team consists of over 1,700 research fellows at four R&D centres located in Maryland, United States and Shanghai, Changzhou and Lianyungang, China. We have several national-level R&D designations, including the National Technology Center\* (國家級技術中心), Post-doctoral Research Station\* (博士後科研工作站) and Key National Laboratory\* (國家重點實驗室).

During the six months ended June 30, 2024, we submitted 21 formal patent applications in China and 29 patents were granted; we submitted 49 formal overseas patent applications and 20 patents were granted.

### R&D pipeline update

During the six months ended June 30, 2024, the Group had more than 50 clinical trials of innovative drugs being investigated, covering more than 30 innovative drug products.

Key innovative drugs obtaining first clinical approval during the review period includes: self-developed new Category 1 drug HS-10501 tablets (intended for the treatment of T2DM and adult obesity); self-developed Category 1 new drug HS-10398 capsules (intended for the treatment of immunoglobulin A nephropathy and membranous nephropathy); self-developed Category 1 new drug HS-10504 tablets (intended for the treatment of advanced NSCLC); HS-20137 monoclonal antibody (intended for the treatment of autoimmune diseases such as psoriasis) license-in from Qyuns, etc.

# Management Discussion and Analysis

## **R&D AND INNOVATION** *(Continued)*

### **R&D progress of key products**

HS-20094 is a dual agonist of GLP-1 and GIP receptor self-developed by the Group. By selectively activating GLP-1 and GIP receptors, it promotes insulin secretion, delays gastric emptying, inhibits appetite and reduces food intake, thereby producing biological effects such as sugar control, weight loss, and metabolic improvement. The phase IIa research results of HS-20094 published at the 2024 annual meeting of the American Diabetes Association (ADA) demonstrated that HS-20094 had good safety and tolerance characteristics in subjects with T2DM, and showed the efficacy of reducing glucose and weight.

HS-20093 is a novel B7-H3-targeted ADC composed of a fully-humanized B7-H3 monoclonal antibody covalently linked to topoisomerase inhibitor (TOPOi) payload self-developed by the Group. HS-20093 is currently undergoing several proof of concept (POC) clinical studies in China for the treatment of lung cancer, sarcoma, head and neck cancer and Phase I and Phase II clinical studies in other solid tumors. At the Annual Meeting of the ASCO 2024, a multicenter, open-label Phase II study of HS-20093 in relapsed or refractory bone and soft-tissue sarcomas (study code ARTEMIS-002) was released as an oral presentation, with preliminary data demonstrating that HS-20093, in patients with relapsed or refractory bone and soft-tissue sarcomas who have been adequately treated in the past, has demonstrated strong anti-tumor activity, superior to clinically available standard-of-care historical data, and was well tolerated for safety. Clinical study data support the subsequent development of HS-20093 in bone and soft tissue sarcomas. In August 2024, GSK, our collaborator, received FDA Breakthrough Therapy Designation for GSK5764227 (also known as HS-20093).

HS-10370 is an oral potent and highly selective small molecule KRAS G12C inhibitor self-developed by the Group. The results of the Phase I single-agent clinical study of HS-10370 in advanced solid tumours, presented at the 2024 Annual Meeting of the American Association for Cancer Research (AACR), demonstrated that HS-10370 has good safety and tolerability characteristics in patients with advanced solid tumors, and showed good efficacy in the treatment of advanced solid tumors with the KRAS G12C mutation, especially advanced NSCLC, which is expected to bring new treatment options to patients.

# Management Discussion and Analysis

## **BD**

In addition to internal R&D investment, in order to enhance the product pipeline, the Group adheres to both in-house R&D and external BD collaboration to proactively explore opportunities with relatively high commercial potential, and actively engage in platform cooperation globally, thus forming a R&D pipeline layout with differentiated competitive strengths. In terms of in-licensing, as at the end of the Reporting Period, the Company has introduced a total of 11 collaborative projects, of which nine are in the clinical stage and the remaining two are in the commercialization stage. The Group also actively pursues license-out opportunities for its own pipeline products and completed two external licensing approvals.

During the Reporting Period, the expenses of BD projects incurred and recognised as R&D expenditure of the Group were approximately RMB130 million in total and pursuant to the licensing agreement between the Group and GSK entered into on December 20, 2023, the Group recognised an upfront payment of US\$185 million BD licensing fees as collaboration revenue from GSK, our collaborator. For details of our collaborations with GSK, please refer to our announcements dated October 20, 2023, December 20, 2023 and August 20, 2024.

### **Progress of co-operation projects**

#### ***Collaboration with Biotheus again***

In March 2024, our Group entered into a license agreement with Biotheus and obtained its exclusive license to use bispecific antibodies targeting EGFR/c-met, including HS-20117, for the development, production, and commercialization of antibody conjugate products worldwide, with the right to further sublicense.

HS-20117 is a 1+1 heterodimeric structure of EGFR/c-met bispecific antibody, which can inhibit the growth and survival of tumors by specifically targeting the tumor antigens EGFR and c-met, and is currently in clinical research stage of phase I monotherapy and combination therapy.

#### ***Collaboration with Qyuns***

In April 2024, our Group entered into a licensing agreement with Qyuns and obtained exclusive license from Qyuns to develop and commercialize HS-20137 monoclonal antibody in China (including Hong Kong, Macau, and Taiwan).

HS-20137 monoclonal antibody is an innovative drug candidate indicated for psoriasis and Crohn's disease. At present, HS-20137 has been initiated in various clinical studies, the highest stage of development in China is a Phase II clinical trial.



# Management Discussion and Analysis

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Our Group adheres to the core values of “Responsibility, Integrity, Strive, and Innovation”, and is committed to improving the accessibility of innovative drugs in areas where clinical demand is scarce. At the same time, we optimize corporate control mechanisms, strengthen product quality management and pharmacovigilance, improve energy and resource utilization, reduce greenhouse gas emissions, attract and build high-quality talent team, safeguard employee rights and well-being, collaborate upstream and downstream supply chains, and jointly practice the concept of sustainable development. We actively respond to the upgrading of sustainable information disclosure standards both domestically and internationally, setting higher environmental goals and continuously improving the disclosure of our governance, strategies, risks, indicators and targets on key ESG issues including greenhouse gases, climate risks, and drug accessibility. This is in response to the concerns of investors, community environment, employees, suppliers, clinical trial participants, ecology, customers, and patients, and injects vitality into the long-term sustainable development of the company and society. During the Reporting Period, we proactively strengthened our corporate behaviour and business ethics control mechanisms, further developed integrity and compliance training to raise the awareness of business ethics among our staff, and continued to optimise our systems and processes in an effort to improve our compliance management system and make our innovations more accessible through a more rigorous and responsible approach.

During the Reporting Period, the Company was awarded as “TOP 1%” in the Sustainability Yearbook (China Edition) 2024 published by S&P Global based on its excellent results in the 2023 S&P Global CSA, and topped the pharmaceutical industry in China in the 2023 CSA score. In addition, since our MSCI ESG rating was upgraded to AA in October 2023, the Company has continued to improve its policy system, implement ESG risk monitoring, and accumulate long-term momentum for global innovation and development. While continuously improving the quality of human life, we strive to create diverse social values and comprehensively enhance economic, social, and ecological benefits.

## LIQUIDITY AND FINANCIAL RESOURCES

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and mitigate potential risks. The Board considers various funding sources depending on the Group’s funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way. We also closely monitor the uses of cash resources and strive to maintain a healthy liquidity to meet the needs of our operations.

For the six months ended June 30, 2024, the Group’s operating activities generated a net cash inflow of RMB2,682 million. The capital expenditure for the Reporting Period was RMB306 million, mainly relating to the purchases of land use rights, the construction of workshops, as well as, among other things, the purchase of equipment, motor vehicles, software and patent rights required for production, R&D and administrative activities. The cash flow of financing activities for the Reporting Period mainly consisted of the redemption of the outstanding convertible bonds in the aggregate principal amount of US\$590,622,000.

# Management Discussion and Analysis

## **LIQUIDITY AND FINANCIAL RESOURCES** *(Continued)*

The Group's financial position remains sound. As at June 30, 2024, we had cash and bank balances of RMB21,745 million (as at December 31, 2023: RMB22,435 million), financial assets at fair value through profit or loss of RMB321 million (as at December 31, 2023: RMB512 million), other financial assets of RMB1,431 million (as at December 31, 2023: RMB1,910 million). As at June 30, 2024, our financial assets at fair value through profit or loss and other financial assets primarily comprise of investments in financial products issued by commercial banks. As each of the financial products was subscribed with different banks under different terms and are of different nature and none of the financial products exceeds 5% of the applicable percentage ratios on a standalone basis, the Group's purchase of financial products during the six months ended June 30, 2024 does not constitute notifiable transactions of the Company under the Listing Rules. As at June 30, 2024, the Group's gearing ratio (calculated as total liabilities divided by total assets) was approximately 11.9% (as at December 31, 2023: 21.9%).

Most of the Group's assets and liabilities are denominated in Renminbi and United States Dollars. The Group manages its foreign exchange risk by closely monitoring its net foreign exchange exposure to reduce the impact of foreign exchange fluctuations.

## **PLEDGE OF GROUP ASSETS**

As at June 30, 2024, none of the Group's assets was subject to any encumbrance, mortgage, lien, charge or pledge.

## **CONTINGENT LIABILITIES**

As at June 30, 2024, the Group had no material contingent liabilities. We are also not currently involved in any material legal proceedings against us, nor are we aware of any pending or potential material legal proceedings against us.

## **SIGNIFICANT INVESTMENTS HELD**

During the six months ended June 30, 2024, we did not have any significant investments. We will continue to seek for potential strategic investment opportunities, as well as quality BD programs that can create synergy effect to the Group.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at June 30, 2024, the Group did not have any plans for material investments and capital assets.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the six months ended June 30, 2024, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

# Management Discussion and Analysis

## EMPLOYEES AND EMOLUMENTS POLICY

As at June 30, 2024, the Group had a total of 9,099 full-time employees, whose remuneration is determined based on their performance and experience as well as the prevailing market salary levels.

The staff costs, including remuneration of the executive Directors, social welfare and other benefits, were approximately RMB1,480 million for the six months ended June 30, 2024. We also provide regular training to employees designed to strengthen staff commitment to us and improve staff knowledge in a number of important areas of our services, such as knowledge about the Company and our products as well as sales, laws and regulations applicable to our operation, requirements under applicable GMP or other certifications, quality control, production safety and corporate culture.

The Company has conditionally approved and adopted the RSU Scheme on May 27, 2019 to recognize contributions by selected participants and give incentives thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Participants may include employees of the Group (such as director, chief executive officer, vice president, financial controller, company secretary, members of senior management or key technical personnel) as well as any other person selected by the Board at its sole discretion from time to time (subject to the compliance of the applicable Listing Rules).

On April 19, 2024, pursuant to the RSU Scheme, the Company allotted and issued 2,300,000 new ordinary shares (aggregate nominal value: HK\$23) to RSU Trustee holding such shares for the benefit of the participants of the RSU Scheme pursuant to the terms of the RSU Scheme with the issue price per share of HK\$2.6 as measured by the Company, which was arrived at after taking into consideration the number of shares currently held by the RSU Trustee and the purchase prices of the RSUs at the time of measurement, and the closing market price per share of immediately preceding business day of the issuance is HK\$15.66. During the Reporting Period, the RSU Trustee was instructed by the Company to purchase an aggregate of 3,000,000 shares from the open market. The RSU Trustee shall hold such shares for the benefit of selected participants. As at June 30, 2024, a balance of 1,315,065 shares of the Company was held by the RSU Trustee for the RSU Scheme. For details of the RSU Scheme, please refer to the section headed “Statutory and General Information – D. Post-IPO RSU Scheme” in Appendix IV to the prospectus of the Company dated May 31, 2019.

During the Reporting Period, RSUs representing 11,397,590 shares of the Company had been granted by the Company pursuant to the RSU Scheme. Among the grants during the Reporting Period, all RSUs granted to Ms. Sun Yuan (representing 1,300,000 shares of the Company) and Dr. Lyu Aifeng (representing 291,850 shares of the Company), both being executive Directors of the Company and details of which are set out in the announcement of the Company dated June 27, 2024, only involve existing shares of the Company held or to be held by the RSU Trustee, and no new shares of the Company were or will be allotted or issued for the vesting of these RSUs. The grant of RSUs to them forms part of their remuneration package under their service contracts with the Company and are therefore exempted from the reporting, announcement and independent shareholders’ approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

# Management Discussion and Analysis

## **ADDITIONAL INFORMATION TO THE ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023 IN RELATION TO THE RSU SCHEME**

Reference is made to the 2023 Annual Report. Details of the RSUs granted, vested, cancelled and/or lapsed during the year ended December 31, 2023 were disclosed in the section headed “Directors’ Report – Restricted Share Unit Scheme – 10. Present status of the RSU Scheme” of the 2023 Annual Report. For the year ended December 31, 2023, an aggregate of 13,810,960 RSUs were vested. The weighted average closing price of the shares immediately before the vesting dates of such RSUs was HK\$14.31 per share.

## **PROSPECTS**

It is our corporate vision to become the world’s leading innovation-driven pharmaceutical enterprise. We will continue to increase our investment in R&D, seize the ever-changing external opportunities, accelerate the transfer of R&D results, and promote the rapid market launch of innovative medicines and therapeutic solutions, in order to better meet the unmet medical needs of patients in China and around the world. We are committed to healthy and sustainable development and will actively fulfil our corporate social responsibility to create greater value for our shareholders, patients, society and other stakeholders.

# Corporate Governance and Other Information

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2024, the interests and/or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) required to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 of the Listing Rules were as follows:

### 1. Interest in shares or underlying shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares or underlying shares	Approximate percentage of shareholding interest <sup>(1)</sup>
Ms. Zhong Huijuan <sup>(2)</sup>	Person with influence over a trust	3,900,000,000	65.70%
Ms. Sun Yuan <sup>(2)(3)</sup>	Beneficiary of a trust	3,900,000,000	65.70%
	Beneficial owner	3,800,300	0.06%
Dr. Lyu Aifeng <sup>(4)</sup>	Beneficial owner	2,239,900	0.04%

Notes:

- (1) The calculation is based on the total number of 5,935,650,070 issued shares of the Company as at June 30, 2024.
- (2) These ordinary shares in the Company are beneficially owned by Stellar Infinity which is a wholly-owned subsidiary of Sunrise Investment, which in turn is wholly owned by Harmonia Holding as trustee for the Sunrise Trust, a discretionary trust set up by Ms. Sun Yuan ("**Ms. Sun**"). Ms. Zhong Huijuan ("**Ms. Zhong**") is the person who has consent right on key matters in respect of the Sunrise Trust under the trust deed in respect of the Sunrise Trust. Accordingly, Ms. Zhong and Ms. Sun are deemed or taken to be interested in all the shares of the Company which are beneficially owned by Stellar Infinity for the purpose of Part XV of the SFO.
- (3) In addition to the ordinary shares held by Stellar Infinity, Ms. Sun also holds 1,246,200 ordinary shares of the Company vested according to the RSU Scheme and is entitled to 2,554,100 restricted share units subject to vesting conditions.
- (4) Dr. Lyu Aifeng ("**Dr. Lyu**") holds 1,387,050 ordinary shares of the Company vested according to the RSU Scheme and is entitled to 852,850 restricted share units subject to vesting conditions.

# Corporate Governance and Other Information

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

### 2. Interest in shares or underlying shares of associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares or underlying shares in the associated corporation	Percentage of shareholding interest in the associated corporation
Ms. Zhong Huijuan	Sunrise Investment <sup>(1)</sup>	Person with influence over a trust	100	100%
Ms. Sun Yuan	Sunrise Investment <sup>(1)</sup>	Beneficiary of a trust	100	100%

Note:

- (1) Sunrise Investment is wholly owned by Harmonia Holding, which is the trustee for the Sunrise Trust, a discretionary trust set up by Ms. Sun. Ms. Zhong is the person who has consent right on key matters in respect of the Sunrise Trust under the trust deed in respect of the Sunrise Trust. Accordingly, Ms. Zhong and Ms. Sun are deemed or taken to be interested in all the shares of Sunrise Investment which are beneficially owned by Harmonia Holding for the purpose of Part XV of the SFO.

Save as disclosed above, as at June 30, 2024, so far as is known to the Directors, none of the Directors and the chief executives of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified under Divisions 7 and 8 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

# Corporate Governance and Other Information

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2024, the interests and/or short positions of persons (other than the Directors and chief executives of the Company) in the shares or underlying shares of the Company (within the meaning of Part XV of the SFO) which were required to be notified under Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of shares or underlying shares	Approximate percentage of shareholding interest <sup>(1)</sup>
Stellar Infinity <sup>(2)</sup>	Beneficial owner	3,900,000,000	65.70%
Sunrise Investment <sup>(2)</sup>	Interest in controlled corporation	3,900,000,000	65.70%
Harmonia Holding <sup>(2)</sup>	Interest in controlled corporation	3,900,000,000	65.70%
JQC International Limited <sup>(3)</sup>	Interest in controlled corporation	950,000,000	16.00%
JQC Holding Limited <sup>(3)</sup>	Interest in controlled corporation	950,000,000	16.00%
Cantrust (Far East) Limited <sup>(3)</sup>	Interest in controlled corporation	950,000,000	16.00%
Apex Medical <sup>(3)</sup>	Beneficial owner	950,000,000	16.00%
Mr. Cen Junda <sup>(3)</sup>	Founder of a discretionary trust who can influence how the trustee exercises his discretion	950,000,000	16.00%

Notes:

- (1) The calculation is based on the total number of 5,935,650,070 issued shares of the Company as at June 30, 2024.
- (2) Stellar Infinity is a wholly-owned subsidiary of Sunrise Investment, which in turn is wholly owned by Harmonia Holding, the trustee of the Sunrise Trust. Therefore, each of Sunrise Investment and Harmonia Holding is deemed to be interested in the shares of the Company held by Stellar Infinity pursuant to the SFO.
- (3) On September 1, 2023, Mr. Cen Junda has transferred all of his interests in Apex Medical, an entity which is the beneficial owner of 950,000,000 shares in the Company, to JQC International Limited, which is indirectly wholly-owned by Cantrust (Far East) Limited (as trustee of a discretionary trust which Mr. Cen Junda is the founder). Accordingly, Mr. Cen Junda has become a person with influence over a trust and is deemed or taken to be interested in all the shares of JQC International Limited which are ultimately beneficially owned by Cantrust (Far East) Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as at June 30, 2024, so far as is known to the Directors, no person (not being a Director or chief executive of the Company) had or was deemed to have any interest or short position in the shares or underlying shares of the Company which was required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

# Corporate Governance and Other Information

## RESTRICTED SHARE UNIT SCHEME

We have conditionally approved and adopted a RSU Scheme on May 27, 2019 to recognize contributions by selected participants and give incentives to them in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The RSU Scheme shall be valid for a period of 10 years commencing on June 14, 2019. The eligible participants of the RSU Scheme include (i) employees (including director, chief executive officer, vice president, financial controller, company secretary, members of senior management or key technical personnel) of the Group; and (ii) any other person selected by the Board at its sole discretion from time to time (subject to the compliance of the applicable Listing Rules). For further details of the RSU Scheme, please refer to Appendix IV “Statutory and General Information – D. Post-IPO RSU Scheme” of the prospectus of the Company dated May 31, 2019.

### Total number of shares available

No award shall be granted pursuant to the RSU Scheme if, as a result of such grant (assumed accepted), the aggregate number of shares underlying all grants made pursuant to the RSU Scheme (excluding awards that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) will exceed 114,118,384 Shares, representing 2% of the number of shares in issue on the June 14, 2019.

The number of RSUs available for grant under the scheme mandate of the RSU Scheme at the beginning and the end of the Reporting Period are 52,290,594 and 44,348,204 respectively.

The number of shares that may be issued in respect of the RSUs granted under the RSU Scheme, being the only share schemes of the Company, during the Reporting Period divided by the weighted average number of issued shares (excluding treasury shares) for the period is 0.19%.

As at June 30, 2024, the Company had 44,348,204 Shares available for issue under the RSU Scheme, representing approximately 0.75% of the total issued share capital of the Company as at the date of this report.

### Vesting period

The vesting period of the RSUs granted is either (i) three years or (ii) thirty months and would follow one of the following vesting schedule: (i) 40% shall vest on the first anniversary of the grant date and the remaining 30% and 30% shall vest on the second and third anniversary of the grant date, respectively; (ii) 30% shall vest on the first anniversary of the grant date and the remaining 30% and 40% shall vest on the second and third anniversary of the grant date, respectively; (iii) approximately 34% shall vest on the first anniversary of the grant date/vesting commencement date (as the case maybe) and the remaining approximately 33% and approximately 33% shall vest on the second and third anniversary of the grant date/vesting commencement date (as the case maybe), respectively; (iv) approximately 19% shall vest six months after the grant date and the remaining approximately 33%, 33% and 15% shall vest on the first, second and third anniversary of the grant date, respectively; or (v) approximately 34% shall vest six months after the grant date, approximately 33% shall vest eighteen months after the grant date and approximately 33% shall vest thirty months after the grant date, respectively.



# Corporate Governance and Other Information

## **RESTRICTED SHARE UNIT SCHEME** *(Continued)*

### **Exercise period**

The concept of exercise period is inapplicable to the RSU Scheme. The selected participants are required to pay the purchase price for the RSUs that will vest in the period at the time of vesting.

### **Performance targets**

Subject to certain performance indicators and other requirements set out in the grant letter entered into between the selected participants and the Company, including based on the Company's annual results and the selected participant's individual annual performance.

### **Rights attached to the RSUs and the converted Shares**

A selected grantee under the RSU Scheme ("**Grantees**") does not have any contingent interest in any Shares underlying a grant. Furthermore, a Grantee may not exercise any voting right in respect of any of the Shares underlying the grant, unless otherwise specified by the Board, nor do they have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the grant prior to vesting.

Any Shares transferred to a Grantee upon vesting shall be subject to the provisions of the Articles and will rank pari passu with the fully paid Shares in issue on the date of the transfer. The holders of the Shares will be entitled to participate in all dividends or other distributions paid or made on or after the date of transfer.

### **Amount payable**

No amount is payable upon acceptance of the awards, and the purchase consideration is payable upon vesting during the vesting period.

# Corporate Governance and Other Information

## RESTRICTED SHARE UNIT SCHEME (Continued)

### Present status of the RSU Scheme

As at June 30, 2024, pursuant to the RSU Scheme, the Company had granted to Directors, executives and employees of the Group outstanding RSUs representing 27,512,890 Shares, accounting for approximately 0.46% of the total issued share capital of the Company as at June 30, 2024. Details of RSUs granted under the RSU Scheme for the six months ended June 30, 2024 are as follows:

Category	Grant date	Vesting period	Purchase price	Outstanding as at January 1, 2024	Granted	During the Reporting Period			Outstanding as at June 30, 2024
						Vested	Cancelled	Lapsed	
<b>1. Director</b>									
Ms. Sun Yuan	April 29, 2022	3 years <sup>(2)</sup>	HK\$2.6	792,200	0	396,100 <sup>(6)</sup>	0	0	396,100
	April 27, 2023	3 years <sup>(2)</sup>	HK\$2.84	1,300,000	0	442,000 <sup>(6)</sup>	0	0	858,000
	June 27, 2024 <sup>(7)</sup>	3 years <sup>(2)</sup>	HK\$3.379	–	1,300,000 <sup>(5)</sup>	0	0	0	1,300,000
Dr. Lyu Aifeng	April 29, 2022	3 years <sup>(3)</sup>	HK\$2.6	577,500	0	288,750 <sup>(6)</sup>	123,750	0	165,000
	April 27, 2023	3 years <sup>(2)</sup>	HK\$2.84	600,000	0	142,800 <sup>(6)</sup>	61,200	0	396,000
	June 27, 2024 <sup>(7)</sup>	3 years <sup>(2)</sup>	HK\$3.379	–	291,850 <sup>(5)</sup>	0	0	0	291,850
<b>2. Employees</b>									
	April 29, 2022	3 years <sup>(3)</sup>	HK\$2.6	14,259,100	0	7,516,838 <sup>(6)</sup>	1,122,162	1,387,800	4,232,300
	October 29, 2022	30 months <sup>(4)</sup>	HK\$2.6	324,200	0	162,200 <sup>(6)</sup>	0	0	162,000
	April 27, 2023	3 years <sup>(2)</sup>	HK\$2.84	17,172,800	0	4,416,467 <sup>(6)</sup>	862,233	2,067,400	9,826,700
	June 27, 2024	3 years <sup>(2)</sup>	HK\$3.379	–	9,805,740 <sup>(5)</sup>	0	0	0	9,805,740
<b>3. Service provider<sup>(1)</sup></b>									
	April 29, 2022	3 years <sup>(3)</sup>	HK\$2.6	379,200	0	234,480 <sup>(6)</sup>	65,520	0	79,200
<b>Total</b>				<b>35,405,000</b>	<b>11,397,590</b>	<b>13,599,635</b>	<b>2,234,865</b>	<b>3,455,200</b>	<b>27,512,890</b>

# Corporate Governance and Other Information

## **RESTRICTED SHARE UNIT SCHEME** *(Continued)*

### **Present status of the RSU Scheme** *(Continued)*

Notes:

- (1) The service providers are all former employees who have accepted re-employment after retirement or who continue to provide consultancy advice to the Company after retirement. The Company values their familiarity with the businesses and operation of the Group and considers that their contribution to the Group is similar to that of the employees of the Group.
- (2) Vesting schedule: approximately 34% shall vest on the first anniversary of the grant date/vesting commencement date (as the case maybe) and the remaining approximately 33% and approximately 33% shall vest on the second and third anniversary of the grant date/vesting commencement date (as the case maybe), respectively.
- (3) Vesting schedule: approximately 19% shall vest six months after the grant date and the remaining approximately 33%, 33% and 15% shall vest on the first, second and third anniversary of the grant date, respectively.
- (4) Vesting schedule: approximately 34% shall vest six months after the grant date, approximately 33% shall vest eighteen months after the grant date and approximately 33% shall vest thirty months after the grant date, respectively.
- (5) The fair value of the RSUs granted is set out in Note 19 to the Financial Statements. Closing price immediately prior to the grant date is HK\$16.48 per Share.
- (6) Weighted average closing price of the shares immediately before the vesting dates is HK\$17.23 per Share.
- (7) All RSUs granted to Ms. Sun Yuan (representing 1,300,000 Shares) and Dr. Lyu Aifeng (representing 291,850 Shares), both being executive directors of the Company, mentioned in the announcement dated June 27, 2024 only involve existing shares of the Company held or to be held by the RSU Trustee, and no new shares were or will be allotted or issued for the vesting of these RSUs. The grant of RSUs to them form part of their remuneration package under their service contracts with the Company and are therefore exempted from the reporting, announcement and independent shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

No grant has been made to (i) any related entity participant or service provider with options and awards granted in excess of 0.1% of the Company's issued shares over the 12-month period, and (ii) any other participant with options and awards granted in excess of the 1% individual limit, as such terms are used in the Listing Rules.

# Corporate Governance and Other Information

## CHANGE IN DIRECTORS' INFORMATION

The changes in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- On June 21, 2024, Mr. Chan Charles Sheung Wai resigned as an independent non-executive director of Shanghai Bio-heart Biological Technology Co., Ltd. (stock code: 2185), a company listed on the Stock Exchange.

## EVENTS AFTER THE REPORTING PERIOD

In July 2024, the NDA of Ameile for adjuvant therapy after tumor resection in patients with NSCLC whose tumors have EGFR exon 19 deletions or exon 21(L858R) mutations, was accepted by the NMPA.

In August 2024, the Group entered into a license agreement with Lupeng Pharma, pursuant to which, the Group obtained an exclusive license from Lupeng Pharma to develop and commercialize a small molecule Brewton's tyrosine kinase inhibitor (BTKi) LP-168 within China (including Hong Kong, Macau and Taiwan).

In August 2024, the fourth NDA of Ameile was accepted by NMPA, for the treatment in patients with locally advanced, unresectable, EGFR exon 19 deletions or exon 21(L858R) mutations, NSCLC without progression following definitive platinum-based chemoradiotherapy.

In August 2024, the Group's collaborator, GSK, has received U.S. FDA Breakthrough Therapy Designation for B7-H3-targeted ADC GSK5764227 (also known as HS-20093). The ADC is being evaluated for the treatment of patients with ES-SCLC with disease progression (relapsed or refractory) on or after platinum-based chemotherapy.

Save as disclosed above, there is no material event affecting the Company during the period from June 30, 2024 to the date of this report.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules and the Company has adopted the CG Code as its own code of corporate governance.

The Board is of the view that the Company has complied with all the code provisions as set out in Part 2 of the CG Code during the six months ended June 30, 2024, save for code provision C.2.1 of the CG Code.

# Corporate Governance and Other Information

## Code Provision C.2.1

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has appointed Ms. Zhong Huijuan (“Ms. Zhong”) as both the chairlady and the chief executive officer of the Company. Due to the nature and the extent of the Group’s operations and Ms. Zhong’s in-depth knowledge and experience in the PRC pharmaceutical industry, the Board considers that the balance of power and authority under the present arrangement is not impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairlady of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its Company Code on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. Specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the Company Code during the six months ended June 30, 2024.

## AUDIT COMMITTEE

The Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Charles Sheung Wai (chairman of the Audit Committee), Mr. Lin Guoqiang and Ms. Yang Dongtao.

The Audit Committee and the external auditor, Ernst & Young, have reviewed the unaudited interim results of the Group for the six months ended June 30, 2024. The Audit Committee has also reviewed together with the management the accounting principles and policies adopted by the Group and the interim condensed consolidated financial information for the six months ended June 30, 2024. The Audit Committee was satisfied that such consolidated financial information were prepared in accordance with the applicable accounting standards and fairly present the Group’s financial position and results for the Reporting Period.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

On January 22, 2024, the Company redeemed the outstanding convertible bonds in the aggregate principal amount of US\$590,622,000 pursuant to the terms and conditions of zero coupon convertible bonds due 2026 and bondholders’ notice of redemption, representing approximately 99.10% in principal amount of the convertible bonds outstanding as at that date. The convertible bonds in the principal amount of US\$5,378,000 remain outstanding as of June 30, 2024. Save as disclosed, during the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares). As at June 30, 2024, no treasury shares (as defined under the Listing Rules) were held by the Company.

# Corporate Governance and Other Information

## INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has declared the payment of an interim dividend of HK\$20.10 cents per share for the six months ended June 30, 2024 (the interim dividend for the six months ended June 30, 2023: HK\$7.07 cents per share). The interim dividend for 2024 will be paid to shareholders on Wednesday, October 30, 2024 whose names appear on the register of members of the Company on Wednesday, September 25, 2024. For the purpose of determining shareholders who are qualified for the interim dividend, the register of members of the Company will be closed from Tuesday, September 24, 2024 to Wednesday, September 25, 2024, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Monday, September 23, 2024.

## USE OF PROCEEDS FROM PREVIOUS FUNDRAISING ACTIVITIES AS AT JUNE 30, 2024

### Use of proceeds from placing

On April 22, 2020, the Company entered into a placing agreement with Morgan Stanley & Co. International plc and Citigroup Global Markets Limited (the "Placing Agents"), pursuant to which the Placing Agents agreed to place 130,380,000 ordinary shares in the Company, or, failing which, to purchase themselves on a fully underwritten basis to not fewer than six places who are professional, institutional or other investors selected and procured by the Placing Agents and whose ultimate beneficial owners are independent third parties (the "Placing"). The placing price was HK\$26.75 per share.

The net proceeds from the Placing were approximately HK\$3,477.20 million, which have been and will be used for R&D projects, including but not limited to our existing and future domestic and overseas drug R&D, expanding our R&D team, and investment in technologies to further enhance our R&D capabilities and enrich our product pipeline, HK\$2,179.06 million was utilized as at June 30, 2024 and HK\$1,298.14 million remains unutilized. As at June 30, 2024, the net proceeds utilized by the Group were as follows:

Purpose	Percentage of the total amount	Net proceeds received (HK\$100 million)	Utilized from the issuance date to June 30, 2024 (HK\$100 million)	Unutilized as at June 30, 2024 (HK\$100 million)	Expected time frame
R&D projects, including but not limited to our existing and future domestic and overseas drug R&D, expanding our R&D team, and investment in technologies	100%	34.7720	21.7906	12.9814	The balance is expected to be fully utilized by 2030

Utilized proceeds were used according to the purpose previously disclosed by the Company. To the best knowledge of the Directors, there has neither been any material change nor delay in the use of proceeds during the six months ended June 30, 2024.

# Corporate Governance and Other Information

## USE OF PROCEEDS FROM PREVIOUS FUNDRAISING ACTIVITIES AS AT JUNE 30, 2024 *(Continued)*

### Use of proceeds from issuance of convertible bonds

In January 2021, the Company successfully completed the issuance and listing of US\$600 million zero-coupon convertible bonds due in 2026 to the professional investors only. The net proceeds from the bonds were approximately US\$595.65 million, which have been and will be used for R&D expenditure, including but not limited to allocating funding to clinical trials for innovative drugs, innovative drugs development and/or in-license opportunities, upgrading and expanding existing manufacturing facilities and procuring equipment for its production facilities and for general corporate purposes. In December 2022, the Company repurchased bonds with an aggregate principal amount of US\$4 million. In January 2024, the Company redeemed the outstanding convertible bonds in the aggregate principal amount of US\$590,622,000. As at June 30, 2024, US\$591.65 million was utilized and the net proceeds had been fully utilized. As at June 30, 2024, the net proceeds utilized by the Group were as follows:

Purpose	Percentage of the total amount	Net proceeds received (US\$100 million)	Utilized from the issuance date to June 30, 2024 (US\$100 million)	Repurchased from the issuance date to June 30, 2024 (US\$100 million)	Unutilized as at June 30, 2024 (US\$100 million)	Expected time frame
R&D expenditure, including but not limited to funding clinical trials of innovative drugs, innovative drug development and/or potential in-license opportunities	65%	3.8717	3.8317	0.0400	–	Not applicable
Upgrading and expanding existing manufacturing facilities (including R&D facilities) and procuring equipment for its production facilities	25%	1.4891	1.4891	–	–	Not applicable
General corporate purposes	10%	0.5957	0.5957	–	–	Not applicable
<b>Total</b>	<b>100%</b>	<b>5.9565</b>	<b>5.9165</b>	<b>0.0400</b>	<b>–</b>	

The net proceeds were used according to the purpose previously disclosed by the Company. To the best knowledge of the Directors, there has neither been any material change nor delay in the use of proceeds during the six months ended June 30, 2024.

# Independent Review Report of Interim Financial Information



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## Independent review report

### To the board of directors of Hansoh Pharmaceutical Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the interim condensed consolidated financial information set out on pages 32 to 63, which comprises the condensed consolidated statement of financial position of Hansoh Pharmaceutical Group Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

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

## CONCLUSION

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

*Ernst & Young*  
Certified Public Accountants  
Hong Kong

27 August 2024



# Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>REVENUE</b>	4	<b>6,505,501</b>	4,511,217
Cost of sales		<u>(579,218)</u>	<u>(535,455)</u>
<b>Gross profit</b>		<b>5,926,283</b>	3,975,762
Other income	4	<b>480,963</b>	453,083
Selling and distribution expenses		<b>(1,720,670)</b>	(1,669,645)
Administrative expenses		<b>(353,898)</b>	(329,961)
Research and development costs		<b>(1,196,454)</b>	(929,478)
Other (expenses)/gains, net	4	<u><b>(18,038)</b></u>	<u>122</u>
<b>PROFIT BEFORE TAX</b>	5	<b>3,118,186</b>	1,499,883
Income tax expense	6	<u><b>(392,661)</b></u>	<u>(211,035)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>2,725,525</b></u>	<u>1,288,848</u>
Attributable to:			
Owners of the parent		<u><b>2,725,525</b></u>	<u>1,288,848</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT FOR THE PERIOD</b>			
Basic (RMB)	8	<b>0.46</b>	0.22
Diluted (RMB)	8	<u><b>0.46</b></u>	<u>0.22</u>

# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>PROFIT FOR THE PERIOD</b>	<b>2,725,525</b>	1,288,848
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>84,657</b>	463,930
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<b>84,657</b>	463,930
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>84,657</b>	463,930
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,810,182</b>	1,752,778
Attributable to:		
Owners of the parent	<b>2,810,182</b>	1,752,778

# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	2,859,333	3,045,060
Right-of-use assets	10(a)	449,140	234,663
Intangible assets		196,620	177,416
Financial assets at fair value through profit or loss	12	743,409	684,706
Prepayments for purchase of property, plant and equipment		17,517	13,927
<b>Total non-current assets</b>		<b>4,266,019</b>	<b>4,155,772</b>
<b>CURRENT ASSETS</b>			
Inventories		599,506	575,782
Trade and bills receivables	11	2,938,415	3,214,251
Prepayments, other receivables and other assets		370,886	236,208
Financial assets at fair value through profit or loss	12	320,875	512,409
Other financial assets	13	1,431,441	1,909,966
Cash and bank balances	14	21,745,333	22,434,691
<b>Total current assets</b>		<b>27,406,456</b>	<b>28,883,307</b>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	15	174,562	163,763
Other payables and accruals	16	2,410,159	2,375,680
Contract liabilities		18,161	38,471
Lease liabilities	10(b)	15,280	16,087
Tax payable		5,384	85,650
Convertible bonds	17	40,255	4,183,198
Dividends payable		768,760	–
<b>Total current liabilities</b>		<b>3,432,561</b>	<b>6,862,849</b>
<b>NET CURRENT ASSETS</b>		<b>23,973,895</b>	<b>22,020,458</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>28,239,914</b>	<b>26,176,230</b>

# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Convertible bonds	17	–	39,742
Lease liabilities	10(b)	64,137	64,708
Deferred tax liabilities		250,751	255,020
Other non-current liabilities		21,751	21,987
<b>Total non-current liabilities</b>		<b>336,639</b>	<b>381,457</b>
<b>NET ASSETS</b>			
		<b>27,903,275</b>	<b>25,794,773</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	18	52	52
Treasury shares	20	(13,599)	(108,629)
Reserves		27,916,822	25,903,350
		<b>27,903,275</b>	<b>25,794,773</b>
Non-controlling interests		–	–
<b>Total equity</b>		<b>27,903,275</b>	<b>25,794,773</b>

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

Notes	Share capital RMB'000	Share premium* RMB'000	Share-based payments* RMB'000	Treasury shares RMB'000	Merger reserve/other reserves* RMB'000	Exchange fluctuation reserve* RMB'000	Statutory surplus reserves* RMB'000	Retained profits* RMB'000	Total equity RMB'000
<b>At 1 January 2024 (audited)</b>	<b>52</b>	<b>14,095,522</b>	<b>325,347</b>	<b>(108,629)</b>	<b>(59,391)</b>	<b>136,922</b>	<b>898,586</b>	<b>10,506,364</b>	<b>25,794,773</b>
Profit for the period	-	-	-	-	-	-	-	2,725,525	2,725,525
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	-	-	84,657	-	-	84,657
Total comprehensive income for the period	-	-	-	-	-	84,657	-	2,725,525	2,810,182
Issuance of new shares under share-based payments	-	5,428	-	-	-	-	-	-	5,428
Purchase share unit subscribed under share-based payments	-	(100,965)	-	128,723	-	-	-	-	27,758
Share-based payments	-	-	67,587	-	-	-	-	-	67,587
Repurchase of shares under share award scheme	-	-	-	(33,693)	-	-	-	-	(33,693)
Dividends declared	7	-	-	-	-	-	-	(768,760)	(768,760)
Transfer from retained profits	-	-	-	-	-	-	8,195	(8,195)	-
<b>At 30 June 2024 (unaudited)</b>	<b>52</b>	<b>13,999,985</b>	<b>392,934</b>	<b>(13,599)</b>	<b>(59,391)</b>	<b>221,579</b>	<b>906,781</b>	<b>12,454,934</b>	<b>27,903,275</b>
<b>At 1 January 2023 (audited)</b>	<b>52</b>	<b>13,931,541</b>	<b>313,478</b>	<b>(28,027)</b>	<b>(59,391)</b>	<b>(290,999)</b>	<b>890,179</b>	<b>7,890,111</b>	<b>22,646,944</b>
Profit for the period	-	-	-	-	-	-	-	1,288,848	1,288,848
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	-	-	463,930	-	-	463,930
Total comprehensive income for the period	-	-	-	-	-	463,930	-	1,288,848	1,752,778
Issuance of new shares under share-based payments	-	25,227	-	-	-	-	-	-	25,227
Restricted share unit subscribed under share-based payments	-	138,754	(159,496)	33,502	-	-	-	-	12,760
Share-based payments	-	-	86,225	-	-	-	-	-	86,225
Purchase of shares under share award scheme	-	-	-	(79,454)	-	-	-	-	(79,454)
Dividends declared	7	-	-	-	-	-	-	(268,852)	(268,852)
Transfer from retained profits	-	-	-	-	-	-	3,259	(3,259)	-
<b>At 30 June 2023 (unaudited)</b>	<b>52</b>	<b>14,095,522</b>	<b>240,207</b>	<b>(73,979)</b>	<b>(59,391)</b>	<b>172,931</b>	<b>893,438</b>	<b>8,906,848</b>	<b>24,175,628</b>

\* These reserve accounts comprise the reserves of RMB27,916,822,000 and RMB24,249,555,000 in the condensed consolidated statement of financial position as at 30 June 2024 and 30 June 2023, respectively.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>3,118,186</b>	1,499,883
Adjustments for:			
Impairment of trade receivables, net	4	<b>6,943</b>	5,828
Impairment of inventories, net	4	<b>6,765</b>	(4,278)
Impairment of property, plant and equipment, net	4	<b>27,667</b>	–
Depreciation of items of property, plant and equipment	5	<b>198,163</b>	169,443
Depreciation of right-of-use assets	5	<b>11,713</b>	10,305
Amortisation of deferred income		<b>(236)</b>	(236)
Amortisation of intangible assets	5	<b>6,891</b>	5,130
Losses/(gains) on disposal of items of property, plant and equipment	4	<b>499</b>	(1,405)
Gains on disposal of associates	4	–	(4,064)
Share of loss of associates	4	–	2,123
Fair value gains of financial assets at fair value through profit or loss	4	<b>(55,777)</b>	(18,020)
Fair value gains of convertible bonds	4	–	(9,141)
Investment income	4	<b>(84,646)</b>	(42,090)
Interest income from deposits with initial term of over three months when acquired		<b>(316,802)</b>	(346,259)
Interest expense	4	<b>4,943</b>	30,738
Share-based payments	5	<b>67,587</b>	86,225
		<b>2,991,896</b>	1,384,182
Decrease in trade and bills receivables		<b>268,893</b>	245,548
Increase in prepayments, other receivables and other assets		<b>(134,556)</b>	(105,623)
Increase in inventories		<b>(30,489)</b>	(148,216)
Increase in trade and bills payables		<b>10,799</b>	76,126
Increase in other payables and accruals		<b>73,346</b>	39,267
(Decrease)/increase in contract liabilities		<b>(20,310)</b>	7,216
Cash generated from operations		<b>3,159,579</b>	1,498,500
Income tax paid		<b>(477,196)</b>	(352,333)
<b>Net cash flows from operating activities</b>		<b>2,682,383</b>	1,146,167

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of items of property, plant and equipment		18,917	2,381
Proceeds from disposal of shareholdings in associates		–	166,532
Purchases of items of property, plant and equipment		(101,846)	(92,638)
Purchases of intangible assets		(26,230)	(102,029)
Purchases of land use rights		(219,668)	–
Increases of equity investments designated at fair value through profit or loss		(67,417)	(331,411)
Decrease in bank deposits with initial term of over three months when acquired		2,733,001	3,567,676
Increase in financial products included in other financial assets		(625,218)	(638,568)
Decrease/(increase) in financial products included in financial assets at fair value through profit or loss		191,000	(1,774,949)
Interest income received from deposits with initial term of over three months when acquired		316,081	156,212
Investment income received from financial products included in other financial assets		84,646	42,090
Investment income received from financial products included in financial assets at fair value through profit or loss		65,603	46,576
<b>Net cash flows from investing activities</b>		<b>2,368,869</b>	<b>1,041,872</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Lease payments		(9,417)	(8,992)
Repayment of convertible bonds		(4,183,198)	–
Purchase of shares under the share award scheme		(33,693)	(79,454)
Proceeds from employees for subscription of shares under the share award scheme		33,186	37,987
New bank loans		500,000	–
Repayment of bank loans		(500,000)	–
Interest paid		(3,207)	–
<b>Net cash flows used in financing activities</b>		<b>(4,196,329)</b>	<b>(50,459)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>854,923</b>	<b>2,137,580</b>
Cash and cash equivalents at beginning of period		5,980,513	2,666,132
Effect of foreign exchange rate changes, net		(39,232)	(72,377)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>6,796,204</b>	<b>4,731,335</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances, unrestricted	14	6,722,852	4,226,502
Non-pledged time deposits with initial term of less than three months when acquired	14	73,352	504,833
Cash and cash equivalents as stated in the consolidated statement of cash flows		<b>6,796,204</b>	<b>4,731,335</b>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 1. CORPORATE INFORMATION

The Company is an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand (“**RMB'000**”) except when otherwise indicated.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-Current (the “2020 Amendments”)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.



# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

## 3. OPERATING SEGMENT INFORMATION

### Information about geographical areas

Since approximately 80% of the Group's revenue were generated from the sales of pharmaceutical products in Chinese Mainland and most of the Group's identifiable operating assets and liabilities were located in Chinese Mainland, no geographical segment information in accordance with HKFRS 8 Operating Segments is presented.

### Information about major customers

Collaboration revenue from GSK plc amounted to approximately 20% of the Group's revenue for the six months period ended 30 June 2024, no other revenue from the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the periods presented.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 4. REVENUE, OTHER INCOME AND OTHER (EXPENSES)/GAINS, NET

An analysis of revenue and other income is as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Sales of products – at a point in time	5,103,080	4,483,227
Collaboration revenue – at a point in time	1,402,421	27,990
<b>Total revenue</b>	<b>6,505,501</b>	<b>4,511,217</b>
<b>Other income</b>		
Investment income	84,646	42,090
Government grants	21,918	38,061
Bank interest income	374,011	372,218
Others	388	714
<b>Total other income</b>	<b>480,963</b>	<b>453,083</b>

An analysis of other (expenses)/gains, net is as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Other (expenses)/gains, net</b>		
(Losses)/gains on disposal of items of property, plant and equipment	(499)	1,405
Losses on derecognition of financial assets at amortised cost	(4,805)	–
Gains on disposal of associates	–	4,064
Share of losses of associates	–	(2,123)
Fair value gains of financial assets at fair value through profit or loss	55,777	18,020
Fair value gains of convertible bonds	–	9,141
Donations	(30,438)	(10,632)
Exchange differences, net	22,595	11,963
Impairment of trade receivables, net	(6,943)	(5,828)
Impairment of inventories, net	(6,765)	4,278
Impairment of property, plant and equipment, net	(27,667)	–
Interest expense	(4,943)	(30,738)
Others	(14,350)	572
<b>Total other (expenses)/gains</b>	<b>(18,038)</b>	<b>122</b>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 5. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cost of inventories sold		355,191	324,699
Depreciation of items of property, plant and equipment	9	198,163	169,443
Depreciation of right-of-use assets	10	11,713	10,305
Amortisation of intangible assets		6,891	5,130
Impairment of trade receivables, net	4	6,943	5,828
Impairment of inventories, net	4	6,765	(4,278)
Impairment of property, plant and equipment, net	4	27,667	–
Short-term lease expenses		3,531	4,910
Auditors' remuneration		1,865	1,769
Share of losses of associates	4	–	2,123
Losses/(gains) on disposal of items of property, plant and equipment	4	499	(1,405)
Investment income	4	(84,646)	(42,090)
Fair value gains of financial assets at fair value through profit or loss	4	(55,777)	(18,020)
Fair value gains of convertible bonds	4	–	(9,141)
Bank interest income	4	(374,011)	(372,218)
Exchange differences, net	4	(22,595)	(11,963)
Employee benefit expense			
Wages and salaries		970,726	882,199
Social welfare and other benefits*		442,141	332,757
Share-based payments		67,587	86,225
<b>Total Employee benefit expense</b>		<b>1,480,454</b>	<b>1,301,181</b>

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 6. INCOME TAX

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

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

The subsidiary incorporated in Hong Kong and subsidiaries registered as a Hong Kong tax resident are subject to income tax at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the reporting period. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of each subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

The provision for the People's Republic of China (the "PRC") corporate income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on January 1 2008, except for certain subsidiaries of the Group in Chinese Mainland which are granted tax concession and are taxed at preferential tax rates.

In 2023, Jiangsu Hansoh Pharmaceutical Group Co., Ltd. ("**Jiangsu Hansoh**") and Shanghai Hansoh Biomedical Co., Ltd. ("**Shanghai Hansoh**"), subsidiaries of the Company, renewed their "High and New Technology Enterprise" ("**HNTE**") qualification and were entitled to a preferential income tax rate of 15% for a period of three years from 2023 to 2025.

In 2021, Changzhou Hansoh Pharmaceutical Co., Ltd. ("**Changzhou Hansoh**"), a subsidiary of the Company, was initially accredited as an HNTE, and thus entitled to a preferential income tax rate of 15% from 2021 to 2023. As at end of the reporting period, Changzhou Hansoh is in the process of renewing its HNTE qualification, which is expected to be completed within this year.

The income tax expense of the Group for the periods presented is analysed as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	396,930	307,238
Deferred income tax	(4,269)	(96,203)
<b>Total</b>	<b>392,661</b>	<b>211,035</b>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 7. DIVIDENDS

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
2023 final dividends declared – HK\$14.22 cents (2022 final dividends declared – HK\$5.00 cents) per ordinary share	<u>768,760</u>	<u>268,852</u>

Pursuant to the resolutions of the shareholders of the Company dated 13 June 2024, the Company declared dividends of HK\$14.22 cents (1 June 2023: HK\$5.00 cents) per ordinary share, amounting to a total of approximately RMB768,760,000 (six months ended 30 June 2023: RMB268,852,000).

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 5,925,786,074 (2023: 5,923,743,166) in issue during the period, as adjusted to reflect the changes during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest and the fair value on the convertible bonds. The weighted average number of ordinary shares used in the calculation of the diluted earnings per share is the weighted average number of ordinary shares in issue of the parent, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the conversion of all dilutive potential shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	<u>2,725,525</u>	1,288,848
Interest on convertible bonds	<u>265</u>	–
Profit attributable to ordinary equity holders of the parent used in the diluted earnings per share calculation	<u>2,725,790</u>	<u>1,288,848</u>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

	Adjusted number of shares For the Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	5,925,786,074	5,923,743,166
Effect of dilution – weighted average number of ordinary shares:		
Restricted share units	20,143,737	19,805,691
Convertible bonds	703,086	–
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	5,946,632,897	5,943,548,857
Basic earnings per share (RMB per share)	0.46	0.22
Diluted earnings per share (RMB per share)	0.46	0.22

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 9. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
At beginning of period:		
Cost	5,007,661	4,840,241
Accumulated depreciation	(1,962,601)	(1,644,595)
Net carrying amount	<u>3,045,060</u>	<u>3,195,646</u>
At beginning of period, net of accumulated depreciation and impairment	3,045,060	3,195,646
Additions	60,409	98,872
Disposals	(19,416)	(644)
Depreciation provided during the period	(198,163)	(169,443)
Impairment	(27,667)	–
Transfer	(1,007)	(3,239)
Exchange realignment	117	999
At end of period, net of accumulated depreciation and impairment	<u>2,859,333</u>	<u>3,122,191</u>
At end of period:		
Cost	4,978,627	4,924,803
Accumulated depreciation and impairment	(2,119,294)	(1,802,612)
Net carrying amount	<u>2,859,333</u>	<u>3,122,191</u>

## 10. LEASES

### The Group as a lessee

The Group has lease contracts for various items of land use right, property, equipment and vehicles. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 3 and 5 years. Equipment and vehicles generally have lease terms of 12 months or less and/or are individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 10. LEASES (Continued)

### The Group as a lessee (Continued)

#### (a) Right-of-use assets

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
At beginning of the period	234,663	254,247
Additions	225,805	–
Exchange realignment	385	2,552
Depreciation charge	(11,713)	(10,305)
At end of the period	449,140	246,494

#### (b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the period are as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Carrying amount at beginning of the period	80,795	95,114
New leases	6,137	–
Accretion of interest recognised during the period	1,471	1,784
Exchange realignment	431	2,755
Payments	(9,417)	(8,992)
Carrying amount at end of the period	79,417	90,661



# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 10. LEASES (Continued)

### The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest on lease liabilities	1,471	1,784
Depreciation charge of right-of-use assets	11,713	10,305
Short-term lease expenses	3,531	4,910
<b>Total</b>	<b>16,715</b>	<b>16,999</b>

## 11. TRADE AND BILLS RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	2,941,595	3,240,237
Provision for impairment	(37,547)	(30,604)
Net carrying amount	2,904,048	3,209,633
Bills receivable	34,367	4,618
<b>Total</b>	<b>2,938,415</b>	<b>3,214,251</b>

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 90 days	2,750,669	3,032,806
91 days to 180 days	8,085	25,365
Over 180 days	145,294	151,462
<b>Total</b>	<b>2,904,048</b>	<b>3,209,633</b>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 11. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of bills receivable as at the end of the reporting period, based on the billing date, is as follows:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 90 days	<b>16,615</b>	4,618
91 days to 180 days	<b>17,752</b>	–
<b>Total</b>	<b>34,367</b>	4,618

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>For the six months ended 30 June</b>	
	<b>2024 RMB'000 (Unaudited)</b>	2023 RMB'000 (Unaudited)
At beginning of the period	<b>30,604</b>	8,221
Provision for impairment, net	<b>6,943</b>	5,828
At end of the period	<b>37,547</b>	14,049

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Current	Past due		Total	
		Within 90 days	90 days to 1 year		Over 1 year
<b>At 30 June 2024</b>					
Expected credit loss rate	<b>0.93%</b>	<b>0.94%</b>	<b>5.80%</b>	<b>100.00%</b>	<b>1.23%</b>
Gross carrying amount (RMB'000)	<b>2,685,717</b>	<b>73,126</b>	<b>181,506</b>	<b>1,246</b>	<b>2,941,595</b>
Expected credit losses (RMB'000)	<b>25,080</b>	<b>687</b>	<b>10,534</b>	<b>1,246</b>	<b>37,547</b>
<b>At 31 December 2023</b>					
Expected credit loss rate	0.70%	0.71%	5.80%	100.00%	0.94%
Gross carrying amount (RMB'000)	2,933,952	154,143	151,922	220	3,240,237
Expected credit losses (RMB'000)	20,471	1,096	8,817	220	30,604

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
<b>Current</b>		
Investments in financial products (note (a))	<u>320,875</u>	<u>512,409</u>
<b>Non-current</b>		
Other unlisted investments, at fair value (note (b))	<u>743,409</u>	<u>684,706</u>

Notes:

- (a) The above investments represent investments in certain financial products issued by commercial banks with expected return rates ranging from 1.05% to 2.88% per annum. The returns on all of these financial products are not guaranteed. The fair values of the investments approximate to their costs plus expected return. None of these investments are either past due or impaired.
- (b) The balance as at 30 June 2024 represents unlisted equity investments in nine venture capital which specialise in making equity investments in the life science industry and two innovative biopharmaceutical manufacturers. The Group has an intention of holding them as long-term investments.

## 13. OTHER FINANCIAL ASSETS

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Investments in financial products	<u>1,431,441</u>	<u>1,909,966</u>

The above investments represent investments in certain financial products issued by commercial banks. These financial products had terms of less than one year and had guaranteed annual return rates ranging from 5.53% to 5.75%. None of these investments are either past due or impaired.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 14. CASH AND BANK BALANCES

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Cash and bank balances, unrestricted	<b>6,722,852</b>	2,246,714
Time deposits with original maturity of less than three months when acquired	<b>73,352</b>	3,733,799
Time deposits with original maturity of over three months when acquired (note (a))	<b>14,949,129</b>	16,454,178
Cash and bank balances	<b>21,745,333</b>	22,434,691

Note:

- (a) The above investments represent time deposits with initial term of over three months when acquired (including three months) issued by commercial banks with annual return rates ranging from 1.85% to 6.07%. None of these investments are either past due or impaired. None of these deposits are pledged.

## 15. TRADE AND BILLS PAYABLES

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Trade payables	<b>172,631</b>	121,042
Bills payable	<b>1,931</b>	42,721
<b>Total</b>	<b>174,562</b>	163,763

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date and bills date, is as follows:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 90 days	<b>171,133</b>	160,294
91 days to 180 days	<b>405</b>	950
181 days to 1 year	<b>1,552</b>	554
Over 1 year	<b>1,472</b>	1,965
<b>Total</b>	<b>174,562</b>	163,763

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 16. OTHER PAYABLES AND ACCRUALS

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Accrued expenses	<b>1,623,830</b>	1,546,526
Staff payroll, welfare and bonus payables	<b>278,939</b>	281,236
Other tax payables	<b>151,733</b>	141,551
Payables for purchase of items of property, plant and equipment	<b>41,746</b>	62,442
Other payables	<b>313,911</b>	343,925
<b>Total</b>	<b>2,410,159</b>	2,375,680

## 17. CONVERTIBLE BONDS

On 22 January 2021, the Company issued US\$600,000,000 zero coupon convertible bonds due in 2026. The bonds are convertible at the option of the bondholders into ordinary shares after 4 March 2021 on the basic conversion price of HK\$60.00 per share. In accordance with the terms and conditions of the Convertible Bonds, the Conversion Price was adjusted immediately after the record date for the payment of final dividend for the year ended 31 December 2023. As a result of the adjustment, the Conversion Price has been adjusted to HK\$58.13 per share with effect from 26 June 2024. Any convertible bonds not converted, redeemed or purchased and cancelled will be redeemed by the Company on 22 January 2026 at the price of the par value.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option.

The convertible bonds comprise two components:

The debt component was initially measured at fair value amounting to US\$562,489,000 (equivalent to RMB3,634,633,000). It is subsequently measured at amortized cost using the effective interest method after considering the effect of the transaction costs.

The derivative component comprises conversion options and early redemption options (not closely related to the debt component), which were initially measured at fair value amounting to US\$37,511,000 (equivalent to RMB242,387,000) and subsequently measured at fair value with changes in fair value recognized in profit or loss.

The total transaction costs of US\$4,000,000 (equivalent to RMB25,847,000) related to the issue of the convertible bonds were allocated to the debt and derivative components in proportion to their respective fair values.

On 22 January 2024, the Company redeemed the convertible bonds at total cash consideration of US\$590,622,000 (equivalent to RMB4,183,198,000). As the unredeemed convertible bonds are convertible at any time on or after 4 March 2021, they are presented as current liabilities as at 30 June 2024.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 17. CONVERTIBLE BONDS (Continued)

The convertible bonds have been split into the debt and embedded derivative components as follows:

	<b>Debt component RMB'000</b>	<b>Embedded derivative component RMB'000</b>	<b>Total RMB'000</b>
As at 1 January 2024	<b>4,220,197</b>	<b>2,743</b>	<b>4,222,940</b>
Repayment	<b>(4,183,198)</b>	–	<b>(4,183,198)</b>
Exchange adjustments	<b>231</b>	<b>17</b>	<b>248</b>
Interest charged	<b>265</b>	–	<b>265</b>
As at 30 June 2024 (Unaudited)	<b>37,495</b>	<b>2,760</b>	<b>40,255</b>
As at 1 January 2023	3,974,835	307,907	4,282,742
Exchange adjustments	149,605	11,547	161,152
Interest charged	28,954	–	28,954
Gains arising on changes of fair value	–	(9,141)	(9,141)
As at 30 June 2023 (Unaudited)	<b>4,153,394</b>	<b>310,313</b>	<b>4,463,707</b>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 18. SHARE CAPITAL

	<b>30 June 2024 RMB (Unaudited)</b>	31 December 2023 RMB (Audited)
Issued and fully paid: 5,935,650,070 shares of HK\$0.00001 each (31 December 2023: 5,933,350,070 shares of HK\$0.00001 each)	<b>52,286</b>	52,265

A summary of movements in the Company's share capital is as follows:

	<b>Number of shares in issue</b>	<b>Share capital RMB</b>
At 1 January 2024 (audited)	<b>5,933,350,070</b>	<b>52,265</b>
Issue of shares pursuant to the Group's Restricted Share Unit Scheme (the " <b>RSU Scheme</b> ") adopted on 27 May 2019, HK\$0.00001 each (note (a))	<b>2,300,000</b>	<b>21</b>
At 30 June 2024 (unaudited)	<b>5,935,650,070</b>	<b>52,286</b>

Note:

- (a) On 19 April 2024, the Company issued 2,300,000 new ordinary shares to Computershare Hong Kong Trustees Limited (the "**RSU Trustee**") pursuant to the terms of the RSU Scheme approved and adopted on 27 May 2019, with the purchase price being HK\$2.60 per restricted share unit for vesting.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 19. SHARE-BASED PAYMENTS

The Group's RSU Scheme was adopted pursuant to a resolution passed on 27 May 2019 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 13 June 2029. At 30 June 2024, the RSU Scheme representing up to an aggregate of 44,348,204 shares of the Company will be available for grant in the future.

The table below discloses movements of the RSU Scheme:

	For the six months ended 30 June	
	2024	2023
	Number of restricted share unit Share	Number of restricted share unit Share
Outstanding as at 1 January	35,405,000	32,364,620
Granted during the period	11,397,590	20,304,400
Cancelled/lapsed during the period	(5,690,065)	(1,762,460)
Vested during the period	(13,599,635)	(13,810,960)
Outstanding as at 30 June	<u>27,512,890</u>	<u>37,095,600</u>

During the six months ended 30 June 2024, 11,397,590 restricted share units were granted on 27 June 2024. Vesting commencement date is 27 June 2024. The closing price of the Group's shares immediately before 27 June 2024, the date of grant, was HK\$16.48 per share. These restricted share units will be vested subject to certain performance indicators and other requirements in the grant letter between the employees and the Group, including requirements based on the achievement of the Group's annual results and the employees' individual annual performance. Approximately 34% shall vest on the first anniversary of the vesting commencement date and the remaining approximately 33% and approximately 33% shall vest on the second and third anniversary of the vesting commencement date, respectively.

The Group recognised share-based payments expense of RMB67,587,000 (30 June 2023: RMB86,225,000) during the reporting period.



# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 19. SHARE-BASED PAYMENTS *(Continued)*

The fair value of the restricted share units determined on 27 June 2024 using the Binomial model was HK\$13.10 per unit. The following assumptions were used to calculate the fair value of the restricted share units:

	<b>27 June 2024</b>
Weighted average closing price	<b>HK\$16.48</b>
Purchase price	<b>HK\$3.379</b>
Vesting period	<b>3 years</b>
Vest volatility	<b>47.58%-50.31%</b>
Dividend yield	<b>1.7%</b>
Risk-free interest rate	<b>3.59%-3.65%</b>

The binomial model has been used to estimate the fair value of the restricted share units. The variables and assumptions used in computing the fair value of the restricted share units are based on the directors' best estimate. Changes in estimates and assumptions may result in changes in fair value of the restricted share units.

At the end of each reporting period, the Group revises its estimates of the number of restricted share units that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to the share-based payment reserve.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 20. TREASURY SHARES

As instructed by the Board, the RSU Trustee is appointed to acquire a certain number of shares from the open market for the RSU Scheme, and the purchased shares will be held by the RSU Trustee, recognised as treasury shares, until such shares are vested in accordance with the provisions of the RSU Scheme.

During the six months ended 30 June 2024, a summary of movements in the treasury shares is as follows:

	Number of shares	Treasury shares <i>RMB'000</i>
At 1 January 2024	9,614,700	108,629
Shares Purchase for RSU Scheme	3,000,000	33,693
Vested	<u>(11,299,635)</u>	<u>(128,723)</u>
At 30 June 2024 (unaudited)	<u>1,315,065</u>	<u>13,599</u>
	Number of shares	Treasury shares <i>RMB'000</i>
At 1 January 2023	2,397,660	28,027
Shares Purchase for RSU Scheme	6,656,000	79,454
Vested	<u>(2,810,960)</u>	<u>(33,502)</u>
At 30 June 2023 (unaudited)	<u>6,242,700</u>	<u>73,979</u>

## 21. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Property, plant and equipment	<u>67,609</u>	<u>80,445</u>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 22. RELATED PARTY TRANSACTIONS

### (a) Name of and relationship with related parties

Name	Relationship
江蘇恒瑞醫藥股份有限公司 (“ <b>Jiangsu Hengrui Medicine</b> ”)	Entity controlled by a close family member of a director
山東盛迪醫藥有限公司 (“ <b>Shandong Shengdi Medicine</b> ”)	Entity controlled by a close family member of a director
成都新越醫藥有限公司 (“ <b>Chengdu Xinyue Medicine</b> ”)	Entity controlled by a close family member of a director

### (b) Transactions with a related parties

The following transactions were carried out with a related party:

	For the six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Cost of purchasing services Shandong Shengdi Medicine	<u>535</u>	–
Proceeds from sale of property, plant, and equipment Jiangsu Hengrui Medicine	<u>17,151</u>	–
Cost of purchasing materials Jiangsu Hengrui Medicine	<u>187</u>	–
Chengdu Xinyue Medicine	<u>104</u>	–

The directors of the Company are of the opinion that the above sales to related parties and purchases from related parties were conducted in the ordinary course of business and on normal commercial terms.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 22. RELATED PARTY TRANSACTIONS (Continued)

### (c) Outstanding balances with related parties

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Other payables		
Shandong Shengdi Medicine	<u>111</u>	<u>–</u>
Other receivables		
Jiangsu Hengrui Medicine	<u>16,190</u>	<u>–</u>
Trade payables		
Chengdu Xinyue Medicine	<u>117</u>	<u>–</u>

### (d) Compensation of key management personnel of the Group:

	<b>For the six months ended 30 June</b>	
	<b>2024 RMB'000 (Unaudited)</b>	2023 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	<b>34,124</b>	32,343
Performance related bonuses	<b>18,691</b>	22,472
Share-based payments	<b>29,982</b>	39,473
Pension scheme contributions	<u>1,107</u>	<u>1,214</u>
Total compensation paid to key management personnel	<u><b>83,904</b></u>	<u>95,502</u>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

### Financial assets

	Carrying amount		Fair value	
	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Financial assets at fair value through profit or loss	1,064,284	1,197,115	1,064,284	1,197,115
Debt investments at fair value through other comprehensive income	34,367	4,618	33,964	4,596
<b>Total</b>	<b>1,098,651</b>	<b>1,201,733</b>	<b>1,098,248</b>	<b>1,201,711</b>

### Financial liabilities

	Carrying amount		Fair value	
	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Convertible bonds	40,255	4,222,940	40,255	4,222,940

Management has assessed that the fair values of cash and cash equivalents, time deposits with original maturity of over three months when acquired, trade and bills receivables, trade and bills payables, other financial assets, deposits and other receivables, financial liabilities included in other payables and accruals and dividends payable approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The following methods and assumptions were used to estimate the fair values:

The changes in fair value as a result of the Group's own non-performance risk for lease liabilities as at 30 June 2024 were assessed to be insignificant. The fair value of the liability portion of the convertible bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond with consideration of the Group's own non-performance risk.

The Group held bills receivable within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Bills receivable is measured at fair value through other comprehensive income. The Group has estimated the fair value of bills receivable by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair value of unlisted equity investments designated at fair value through profit or loss has been estimated based on the most recent transaction price.

The Group invests in financial assets at fair value through profit or loss, which represent wealth management products issued by banks. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2024 and 31 December 2023:

Financial instruments	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Bills receivable held both to collect cash flows and to sell	Discounted cash flow method	Discount rate per annum	3.28% to 3.62% (2023: 3.28% to 3.62%)	5% (2023: 5%) increase/decrease in discount rate would result in decrease/increase in fair value by 0.01% (2023: 0.02%)

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

### Fair value hierarchy

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

*Assets measured at fair value:*

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 30 June 2024</b>				
Financial assets at fair value through profit or loss	–	320,875	743,409	1,064,284
Bills receivable	–	–	33,964	33,964
<b>Total</b>	<b>–</b>	<b>320,875</b>	<b>777,373</b>	<b>1,098,248</b>
<b>As at 31 December 2023</b>				
Financial assets at fair value through profit or loss	–	512,409	684,706	1,197,115
Bills receivable	–	–	4,596	4,596
<b>Total</b>	<b>–</b>	<b>512,409</b>	<b>689,302</b>	<b>1,201,711</b>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

### Fair value hierarchy *(Continued)*

*Liabilities measured at fair value:*

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB'000	(Level 2) RMB'000	(Level 3) RMB'000	
<b>As at 30 June 2024</b>				
Convertible bonds – embedded derivative instruments	–	–	2,760	2,760
<b>As at 31 December 2023</b>				
Convertible bonds – embedded derivative instruments	–	–	2,743	2,743

During the period/year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

## 24. EVENTS AFTER THE REPORTING PERIOD

On 17 July 2024, the company made payments of RMB768,760,000 to shareholders in relation to dividends declared for the year ended 31 December 2023 (HK\$14.22 cents per share).

On 8 August 2024, the Group entered into a license agreement (the “**Licensing Agreement**”) with Guangzhou Lupeng Pharmaceutical Co., Ltd. (“**Lupeng Pharma**”). Pursuant to the Licensing Agreement, the Group obtained an exclusive license from Lupeng Pharma to develop and commercialize LP-168 within Chinese Mainland, Hong Kong, Macau and Taiwan (“**Territory**”). The Group will be responsible for R&D, obtaining regulatory approval, manufacturing and commercialization of LP-168 in all non-tumor indications in the Territory, and will pay an upfront payment and potential R&D, regulatory and commercial milestone payments of up to RMB729,000,000, plus up to double-digit tiered royalties on future product sales.

Save as disclosed above, the Group has no other material events after the reporting period up to the date of this report.



# Definitions

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

“2023 Annual Report”	the annual report of the Company for the year ended December 31, 2023 published on April 29, 2024
“ADC”	antibody-drug conjugate
“Amgen”	Amgen INC
“Apex Medical”	APEX MEDICAL COMPANY LTD., a company incorporated in the BVI as a limited liability company and wholly-owned by Mr. Cen Junda
“ASCO”	the American Society of Clinical Oncology
“associate”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Bcr-Abl TKI”	BCR-ABL protein tyrosine kinase inhibitor (TKI)
“BD”	business development
“Biotheus”	Biotheus Inc* (普米斯生物技術(珠海)有限公司)
“Board”	the board of Directors of the Company
“BVI”	the British Virgin Islands
“China” or “the PRC”	the People’s Republic of China
“CKD”	chronic kidney disease
“CNS”	central nervous system
“Code Provisions”	provisions under Corporate Governance Code
“Company” or “our Company”	Hansoh Pharmaceutical Group Company Limited, a company incorporated in the Cayman Islands with limited liability, its shares are listed and traded on the Main Board of the Stock Exchange

## Definitions

“Company Code”	the Company’s own code of conduct regarding securities transactions of the Company by Directors and relevant employees
“connected person”	has the meaning ascribed thereto under the Listing Rules
“connected transaction”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	On January 22, 2021, the Company completed the issuance of US\$600 million of zero-coupon convertible bonds due in 2026 to professional investors (has the meaning given to it in the Securities and Futures Ordinance (Cap. 571) and the Securities and Futures (Professional Investors) Rules (Cap. 571D)), which are listed and traded on the Stock Exchange with bond code of 40546
“core connected person”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CSA”	Corporate Sustainability Assessment
“Director(s)”	the director(s) of the Company
“EGFR”	epidermal growth factor receptor
“EGFR-TKI”	epidermal growth factor receptor (EGFR)-tyrosine kinase inhibitor (TKI)
“ES-SCLC”	extensive-stage small-cell lung cancer
“ESA(s)”	erythropoiesis-stimulating agent(s)
“ESG”	environmental, social and governance
“ESG Committee”	the environmental, social and governance committee of the Board
“GIP”	glucose dependent insulinotropic polypeptide
“GLP-1”	glucagon like peptide-1 receptor
“GMP”	Good Manufacturing Practice

## Definitions

“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries and, in respect of the period before the Company became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“GSK”	GSK plc
“Harmonia Holding”	Harmonia Holding Investing (PTC) Limited
“HK\$” or “Hong Kong dollar(s)” or “cent”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Lupeng Pharma”	Guangzhou Lupeng Pharmaceutical Co., Ltd.* (廣州麓鵬製藥有限公司)
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NDA”	New Drug Application
“NHC”	the National Health Commission of the People’s Republic of China (中華人民共和國國家衛生健康委員會)
“NHTA”	the National Healthcare Security Administration of the People’s Republic of China (中華人民共和國國家醫療保障局)
“NMOSD”	neuromyelitis optica spectrum disorders
“NMPA”	the National Medical Products Administration of the People’s Republic of China (中華人民共和國國家藥品監督管理局)

## Definitions

“Nomination Committee”	the nomination committee of the Board
“NRDL”	the National Reimbursement Drug List for Basic Medical Insurance, Work- Related Injury Insurance and Maternity Insurance Catalogue* (國家基本醫療保險、工傷保險和生育保險藥品目錄) released by the NHSA
“NSCLC”	non-small cell lung cancer
“Prospectus”	the prospectus of the Company dated May 31, 2019
“Qyuns”	Qyuns Therapeutics Co., Ltd.
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	the period of 6 months from January 1, 2024 to June 30, 2024
“RSU(s)”	restricted share unit(s)
“RSU Scheme”	the scheme conditionally approved and adopted by the Company on May 27, 2019, which has granted restricted share units upon completion of the Global Offering, the details of which are set out in the section headed “Statutory and General Information” in Appendix IV of the Company’s Prospectus
“RSU Trustee”	Computershare Hong Kong Trustees Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of the Company with nominal value of HK\$0.00001 each, which are listed and traded on the Stock Exchange
“Shareholder(s)”	holder(s) of Shares

## Definitions

“Stellar Infinity”	Stellar Infinity Company Ltd., a company incorporated in the BVI as a limited liability company and held as to 100% by Sunrise Investment
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy and Development Committee”	the strategy and development committee of the Board
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Sunrise Investment”	Sunrise Investment Advisors Limited, a company incorporated in the BVI with limited liability and held as to 100% by Harmonia Holding
“Sunrise Trust”	Sunrise Trust, a discretionary trust set up by Ms. Sun, of which Harmonia Holding acts as the trustee pursuant to a trust deed dated January 28, 2016
“T2DM”	type 2 diabetes mellitus
“U.S. FDA”	the United States Food and Drug Administration
“Viela Bio”	Viela Bio, Inc.
“%”	Percentage

\* *For identification purposes only*